Testimony of
Michele H. Kimball
Senior State Director, AARP Minnesota
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Workforce Shortage Working Group
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Thank you for the opportunity to speak before you today about the anticipated workforce shortage in our current long-term care system. As our population is aging, this is a significant and timely topic, and AARP is pleased to contribute to the efforts of your important group.

As a member of the Seniors and Workers for Quality coalition, AARP has been diligently working with a coalition of representatives of professional caregivers, elders and their families to improve quality and to find solutions to the long-term care workforce shortage in Minnesota.

The mission of this coalition captures this effort succinctly:

"*..to improve the quality of long-term care for those who depend on it and those who provide it.*"

The long-range goal is to build a stable, committed, rewarded and well-trained workforce to meed the growing need for direct caregivers in residential and community settings. Success will be marked as older Minnesotans have improved access to the quality long-term care services they need, and workers can count on caregiving careers to support their families.

We know that the demographics of our state are changing. Our population is aging – and so is our workforce. Experts project a decrease in the number of younger workers over the next 20 years. We also know that Minnesotans prefer to receive care in their homes and communities, and as such there is a growing shift away from more traditional nursing home care toward home and community based care. The combination of these factors will put a particular strain on the long-term care industry, in both institutional settings and in family homes.

A recent report to the Minnesota Legislature by the Minnesota Department of Human Services, entitled "Status of Long-Term Care in Minnesota 2010" outlined the statistics:

- In Minnesota, between 2010 and 2020, the population of those over the age of 65 is expected to increase by 40%, while those under the age of 65 will increase by only 4%.
- Minnesota ranks second among states in life expectancy at birth: 78.82 years. Add to that a net increase in those over the age of 85 returning back to Minnesota after spending their younger retirement years in other states, and you have an increasing number of the "oldest old," many of whom will eventually need some sort of long-term care services.
- Over two-thirds of persons age 85 and older have at least one disability, and in fact, are more likely to have multiple disabilities which can often create barriers to living independently.

Of perhaps greatest significance is the forecast by our state demographer of an older workforce with expectations of employer-sponsored health care and a growing competition for fewer younger workers.

As we all know, the long-term care system in Minnesota – and indeed throughout the country – depends heavily on low-wage workers, and as such suffers from a high turnover rate.

Studies by the Alzheimers Association have found that high turnover among long term care staff creates enormous costs for providers, residents, and workers. Providers spend from $1400 to $4300 for each worker they have to replace – an amount that can exceed 4 times the monthly salary they pay that worker. The cost of temporary workers is estimated at 200% of that for a regular employee. The quality of care for residents suffers with high turnover. Residents lose the continuity of care from familiar workers who know them and understand their needs -- a loss that is particularly acute forpersons with dementia. Workers who remain face frustration, added stress, injury and accidents.

One might well ask, not why so many workers leave long term care but rather, why so many stay. Studies show they stay because they love the work, and the people for whom they care. But we are making it increasingly difficult for workers to make the decision to stay.

The report by the Minnesota Department of Human Services says it best:

"*...the labor force growth in Minnesota will decrease by two-thirds in the upcoming decade. Competition for new workers will put new demands on Minnesota's long-term care industry already coping with low wages.*

In light of the continued trends, including the growth in demand for long-term care services and the aging of the general and workforce populations, the expansion and development of the direct care workforce is at risk of not keeping pace with the need for additional staff in the field of long-term care, including home and community-based services."

So, should we anticipate the need for new workers from the standpoint of both the aging workforce and the increasing shift to home-delivered care? Absolutely, but we also must address the growing strain in our nursing home facilities. The problem isn't just in keeping our current workforce, but in attracting a future workforce. And, unfortunately, whether it is in home and community-based care, or in more traditional nursing home settings, there exists many disincentives for attracting long-term care workers. These include:

- relatively low wages – in many cases minimum to just above-minimum wage;
- heavy, physical labor;
- emotional demands of direct care;
- low staffing levels which result in a high workloads and sometimes even dangerous working conditions;
- inadequate career paths, and
- the lack of health care insurance for direct care workers and their families.

AARP believes that it is very important to improve these factors and to create incentives – financial and otherwise – in the system to:

- Adequately compensate direct-care workers;
- Provide effective training and staffing levels to ensure quality care and worker safety;
- Create career paths to reduce the high-turnover rate; and
- Offer affordable and accessible health care coverage.

This last point has been identified by many experts as perhaps the greatest barrier to retaining quality long-term care workers. One solution is the recently passed national health care reform law and the expectation that an affordable health insurance exchange will allow long-term care workers – regardless of income – to buy into coverage. This, however, is still in the implementation phase and is not expected to be available until 2014. It will be important to ensure that this aspect of health care reform continues to move forward and is successfully and affordably implemented

I would also like to note that there is currently a lot of work being done on job training, career paths, dislocated workers and homemaker retraining. Much of this, however, is being done by public entities such as the Department of Employment and Economic Development and MnSCU – Minnesota State Colleges and Universities. AARP would suggest the Workforce group may want to draw a "road map" of what action is being taken by these entities, and if the map shows relatively disjointed efforts, perhaps some interagency coordination legislation should be enacted during the upcoming legislative session.

Up until now, I've been focused on the general long-term care worker. Now, I would like to focus, for just a moment, on a very specialized group of long-term care workers whose highly educated skills are a critical part of keeping our elders healthy and safe, they literally save lives and work to improve patient outcomes every day. These are our Nurses. I would like you to know that Americans treated in hospitals that don't have enough nurses experience more complications, such as infections, and longer hospital stays. Nurses prevent medical errors and improve patient safety and help patients and families safely manage medication.

On the national level, AARP has been looking for solutions to the growing workforce shortage of nurses through our Center to Champion Nursing in America, along with the AARP Foundation and the Robert Wood Johnson Foundation. The Center, a consumer-driven, national force for change, works to increase the nation's capacity to educate and retain nurses who are prepared and empowered to positively impact health care access, quality, and costs.

Like other sectors of the workforce, the severe downturn in the economy has affected the supply of and demand for nurses. Many nurses who had planned to retire are staying in their jobs; part-time nurses are seeking more hours; and non-working nurses with spouses who have lost jobs are returning to work. These trends have filled slots for nurses left previously vacant and in a few states, some recent nursing school graduates are having difficulty finding jobs. Yet, in rural, underserved areas, there exists a significant need for nurses.

Various surveys report that over half of today's employed nurses plan to retire in the next 15-20 years, just at a time when the demand for nursing care will reach an all time high (AACN 2008). As a result, it will be important to begin planning now to provide the incentives to encourage more young people to choose nursing as a career – and in particular – as a career in the long-term care side of our health care system.

Finally, I would be remiss if I did not address the biggest issue facing all of the concerns I just outlined in my testimony. And this issue is the lack of adequate targeted reimbursement for long-term care providers, which results in lower wages for staff, a lack of health insurance and, therefore, an inability to retain quality staff that can provide the highest quality care.

Given the state's ongoing fiscal crisis, there is an urgent need to address long-term care funding – both public and private – and reform the system. This will not be done overnight, so it will be important to – at a minimum – maintain the funding currently in the system. Any further reductions will result in reductions in workforce and thus a reduction in quality – and just at the time when the need for long-term care is growing.

On behalf of the nearly 700,000 members of AARP statewide, I thank you for this opportunity to provide feedback on such a critical issue. I will be happy to take your questions at this time.