



SEIU Healthcare

United for Quality Care

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Subject: Support for H-7733: A Holistic Approach to Addressing the Nursing Home Care Crisis through the Establishment of a Workforce Standards Board

Dear Honorable Members of the House Committee on Health and Human Services,

We, SEIU 1199NE, in proud partnership with the Raise the Bar (RTB) on Resident Care Coalition, take this moment to address you with a matter of profound concern and urgency for the well-being of our most vulnerable population and the dedicated caregivers within the nursing home industry in Rhode Island. The RTB Coalition is a united group of organizations dedicated to advocating for the rights and welfare of seniors, individuals with disabilities, Medicaid recipients, and former or current nursing home residents along with their families. Our collective mission is to ensure that these vulnerable groups receive the highest quality of care and respect they deserve. We write to express our unwavering support for Bill H-7733, a legislative proposal aimed at establishing the Rhode Island Nursing Home Workforce Standards Board. This initiative represents a critical juncture in our collective effort to reform a system that has long been ailing, suffering from systemic issues that compromise the quality of care for our residents and undermine the dignity of our workforce.

Current State of Nursing Homes in Rhode Island

Rhode Island's nursing home landscape is overwhelmingly dominated by for-profit, out-of-state chains. These organizations have systematically prioritized profit margins over the essential care and quality of life of our elderly, exploiting both residents and staff in the process. A detailed investigation by The New York Times in 2018 unveiled the grim reality of this industry, where such entities have thrived financially by engaging in intentional understaffing and cutting corners, all at the expense of taxpayer money intended for resident care.

Raise the Bar has always supported increased funding for nursing homes, especially nonprofit nursing homes that provide higher care quality, staff their facilities at far better ratios, and have better supplies and equipment than for-profit nursing homes. However, the main issue is with the for-profit nursing homes, which make up the overwhelming majority and equate themselves with the nonprofits, including crying poverty. It's important to be clear that for-profit nursing homes are making millions of dollars in either profits or payments to related entities every year, mostly from taxpayer dollars, while generally providing substandard care. The owners of for-profit nursing homes reside in lavish mansions, with some worth \$5 million or \$10 million - the owners of one such company even purchased an airline.

The Discrepancy Between Public Statements and Actions

Publicly, the for-profit nursing home industry vocalizes concern over regulations and the perceived threat of closures. Behind closed doors, however, these entities are not merely surviving; they are flourishing. Despite their complaints, they continue to pour millions into purchasing facilities with poor ratings, securing substantial profits from the care of our elders. This duplicity reveals a stark contrast between the industry's public facade and its private actions, underscoring a deliberate strategy to maximize occupancy and, consequently, profits, with little regard for the growing demand for skilled, compassionate care.

Analyzing Mark Parkinson's Stance on Nursing Home Operations and Profitability

Mark Parkinson, serving as the President and CEO of the American Health Care Association (AHCA), a leading organization representing the interests of the for-profit nursing home industry, has offered insights that mirror the operational and financial strategies prevalent among for-profit nursing facilities. His commentary sheds light on an industry-wide approach that prioritizes reducing operational expenses and enhancing profit margins, often compromising on essential aspects such as staffing levels and the quality of care provided to residents.

Parkinson has explicitly criticized proposals aimed at increasing staffing levels, suggesting the industry needs to innovate care delivery rather than adhere to traditional models. He stated, "Instead of doing something that's a 1970s solution like a minimum staffing proposal, they need to be figuring out, 'How can we take care of all these people in the whole healthcare spectrum with less nurses and less technicians, less radiologists?'" This stance highlights a concerning emphasis on operational efficiency over the critical need for sufficient staffing to ensure high-quality care for residents.

Highlighting the profitability of the for-profit nursing home industry, Parkinson provided a clear picture of how occupancy rates affect financial outcomes. He noted the industry's recovery to near pre-pandemic levels, stating, "We're now only 1% below where we were at with pre-pandemic occupancy." More importantly, he shed light on the financial mechanics behind occupancy rates, revealing, "the way the long-term care business works, our costs are essentially the same, whether we're at 78% or 82% or 87% occupancy. All of that additional occupancy, 90% to 95% of it goes to the bottom line." Parkinson further quantified the impact of these increments in occupancy, stating that each additional point represents about \$2 billion in added revenue for the industry. This comment underscores a business model where slight increases in occupancy can lead to significant profit boosts without corresponding investments in staffing or care quality improvements.

The implications of this profit-driven model are starkly evident in the operations of Athena and Marquis, two large chains with a significant presence in Rhode Island. In 2021 alone, these entities amassed approximately \$23 million in profits from their facilities within the state. Yet, the quality of care in these facilities, as reflected by their CMS star ratings—1.7 for Athena and 2.9 for Marquis—contrasts sharply with their financial success. Particularly alarming is Marquis's ownership of Elmhurst Rehab, which has been rated with a 0 CMS star rating since Q4 2022. Further compounding these concerns are the substantial fines and legal settlements these companies have faced due to various infractions. Athena and Marquis have paid millions in fines and settlements over the years, related to lawsuits alleging poor resident treatment and inadequate care. These punitive measures, while financially impactful, underscore a systemic issue: the discrepancy between the chains' profit margins and the quality of care they provide. Such a gap underscores the critical need for regulatory intervention to realign the industry's priorities firmly towards resident welfare and care excellence.

The CNA Workforce Crisis and Its Impact on Nursing Home Care Quality

Rhode Island's nursing home sector is facing a critical workforce crisis, deeply rooted in the systemic undervaluation of Certified Nursing Assistants (CNAs), who are indispensable to the daily operation and care provided in these facilities. Despite having over 18,000 actively licensed CNAs, a significant portion of this workforce opts out of healthcare employment, attracted instead by the better wages and working conditions found in other sectors, such as retail and services.

Understaffing and Its Dire Consequences

The exodus of CNAs from the nursing home industry exacerbates the chronic issue of understaffing, significantly deteriorating the quality of resident care. This situation is illuminated by several key data points:

- **Explosion of Serious Deficiencies and Immediate Jeopardy Findings:** There has been a near 150% increase in serious deficiencies in nursing homes from 2022 to 2023, rising from 48 to 119. Concurrently, immediate jeopardy findings surged by nearly 140%, from 16 to 38 incidents. These incidents, indicative of the most severe breaches of care standards, include tragic, preventable events that directly compromise resident health and safety.
- **Policy Signals and Their Impact:** The dramatic rise in deficiencies can be partly attributed to early 2023 signals from the Department of Health, indicating that nursing homes would not be penalized for failing to meet minimum staffing requirements. This decision has significantly influenced nursing home operations, fostering an environment where understaffing is tolerated, if not encouraged, leading to severe consequences for resident care, including preventable fatalities.

The Underlying Workforce Issue

The nexus of the CNA workforce crisis and its ramifications for nursing home care quality illustrates a vicious cycle. Inadequate compensation and working conditions contribute to understaffing, which, in turn, precipitates compromised care and safety for residents. The marked increase in deficiencies and immediate jeopardy findings over the past year starkly highlights the need for systemic industry change. Addressing the challenges CNAs face is vital not only for improving their employment conditions but also for ensuring the safety, well-being, and dignity of nursing home residents across Rhode Island.

The industry's narrative that no one wants to work in nursing homes is refuted by the example of the Rhode Island Public Transit Authority (RIPTA), which experienced a surge in job applications for bus drivers after raising the starting wage to \$25/hr. This demonstrates that fair compensation and improved working conditions can effectively attract and retain essential workers.

Key Statistics to Consider:

- **Over \$100 Million Annually:** Corporate nursing homes in Rhode Island accumulate this staggering amount in profits and payments to related entities, largely funded by taxpayer dollars.
- **119 Serious Deficiencies in 2023:** This marks a nearly 150% increase from the previous year, including numerous resident fatalities, illustrating the dire state of care in these facilities.
- **18,000 Actively Licensed CNAs:** With such a substantial pool of certified nursing assistants, the potential for improving care quality exists, yet remains untapped.

- **12,000 CNAs Not Working in Healthcare:** Reflecting the need for a better work environment to attract and retain these essential healthcare workers.
- **47% of Nursing Home CNAs Rely on Public Assistance:** Demonstrating the critical need for improved compensation and working conditions within the sector.

The bottom line is that we must get CNAs back into the workforce in order to elevate care quality for residents. The only way that CNAs will return is if they're compensated fairly and supported with appropriate training and staffing.

The Washington Nursing Home

Beneath the shadow of the deteriorating Washington Bridge lies the Washington Nursing Home, a stark emblem of the broader systemic failures plaguing Rhode Island's nursing home industry. This structure, seemingly majestic from afar, stands precariously on crumbling pillars, each crack and fissure telling a tale of neglect, underinvestment, and the dire consequences of a for-profit model that prioritizes margins over human dignity. The metaphor of the Washington Nursing Home, with its weakened foundations mirroring the fragility of resident care under current operational paradigms, serves as a poignant reminder of the urgent need for structural and ethical reform.

In response to this pressing need for change, the proposed Nursing Home Workforce Standards Board (WSB) emerges as a pivotal initiative, aimed squarely at addressing the deep-seated issues highlighted by the condition of the Washington Nursing Home. Far more than a mere regulatory entity, the WSB is designed to be a catalyst for comprehensive reform, championing the principles of equity, care quality, and caregiver respect. It signifies Rhode Island's dedication to transforming the narrative of nursing home care from one of systemic failure to one of exemplary, compassionate service.

Composition of the WSB

The strength of the WSB lies in its diverse composition, ensuring a wide range of perspectives are brought to bear on the challenges facing the nursing home industry. The board will consist of 13 members, carefully selected to represent a comprehensive cross-section of interests:

- Key government officials or their designees from the Executive Office of Health and Human Services, the Department of Health, the Department of Labor and Training, and the State Long-Term Care Ombudsman, providing regulatory and policy expertise.
- Six members from the nursing home sector, equally divided between employers and direct care staff, all appointed by the Governor, to ensure both management and labor are represented in crafting standards.

- One member from a joint labor-management training fund, offering insights into workforce development and the critical importance of ongoing education and skill enhancement for staff.
- Two members from community organizations, directly linking the board to the experiences and needs of the Medicaid population and the broader community context within which nursing homes operate.

Key Functions and Limitations of the WSB

The WSB is tasked with a broad mandate to enhance the nursing home care landscape in Rhode Island, focusing on several critical areas:

- **Developing and Enforcing Standards:** One of the board's primary roles is to develop and enforce standards that promote comprehensive care for residents and support equitable working conditions for caregivers.
- **Enhancing Training:** Recognizing the evolving needs of residents, the WSB will prioritize advanced training and professional development for CNAs and other staff to ensure the highest levels of care.
- **Analyzing Financial and Payroll Data:** To make informed decisions, the board will review financial and payroll data, using this analysis to set fair compensation levels and allocate resources effectively.
- **Promoting Depoliticized Decision-Making:** The WSB aims to focus on data and expert input rather than political pressures, ensuring decisions are made in the best interests of residents and staff.

However, it's crucial to understand what the WSB does not do:

- **Direct Day-to-Day Management:** The board is not involved in the daily operational management of nursing homes but rather focuses on setting overarching policies and standards.
- **Set Individual Salaries:** While the WSB will establish wage standards, it does not dictate specific salaries for individual staff members.
- **Duplicate Existing Efforts:** The WSB's work complements, rather than duplicates, the efforts of existing healthcare and labor oversight bodies.

Integrating Financial Insight with Ethical Governance

Central to the WSB's mandate is the strategic use of financial and payroll data analysis. By meticulously reviewing cost reports and other financial documents, the board is equipped to make accurate forecasts that directly inform compensation levels for the nursing home workforce, particularly the Certified Nursing Assistants (CNAs) who form the bedrock of daily care. This data-driven approach ensures that decisions regarding wages are not only equitable but grounded in the financial realities of nursing home operations, marking a critical step towards rectifying the long-standing issue of inadequate compensation that drives many CNAs to seek employment elsewhere.

Depoliticized Decision-Making: A New Paradigm

Perhaps most revolutionary is the WSB's commitment to depoliticized decision-making. In a landscape often mired in bureaucratic inertia and influenced by the vested interests of for-profit entities, the board's structure is designed to rise above the fray, prioritizing the well-being of residents and the dignity of caregivers over political considerations. By leveraging financial forecasts and cost reports in setting compensation levels, the WSB ensures that its policies are not swayed by external pressures but are instead reflective of a balanced, objective analysis of the needs of both nursing home residents and the workforce.

As the Washington Nursing Home stands on the brink, the creation of the Nursing Home Workforce Standards Board offers a path to stability and dignity. It signifies a move away from the fragile, eroding pillars of the past towards a future where the foundations of nursing home care are robust, supported by the twin pillars of financial responsibility and ethical governance. Through this initiative, Rhode Island can lead the way in establishing a nursing home industry that is not only financially sustainable but fundamentally just, ensuring that the care of our most vulnerable citizens is held to the highest standard.

In the context of Rhode Island's commitment to reform, the Nursing Home Workforce Standards Board (WSB) is envisioned as a linchpin in the strategy to rebuild and fortify the care infrastructure represented by facilities like the Washington Nursing Home. The WSB is designed to bridge the gap between current challenges and a future where nursing homes are bastions of quality care and workforce dignity. By focusing on both the micro (individual and staff level) and macro (institutional and policy level) aspects of care, the WSB is poised to drive significant improvements in the quality of life for residents and working conditions for caregivers. This integrated strategy, symbolized by the comprehensive composition and defined functions of the WSB, offers a clear path away from the fragility of the past towards a future built on the firm foundation of care, respect, and dignity.

Conclusion

As we stand in support of Bill H-7733 and the creation of the Nursing Home Workforce Standards Board (WSB), we must face the grim realities within Rhode Island's nursing homes head-on. The heartbreaking stories of preventable fatalities, residents enduring the pain of severe bedsores, and the indignity of prolonged periods in soiled conditions are not mere anecdotes. They are the distressing manifestations of a system that has failed its most vulnerable.

These incidents prompt us to ask: How many more tragic, preventable deaths must occur before we take decisive action? How many more individuals must suffer from neglect that leads to painful, life-threatening conditions? And, if such neglect were prevalent in settings other than nursing homes, such as schools or daycares, would we not be compelled to act with urgency?

The proposal of the WSB through Bill H-7733 is more than a legislative action; it is a moral obligation to ensure that no more lives are lost or diminished due to systemic neglect. This board aims to transform the culture of care in our nursing homes from one of oversight to one of attention, compassion, and respect.

In supporting this bill, we are not just advocating for policy change; we are fighting for the dignity and well-being of our elders and people with disabilities. It is a commitment to ensuring that the tragedies of the past do not dictate the future of elder care in our state.

Let us move forward with a sense of urgency and purpose. The evidence of need is overwhelming, and the cost of inaction is too great to bear. By endorsing Bill H-7733, we take a stand for compassion, dignity, and a higher standard of care for all residents of Rhode Island's nursing homes.

Together, we can enact the change necessary to ensure that our nursing homes are safe, caring, and dignified places for all residents and the dedicated staff who serve them. Thank you for considering our position on this vital issue. We urge you to support Bill H-7733 and help us pave the way for a brighter future in nursing home care.

Sincerely,

Alex Moore