

Strategy 23

Use funding mechanisms to support the long-term care nursing workforce

Strategy 23.1 NC Medicaid should consider and/or implement policies that help address the long-term care nursing workforce shortage to ensure quality of care, by:

- a) Considering the impact that transitioning to Medicaid managed care for dual eligibles would have on the nursing workforce and making efforts to ensure any transition does no harm to that workforce nor makes it harder to grow that workforce.
- b) Piloting a proposal-based incentive program directed at improving the workforce.
- c) Evaluating the overall funding and reimbursement levels for long-term services and supports (LTSS) (e.g., nursing facilities, home- and community-based services, etc.) to ensure they are adequate to support and attract a sufficiently sized nursing workforce to provide high-quality LTSS to North Carolinians who need those services.

Desired Result

Ensure quality of care for long-term services and supports (LTSS) by addressing the nursing workforce shortage through policy considerations and incentive programs.

Why does the task force recommend this strategy?

The task force advocates for this strategy due to the critical role nurses play in providing LTSS, particularly in long-term care (LTC) facilities, the growing need for LTSS, and the persistent challenges of recruitment and retention in the nursing workforce. Additionally, the strategy aligns with the goal of keeping an eye on high-quality LTSS amidst demographic shifts and health care transformations.

Context

NURSES IN LONG-TERM CARE

Nurses are central to LTC facilities, providing comprehensive care that includes assessment, medication administration, wound care, emotional support, and coordination with other health care professionals. Nationally, nurses comprise about 16% to 34% of the workforce in LTC and function as the leaders of day-to-day care, supervise direct care workers, and ensure the quality of care and residents' quality of life.⁵⁰ In LTC settings, staff are disproportionately women, people of color, and immigrants.⁵¹ Nurses with an associate degree are more likely to work in LTC and home care/hospice, with around half of LPNs and 8% of RNs in North Carolina working in these settings.⁵²

GROWING NEED FOR LONG-TERM CARE WITH AGING POPULATION

North Carolina, like many states, faces an increasing demand for LTC services due to an aging population. North Carolina ranks 9th nationally for the number of people aged 65 years and older. With advancements in medical care prolonging life expectancy, the oldest age group (85+ years) is expected to grow by over 114% in the next two decades. Additionally, LTC facilities are increasingly providing a higher level of care, which requires adequate nursing staff to meet patients' complex needs. For older adults who are not in residential long-term care, many will require some form of LTSS in a home or community setting.

FUNDING MECHANISMS IMPACTING NURSING WORKFORCE

State Medicaid programs are the primary payers for LTC. Adequate funding is essential to ensuring sufficient staffing levels and competitive salaries. However, current payment rates for LTC services can be a limiting factor for competitive wages and other recruitment and retention strategies outlined elsewhere in this report. As a result, LTC facilities with a higher proportion of residents paying through Medicaid may have more challenges with quality, and research has shown that residents of color are more likely to live in those facilities.⁵³ Other states, such as Illinois, have passed legislation to improve Medicaid rates and determine payment according to performance across key quality metrics, including staffing measures.⁵⁴

EXPLANATION OF CMS PROPOSAL FOR STAFFING STANDARDS IN NURSING FACILITIES

The Centers for Medicare & Medicaid Services (CMS) has proposed guidelines for staffing ratios in nursing facilities to enhance resident safety and improve quality of care, which are based on the CMS Nursing Home Staffing Study, published in 2023.^{55,56} The proposed CMS staffing standards were discussed earlier in the report, see Page 99 for more information.



Possible LTC Models to Support Workforce

The Institutional Special Needs Plan (I-SNP) model, tailored for long-stay nursing home residents within Medicare Advantage programs, integrates on-site nurse practitioners supervised by medical directors. I-SNPs are a possible model for reducing costs and improving care, with one study showing a 51% reduction in emergency department visits and a 38% reduction in hospitalizations.^{*,**} Reports from people within the industry also indicate higher job satisfaction among nurses and greater satisfaction with care among residents. Provider-led I-SNPs can also generate an additional source of income for LTC companies, allowing them to have more revenue to invest in maintaining staffing levels and quality of care.^{***}

As North Carolina progresses through ongoing health care transformation efforts that aim to align incentives and enhance care for individuals who are eligible for both Medicare and Medicaid (dual-eligibles), the effective components of the I-SNP model should be considered.^{****} Piloting an Aligned I-SNP model tailored to serve the needs of nursing home residents is one approach for integrating Medicare and Medicaid. Such an approach may also yield benefits for the nursing home workforce.

^{*}Schotland, et al. Medicare Payment Policy for Post-Acute Care in Nursing Homes. Penn Leonard Davis Institute of Health Economics. https://ldi.upenn.edu/wp-content/uploads/2023/09/Penn-LDI-Issue-Brief-September-2023_FINAL.pdf

^{**}McGarry BE, Grabowski, DC. Managed Care for Long-Stay Nursing Home Residents: An Evaluation of Institutional Special Needs Plans. *Am J Manag Care*. 2019;25(9):438-44. https://ajmc.s3.amazonaws.com/_media/_pdf/AJMC_09_2019_McGarry%20final.pdf

^{***}Stubbs, F. (2023, February 9). Revenue-boosting strategies for a struggling SNF industry. *McKnight's Long-Term Care News, NA*. <https://link.gale.com/apps/doc/A737059182/AONE?u=anon-cfa8216d&sid=googleScholar&xid=092bf16c>

^{****}Duke Margolis Center for Health Policy. North Carolina Medicare-Medicaid Integration: Advancing Whole-Person Care. October 2022. https://healthpolicy.duke.edu/sites/default/files/2022-10/NC%20Medicare-Medicaid%20Integration%20Advancing%20Whole-Person%20Care_2.pdf

KEY RESOURCE NEEDS



In 2024, CMS and the Health Resources and Services Administration (HRSA) will be investing over \$75 million to bolster the LTC workforce through financial incentives like scholarships and tuition reimbursement. North Carolina should leverage these funds once the mechanisms for doing so are announced, potentially applying for state participation and/or assisting individuals and nursing facilities in effectively accessing these resources.