

Remarks at HHS Sec. Becerra Meeting 10/31/2023

Good afternoon and thank you for your time today. My name is Shannon Strickler, President & CEO of LeadingAge Iowa. Our association represents not for profit providers across the care continuum in Iowa including approximately 75 nursing homes.

Our nursing home members range in size from micro in rural areas with 18 beds to the largest provider in the state, the Iowa Veterans Home, with approximately 350 beds. An average sized nursing home in Iowa has 67 beds. Our members have a long tradition of serving their communities, the majority of which were formed by churches or service organizations and continue to be locally governed.

Our biggest threat to serving older adults in Iowa is the workforce. We are experiencing an unprecedented workforce crisis with no end in sight.

Overall, Iowa has over 65,000 job openings but only 50,200 people unemployed, meaning we have 22% more job openings than people unemployed. As you recognize, aging services providers do not just want bodies in our communities; rather we need skilled, trustworthy, and compassionate individuals who desire to work with older adults and deliver quality services, so our applicant pool is even smaller.

If we look at the health care occupations specifically,

- Registered Nurses have been the most in demand job for months with 3,262 job openings as of October 1. Unfortunately, we are going in the wrong direction in filling those positions here. According to the Iowa Board of Nursing, the number of licensed RNs in the state actually went down by 5.5% from FY 2022-FY2023, even factoring in the 1,786 new nurses that passed their Licensure exam. This means we replaced about 1/3 of the nurses lost last year. More troubling, 41% of the RNs are over the age of 50 and 20% are eligible for retirement and our nursing programs are not full.
- RNs aren't the only job in high demand. While RNs are the most in demand job, CNAs and LPNs are also in the top 5.

We are a state with a relatively flat overall population that is rapidly aging. Over the next 20 years, all the fastest growing age groups in Iowa are over age 65 with the 85+ population expected to grow by 90%. This makes workforce our #1 concern.

All of my members are actively trying to hire additional staff. They are also cultivating their organizational culture to boost retention because we are fighting with other healthcare providers for the same limited supply of people. And right now, nursing homes are losing.

Since the start of the pandemic, the nursing home workforce has shrunk by 11.31% as compared to -.3% percent or essentially back to normal in the hospital setting.

Since the start of 2022, 30 nursing homes in Iowa have announced closure. These closures tie directly back to available workforce and financial pressures to compete with skyrocketing labor costs in the marketplace whether it's against other providers or the objectionably high costs of staffing agencies.

Those who have not closed have reduced admissions to match the staff available which has also backed up the healthcare system and restricted access to care placing pressure on family caregivers and jeopardizing safety in the greater community with some sad outcomes.

Our state improved Medicaid rates earlier this year which frankly saved some providers from closing, but the reimbursement is still inadequate. Medicaid rates are 8-11% below the cost of care from 2022 cost reports and that gap continues to widen making it nearly impossible to compete with hospitals for nurses.

And ultimately, while money helps, it doesn't create the people we need to address our workforce crisis. This is a problem across our entire state, but especially amplified in our rural communities.