

Examining staffing ratios and turnover rates in nursing facilities

Kathryn Linehan

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Presentation outline

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- 3 Low-income share and margins among nursing facilities with relatively low and high staffing ratios
- 4 CMS's proposed minimum staffing rule for nursing facilities
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Types of nursing staff in nursing facilities

- Registered nurses (RNs): Must complete at least a 2-year degree and become licensed in their state
- Licensed practical nurses (LPNs): Must complete a 1-2-year degree and become licensed in their state
- Nursing assistants: One type, certified nursing assistants (CNAs), must complete 75 hours of training and become certified in their state

Relationship between nursing facility staffing and quality has been extensively studied

- Evidence of relationship between quality and total staffing is mixed
- RN staffing has been found to be associated with:
 - Fewer pressure ulcers
 - Fewer infections
 - Less pain
- Large daily variations in staffing levels and higher nursing staff turnover associated with lower quality

Note: ED (emergency department).

Source: Clemens et al., "The relationship between quality and staffing in long-term care: A systematic review of the literature 2008-2020," *International Journal of Nursing Studies* 2021. Gandhi et al., "High nursing staff turnover in nursing homes offers important quality information," *Health Affairs* 2021. Jutkowitz et al., "Effects of nurse staffing on resident outcomes in nursing homes: A systematic review," *Journal of the American Medical Directors Association* 2023. Loomer et al., "Association between nursing home staff turnover and infection control citations," *Health Services Research* 2022. Mukamel et al., "Daily variation in nursing home staffing and its association with quality measures," *JAMA Open Network* 2022. Zheng et al., "Association between staff turnover and nursing home quality: Evidence from Payroll-Based Journal Data," *Journal of American Geriatrics Society* 2022.

Federal staffing requirements for nursing facilities

- A director of nursing who is an RN
- An RN on duty 8 consecutive hours per day for 7 days a week
- A licensed nurse (either an RN or LPN) on duty 24 hours per day for 7 days a week
- CMS: "Sufficient nursing staff with appropriate competencies and skill sets to provide nursing and related services to assure resident safety and attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident."
- "Sufficient" is not quantified in federal regulations

Source: 42 CFR 483.35

State staffing requirements for nursing facilities vary widely

- 38 states and the District of Columbia have minimum staffing requirements, but they vary widely
- 8 states and DC have requirements of 3.3 hours per resident day (HPRD) or higher
- Type of staff with required minimums also varies
 - E.g., 10 states have minimum HPRD standards for NAs, ranging from 1.04 to 2.44

Source: Centers for Medicare & Medicaid Services (2023). Medicare and Medicaid programs; minimum staffing standards for long-term care facilities and Medicaid institutional payment transparency reporting. *Federal Register*.

State payment policies to encourage nursing facility staffing

Wage pass-through policies

- 11 states
- Nursing facilities must spend a specified portion of a Medicaid rate on staff compensation

Cost-based payment

- 32 states + DC
- Medicaid rates tied to costs of direct care

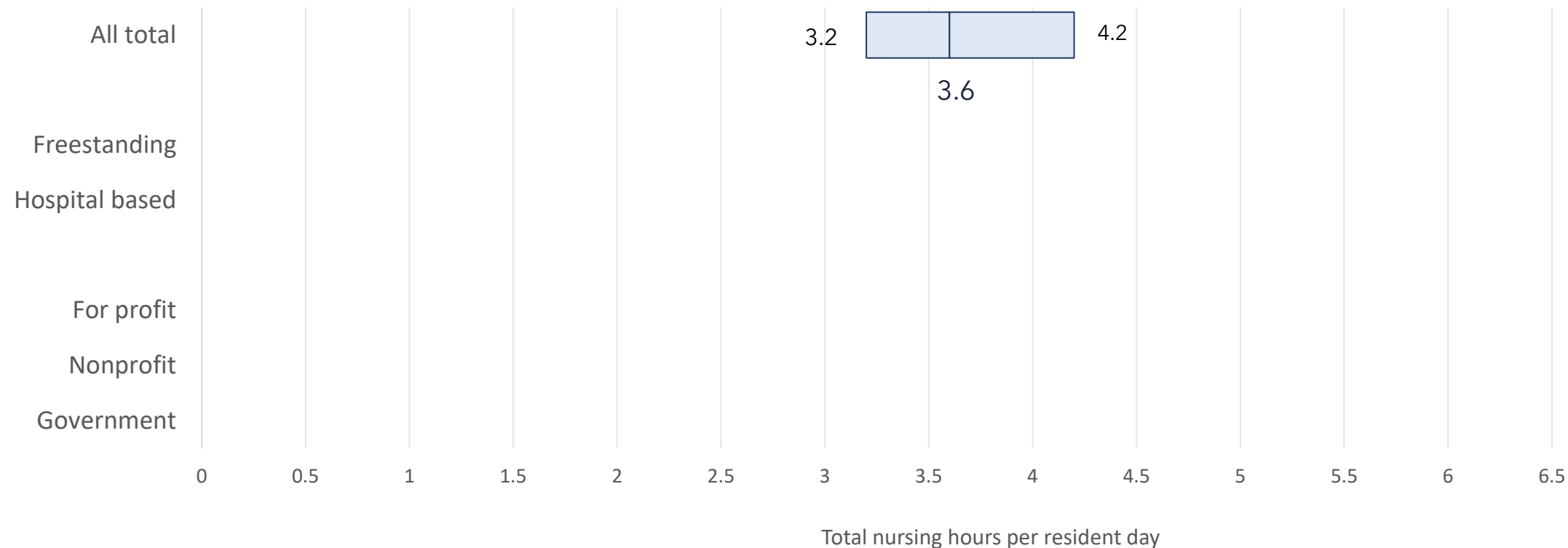
Direct-care spending requirement

- 3 states
- Nursing facilities must spend a specified portion of revenue on direct patient care

Note: DC (District of Columbia)

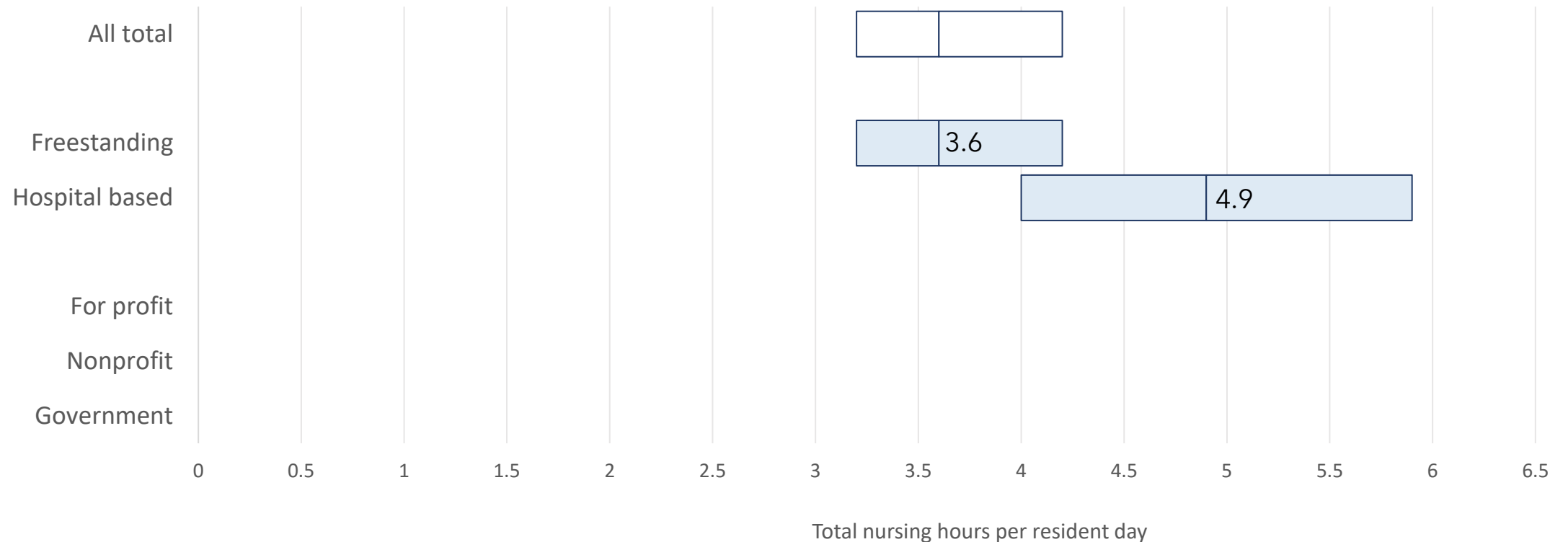
Source: Medicaid and CHIP Payment and Access Commission (2022). State policy levers to address nursing facility staffing issues. Washington, DC, MACPAC. Jaffe, S. (2021). 3 states limit nursing home profits in bid to improve care. Washington, DC, Kaiser Family Foundation.

The median SNF had 3.6 total nursing hours per resident day in 2022



Note: SNF (skilled nursing facility). Nursing hours per resident day are acuity-adjusted.
Source: MedPAC analysis of quarterly nursing facility staffing measures from CMS’s provider data catalog.

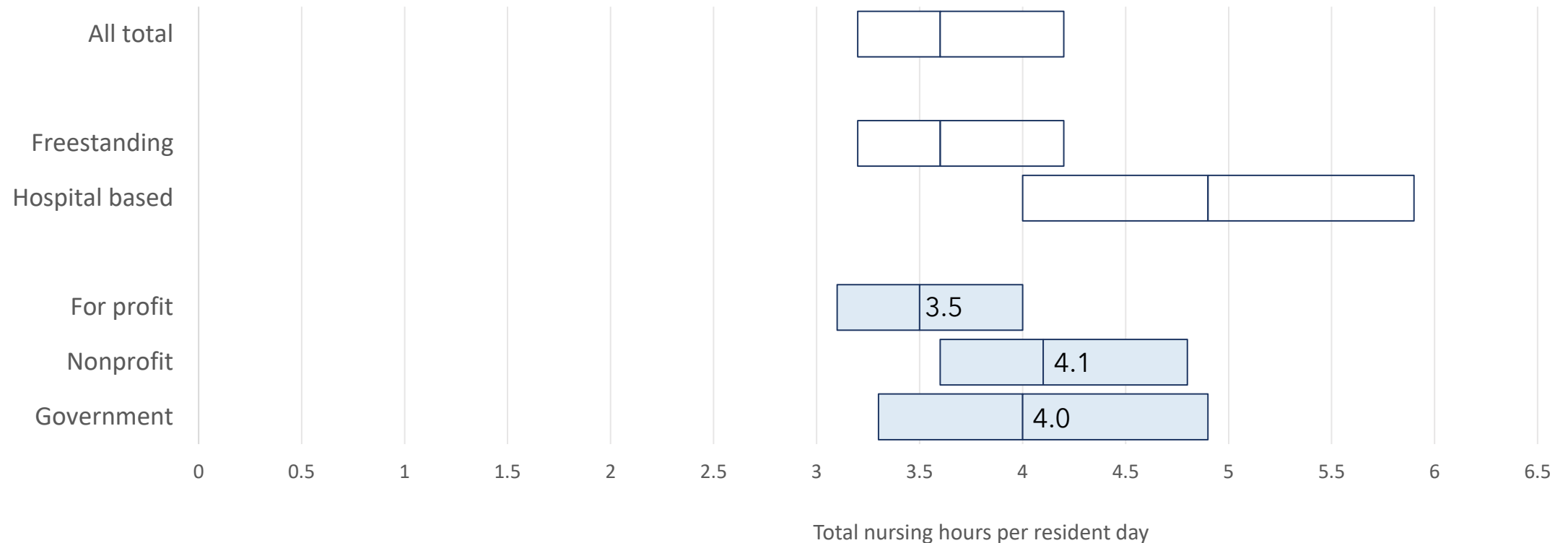
Freestanding SNFs had lower staffing ratios than hospital based SNFs



Note: SNF (skilled nursing facility). Nursing hours per resident day are acuity-adjusted.

Source: MedPAC analysis of quarterly nursing facility staffing measures from CMS's provider data catalog.

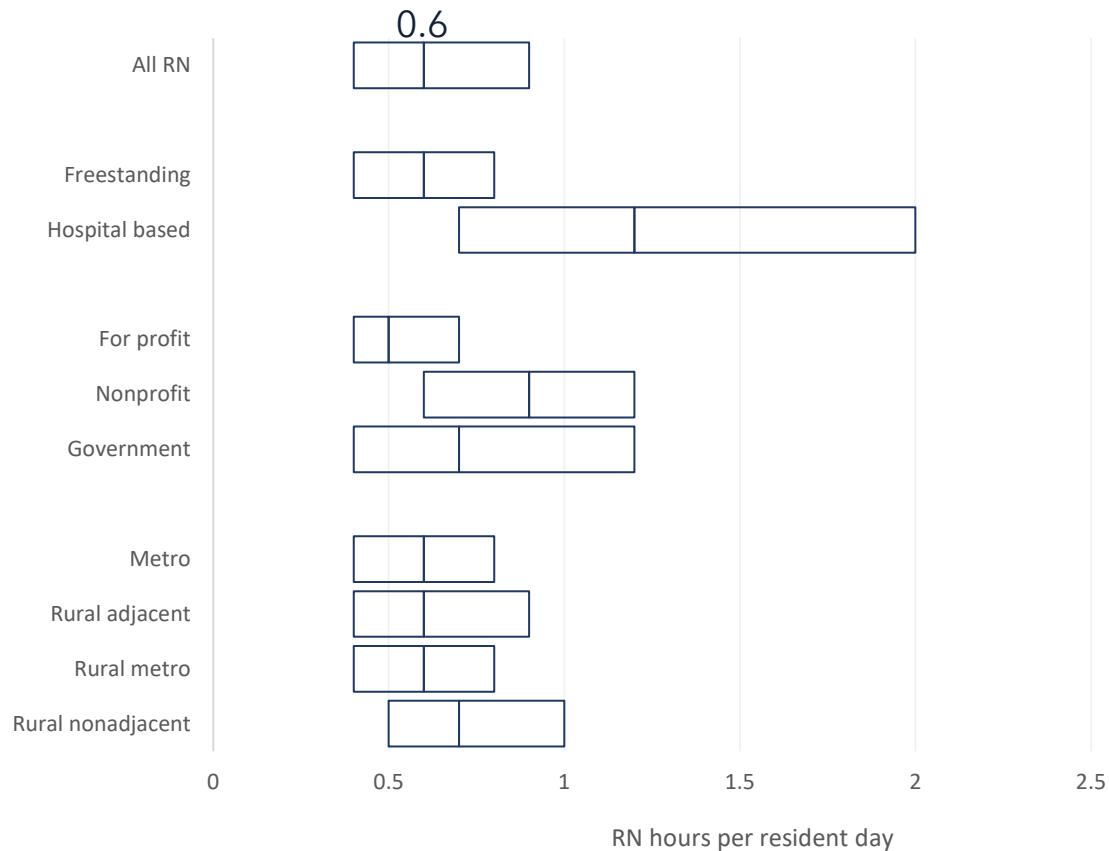
For-profit SNFs had lower staffing ratios than nonprofit and government SNFs



Note: SNF (skilled nursing facility). Nursing hours per resident day are acuity-adjusted.

Source: MedPAC analysis of quarterly nursing facility staffing measures from CMS's provider data catalog.

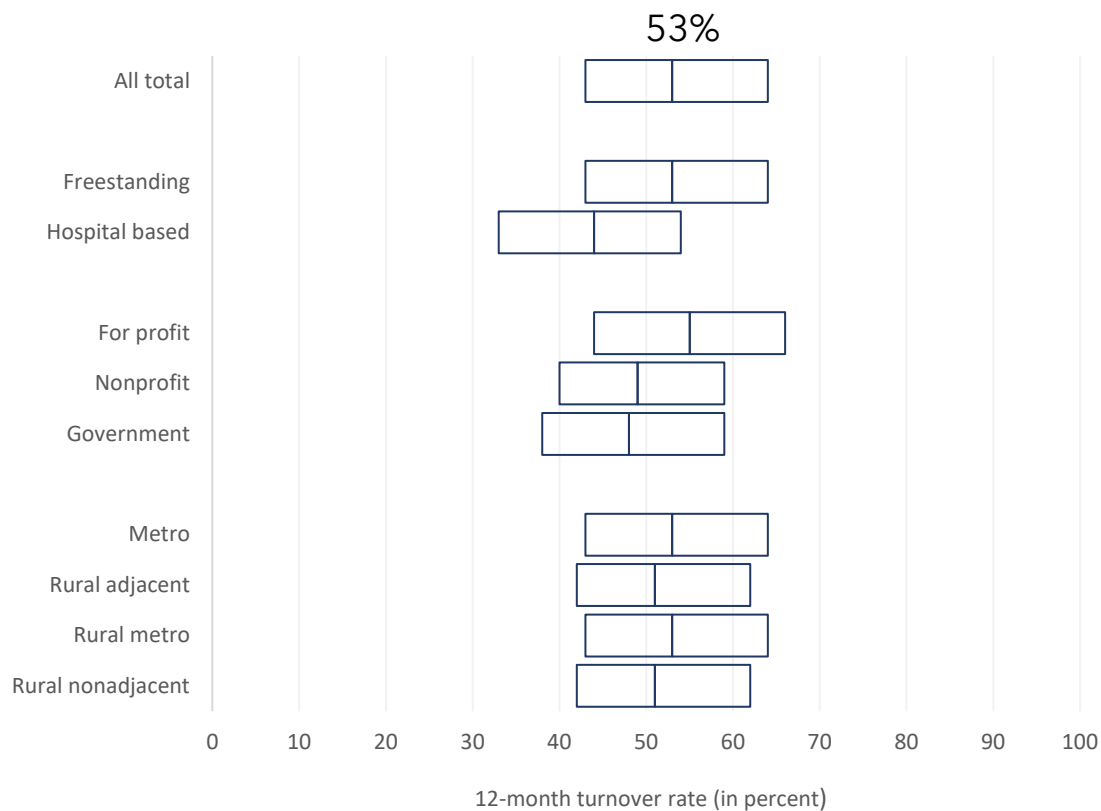
The median SNF had 0.6 RN hours per resident day in 2022



- Freestanding SNFs had lower median RN HPRD than hospital based SNFs
- For-profit SNFs had lower median RN HPRD than nonprofit and government SNFs

Note: SNF (skilled nursing facility, RN (registered nurse), HPRD (hours per resident day). HPRD are acuity-adjusted.
Source: MedPAC analysis of quarterly nursing facility staffing measures from CMS's provider data catalog.

The median SNF had a 12-month turnover rate of 53 percent in 2022



- Hospital-based SNFs had lower median turnover than freestanding SNFs
- Nonprofit and government SNFs had lower median turnover than for profit SNFs
- Similar medians and distributions across geographic categories

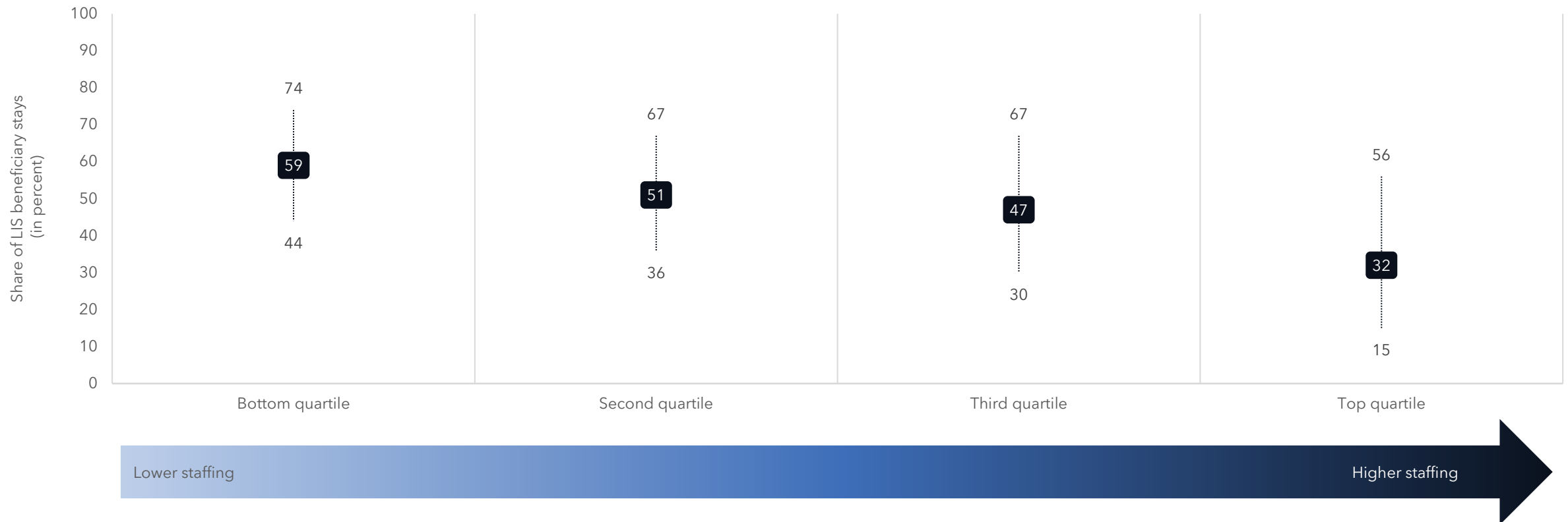
Note: SNF (skilled nursing facility)

Source: MedPAC analysis of quarterly nursing facility staffing measures from CMS's provider data catalog.

Relationship between staffing, low-income share, and financial performance

- Medicare margins vary widely across freestanding SNFs
- SNFs with higher Medicare margins
 - Have lower standardized costs per day
 - Tend to be larger
 - Have higher share of cases with low incomes
- Are differences in staffing driving some of the variation in financial performance?

Freestanding SNFs with lower staffing have higher shares of Medicare-covered stays attributable to LIS beneficiaries

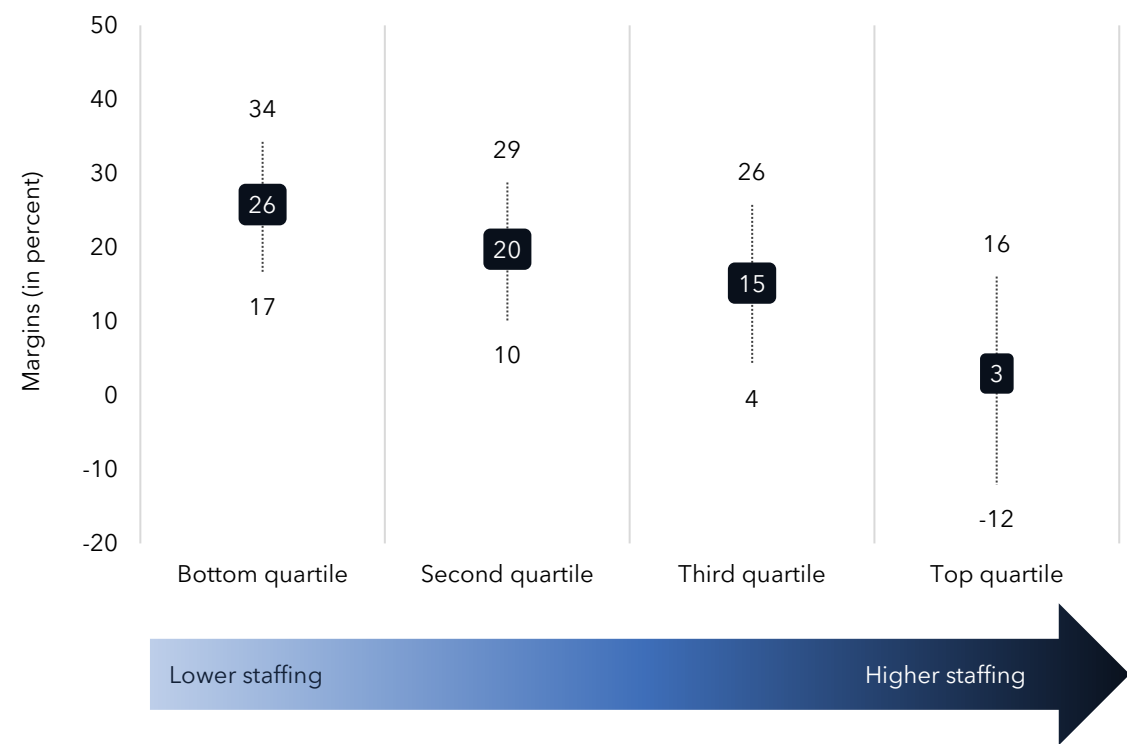


Note: SNF (skilled nursing facility). Quartiles of staffing ratios are defined using acuity-adjusted total nurse hours per resident day for all SNFs with valid data.

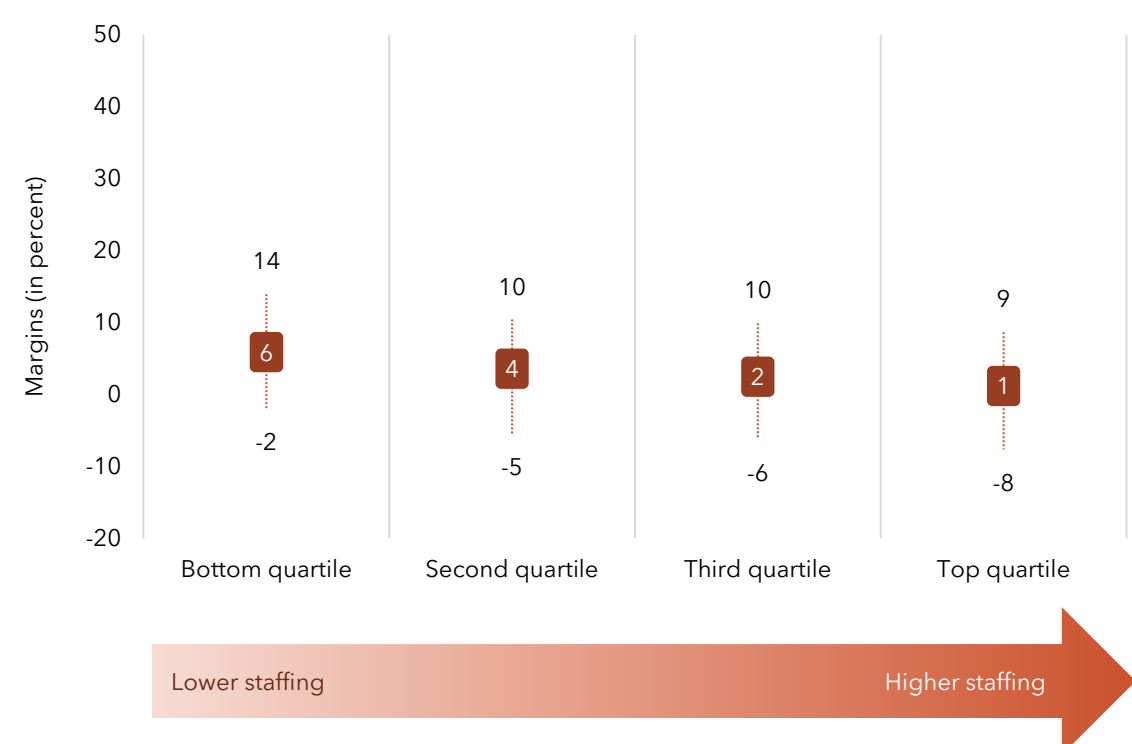
Source: MedPAC analysis of staffing data from the Provider Data Catalog, Medicare Provider Analysis and Review, and the Common Medicare Environment.

Freestanding SNFs with lower staffing have higher median Medicare margins, but the range of total margins across staffing quartiles largely overlapped

Medicare margins, 2021



Total margins, 2021



Note: SNF (skilled nursing facility, HPRD (hours per resident day). Quartiles of staffing ratios are defined using acuity-adjusted total nurse hours per resident day for all SNFs with valid data. Aggregate average margins are 17.2 percent.
Source: MedPAC analysis of SNF Medicare cost reports and staffing data.



CMS's proposed minimum staffing rule

Key provisions of proposed minimum staffing rule

24/7
RN

0.55
RN
HPRD

2.45
NA
HPRD

**Effective 2 years
after publication of
the final rule (3 years
for rural providers)**

**Effective 3 years
after publication of
the final rule (5 years
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Note: RN (registered nurse), HRPD (hours per resident per day), NA (nursing assistants)

Source: Centers for Medicare & Medicaid Services (2023). Medicare and Medicaid programs; minimum staffing standards for long-term care facilities and Medicaid institutional payment transparency reporting. *Federal Register*.

Additional details about the proposed staffing rule

- Includes criteria for exemptions to the 0.55 RN HPRD and 2.45 nurse aide HPRD requirements
- Does not include proposed minimums for LPNs or total nurse staff
- Does not include provisions that would require Medicare, Medicaid, or other payers to increase payment rates to nursing facilities
- Requires states to report on the share of Medicaid payments for Medicaid-covered services in nursing facilities that are spent on compensation for direct care workers and support staff

Note: RN (registered nurse), HRPD (hours per resident per day), LPN (licensed practical nurse)

Source: Centers for Medicare & Medicaid Services (2023). Medicare and Medicaid programs; minimum staffing standards for long-term care facilities and Medicaid institutional payment transparency reporting. *Federal Register*.

Next steps

- Analysis of staffing data will be included in the SNF payment adequacy chapter in March 2024 report
- Informational chapter with updated staffing analysis in June 2024 report
- Additional work on policy options to improve staffing in nursing facilities?
 - Minimum staffing requirements?
 - Wage pass-through policies?
 - Direct-care spending requirements?



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