



October 17, 2022

VIA ELECTRONIC MAIL (IFC@lcb.state.nv.us)

Nevada Legislature - Interim Finance Committee
C/O Fiscal Analysis Division
401 South Carson Street
Carson City, NV 89701

RE: October 20th IFC Meeting – Support for Agenda Item #91 – Assisted Living Facility and Nursing Facility Workforce Initiative

Interim Finance Committee Members,

My name is Michael Jacobs and I currently serve as the Chairman of the Nevada Health Care Association Board of Directors. In addition, I also direct the government affairs for Fundamental, which supports 7 client skilled nursing facilities in Nevada. These facilities have over 800 licensed beds and employ nearly 1000 people.

As you may or may not know, nursing homes are currently grappling with a historic labor crisis. Since the beginning of the pandemic, nursing homes have lost more than 220,000 caregivers, or more than 14% of its workforce. This job loss is worse than any other health care sector, and workforce levels are now at a nearly 30-year low. As a result of these staffing shortages, vulnerable seniors now have fewer long term care options. More than 6 in 10 nursing homes are limiting new admissions and nearly three-quarters are concerned their facility may have to close due to the staffing crisis. Nursing homes would love to hire more nurses and nurse aides, but we cannot meet increasing and unfunded staffing requirements when we can't find people to fill the open positions. 98% of nursing homes are experiencing difficulty hiring staff.

Nursing homes have dedicated every possible resource to recruit and retain caregivers during the pandemic.

- Nearly every nursing home in the country has increased wages and ordered bonuses.
- Average wage rates for nurses doubled from 2020 to 2021.
- Nursing homes increased wages in 2020 and 2021 at the highest rates of all health care facilities.

And to add insult to injury, on top of everything mentioned above, direct care staffing agencies are charging exorbitant prices to long term care facilities that need workers.

These challenges and more are the reason we are so grateful for the Governor and the Department of Health and Human Services adding these much-needed funds to the Interim Finance Committee Agenda. They have been true partners that listened to our concerns and acted on our behalf.

The majority of our residents in Nevada rely on the Medicaid program, but the program only covers 70-80% of the actual cost required to provide daily care. In other words, we lose money on every Medicaid resident we serve because the cost for care is higher than the reimbursement for that resident. There



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aren't many business in Nevada or throughout this country that would continue to stay in business if they lose money on the majority of the services they provide. Yet, we are still here and trying to achieve higher quality care every day.

This reimbursement challenge has exacerbated our workforce issues as we are struggling to compete with hospitals and other health care providers as well as private businesses in our community. To add additional financial pressures, COVID has left a permanent mark on the sector as we continue to dig out around infection control and employment stress. This funding is absolutely critical to the short term survival of the long term care sector in Nevada.

Please support Nevada's long term care workforce by approving work program #91 that will fund a nursing facility and assisted living facility workforce initiative.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Jacobs', with a large, stylized flourish at the end.

Michael Jacobs