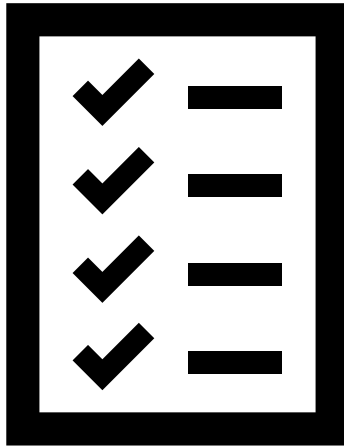


# 2022 Legislative Report for Long-Term Care

**Minneapolis Area Senior Workers Association &  
St. Paul Senior Workers Association**



# Topics for today



2022 Legislative session: a recap

State of Senior Care in Minnesota

Legislation signed by the Governor this year

What was left unfinished &  
implications for long-term care

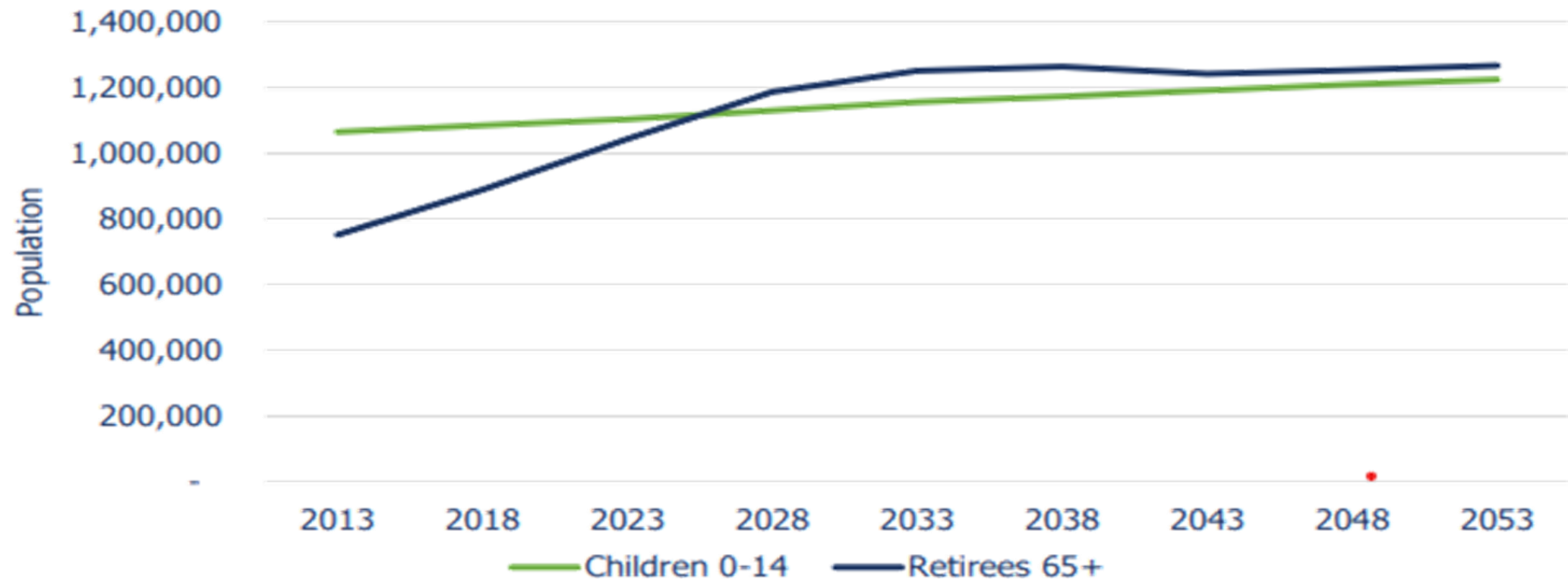
Mega-omnibus bills & not-special special sessions

Questions & answers

# State of senior care: considerations for lawmakers



# Minnesota Now Home to More than 1 Million Seniors



Source: U.S. Census Bureau, Population Estimates Program, Vintage 2018; Minnesota State Demographic Center

# 80 Year+ Cohort Set to Grow Rapidly

- Growth in 80-Plus Population

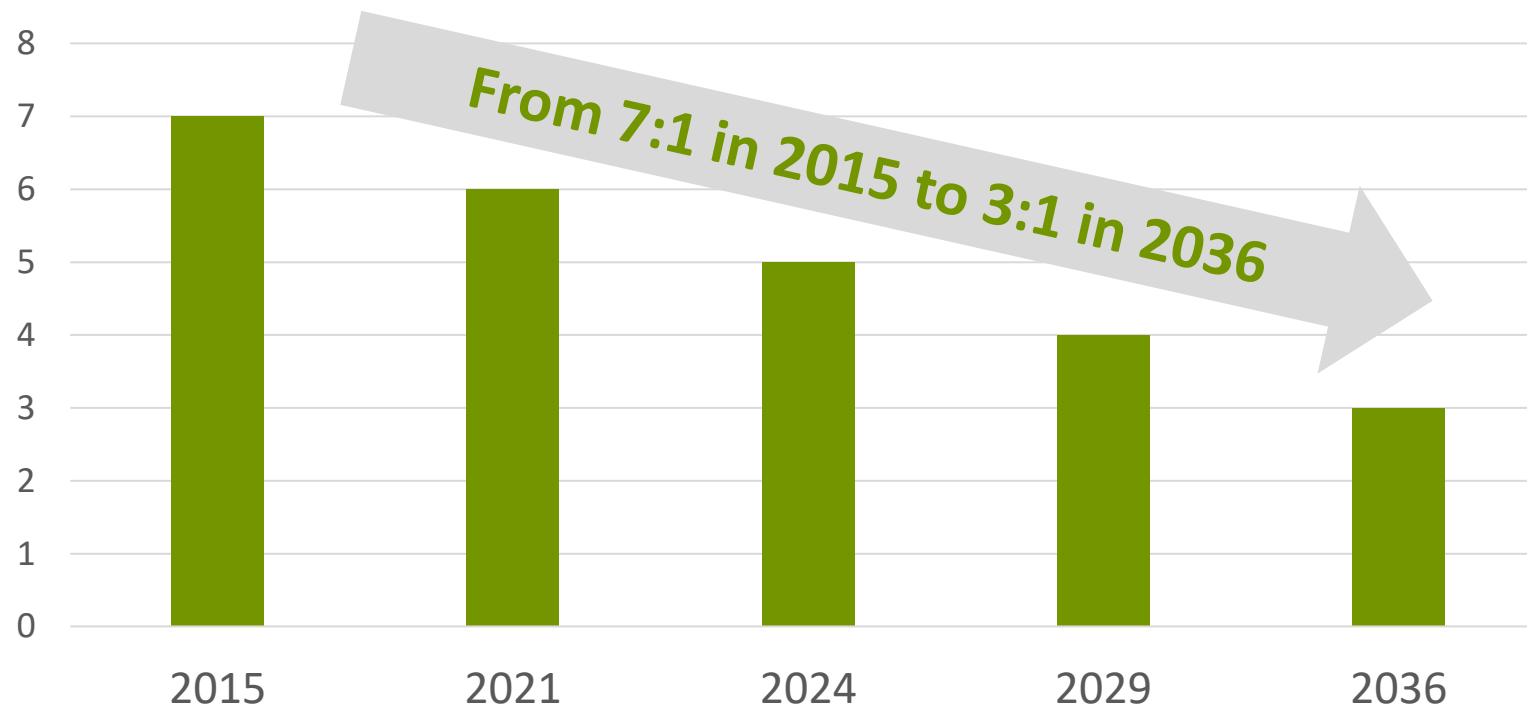
- 2017: + 185,000
- 2021: + 325,000
- 2025: + 500,000
- 2027: + 1,000,000
- 2030: + 800,000



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# Caregiver Support Ratio Shrinks Quickly in Next 15 Years

Ratio of 45 – 64-Year-Olds (Adult Children) to 80-Plus Persons (Older Adults) 2015 - 2036



Source: U.S. Census Bureau Projections, 2017

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# 23,000

positions throughout our settings are open, representing over 20% of Minnesota's caregiving workforce. The gap in unfilled positions is widening at a rapid rate. In August, we experienced 1.5 times more resignations than hires, a rate that is unsustainable.

Dietary,  
Housekeeping

RNs

LPNs

NARs/ULPs

**Shortages of staff are impacting access to care across the continuum.**



# 70 PERCENT

of nursing homes are limiting admissions, up nearly 30% since July 2021. The primary reason cited was insufficient staff to meet resident needs.

# Nursing Facility Financial Survey- Significant Losses and Risk of Facility Closures

The average nursing facility will lose over \$800K in 2022 (annualized) based on March results

Almost half of providers have increased caregiver wages more than 10% in last two years while those costs are not reflected in rates

Pool use and costs have both spiked adding to the financial challenges pushing providers toward closure

11% of facilities, or about 40 statewide, indicate they may have to close and many others face major financial challenges



# Assisted Living Financial Survey- Many Providers Considering Closure due to Financial Stress

45% of providers indicate they are facing an immediate cash shortage if revenue declines

More than half of providers have increased caregiver wages more than 10% in last two years while EW rates have been increased far less

Pool use and costs have both spiked adding to the financial challenges pushing providers toward closure

20% of providers, or approximately 400 statewide, indicate they may have to close and many others face major financial challenges

# MINNESOTA FACES AN **UNPRECEDENTED CARE CRISIS**



**1 MILLION**  
SENIORS IN MN  
WITH INCREASING  
CARE NEEDS



**SHORTAGE OF  
PROFESSIONAL  
CAREGIVERS**

**FACE  
AGING  
— MN —**

**EMOTIONAL AND  
FINANCIAL BURDEN  
ON MN FAMILIES**

**FACILITIES  
CLOSING  
OR LIMITING  
ADMISSIONS**



# 2022 Legislative Priorities

## LTC Sector conditions

Reduced  
access to care  
for seniors

23,000 open  
positions

Industry-wide  
negative  
operating  
margins

6% of state's \$9.2 billion surplus to raise caregiver wages in our settings

Nursing  
Homes

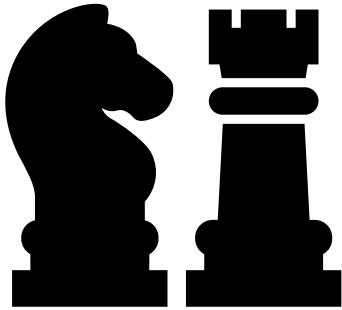
Elderly Waiver

Building community-based services

PACE

Remote Adult Day  
Services

## Political & policy conditions weighted for stalemate?



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Minnesota is one of only two states in nation with divided state government.

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The MN Legislature is not required to pass a budget in even number years.

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Lawmakers had been meeting every 30 days for the last 2 years; sense of urgency, timing and deadlines may not be as acute.

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Heading into an election year, political parties are not incentivized to compromise.

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# Legislation Passed: Health & Human Services Policy-only Bill

- Authorizes Remote Adult Day Services Going Forward
- Delays Background Check Requirements under emergency waivers
- Technical Changes to Nursing Home Change of Ownership
- Technical Changes to Assisted Living Licensure requirements
  - Impacts Bill of Rights & notices to residents

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# Legislation Passed: Frontline Worker Bonuses

- DLI application portal opened on June 8, 2022.
- Employers now have 15 days to provide notice to current employees that staff may be eligible for a bonus.
  - A notification toolkit is available at [frontlinepay.mn.gov](https://frontlinepay.mn.gov), and will be in this week's Advantage
- Applicants will have 45 days to complete their application (Deadline is July 22).

## Resources:

LeadingAge & DLI Webinar ([recording](#))

[DLI FAQ](#) and [Outreach Toolkit](#)

# Frontline Worker Bonuses: Eligibility

- ✓ Work at least 120 hours between March 15, 2020- June 30, 2021
  - ✓ Not able to telework due to nature of job & work in close proximity to people outside your household
  - ✓ Collected <20 weeks of unemployment insurance (verified by DEED)
  - ✓ Meet income requirements (verified by MN Dept. Revenue)
    - ✓ Direct COVID-19 responsibilities: \$350,000 joint filers, \$175,000 single filers
- LTC & Home care
  - Health care
  - Emergency responders
  - Public health, social services
  - Courts/corrections
  - Child care & schools
  - Retail, food service
  - Shelters & hotels
  - Transit & transportation
  - Manufacturing

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# Legislation left unfinished: Health & Human Services Finance Bill

## House Position @ A Glance

- Public offers from the House and Governor's office were unreasonably low and were conditioned upon accepting unworkable policy for nursing home workplace conditions

## Senate Position @ a Glance

- **Senate remained firm on its position:** \$358 million over 3 years in permanent funding for wages.



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# Long-Term Care finance provisions: one layer deeper

## House Position, final offer

- \$16.34 rate add on for nursing homes
- Moves dietary, maintenance, housekeeping and laundry from price component to cost component
- Increases conversion of new rates for Elderly Waiver to 78.4%
- No Known Cost factor
- Permits customized living on CADI/BI waivers to receive EW phase in adjustment
- PACE

## Senate Position, final offer

- \$28.65 rate add on for nursing homes
- Moves dietary, maintenance, housekeeping and laundry from price component to cost component
- Implements a “known cost factor” to mitigate 24-month delay and high inflation
- Increases conversion of new rates for Elderly Waiver to 78.4%
- Permits customized living on CADI/BI waivers to receive EW phase in adjustment
- PACE

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# Implications of uncompleted work

- Lawmakers adjourned without passing several high-priority omnibus bills, including E-12 Education, a Tax bill, a Public Safety bill, a Bonding Bill, and a HHS spending bill.
  - While negotiations continued in each of these areas, the clock ran out before full consensus could be achieved.
- As it stands now, with no HHS spending bill going to the Governor, **450 settings are at risk of closure and the promise of aging services remains at serious risk.**

# The hard truth.

## Nursing Homes:

- The average nursing home is on track to lose -\$800,000 this year.
- 60% of nursing homes never had reserves, depleted their reserves or have exhausted all lines of credit.
- Minnesota's Medicaid payment system takes 2 years to pay providers & does not take into account today's high inflation

## Assisted Living Settings:

- Median operating margin is -1%, 40% have margins < -10%
  - 70% of AL settings never had reserves, depleted their reserves or have exhausted all lines of credit.
  - MN's Elderly Waiver program (which helps low-income seniors afford senior care) vastly underfunds costs of services\*
- \*according to DHS own data

# Care for Minnesota seniors requires coordination & compassion



Hospital



Assisted Living or  
Nursing Home



Home &  
Community



# Factors influencing a Special Session



# Omnibus bills: Pro & Con

## Pros

- The sneak attack
- Coalition governing
- Focused subject matter expertise/ dividing up work

## Cons

- Concentrated decision-makers cutting deal
- Not a transparent process

## Other

- Impact on negotiations between legislative bodies
- Impact on business of legislating (staff time, paper processing, etc.)

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# Discussion

- What were your key take-aways from demographic data?
- What impacts from the pandemic are likely to have a permanent impact on long-term care?
- How should Minnesota address care and access when 450 settings close or further limit admissions?
- In pursuit of advocacy for caregiver wages, what messages are most compelling to you?



# Key Election Dates



MAR

8

Township Elections

JUN

24

**Vote by mail or in person**  
June 24 through August 8  
for the Primary

JUL

19

**Register in advance** by  
July 19 to save time on  
Primary Election Day

AUG

9

Primary Election

SEP

23

**Vote by mail or in person**  
September 23 through  
November 7

OCT

18

**Register in advance** by  
October 18 to save time  
on Election Day

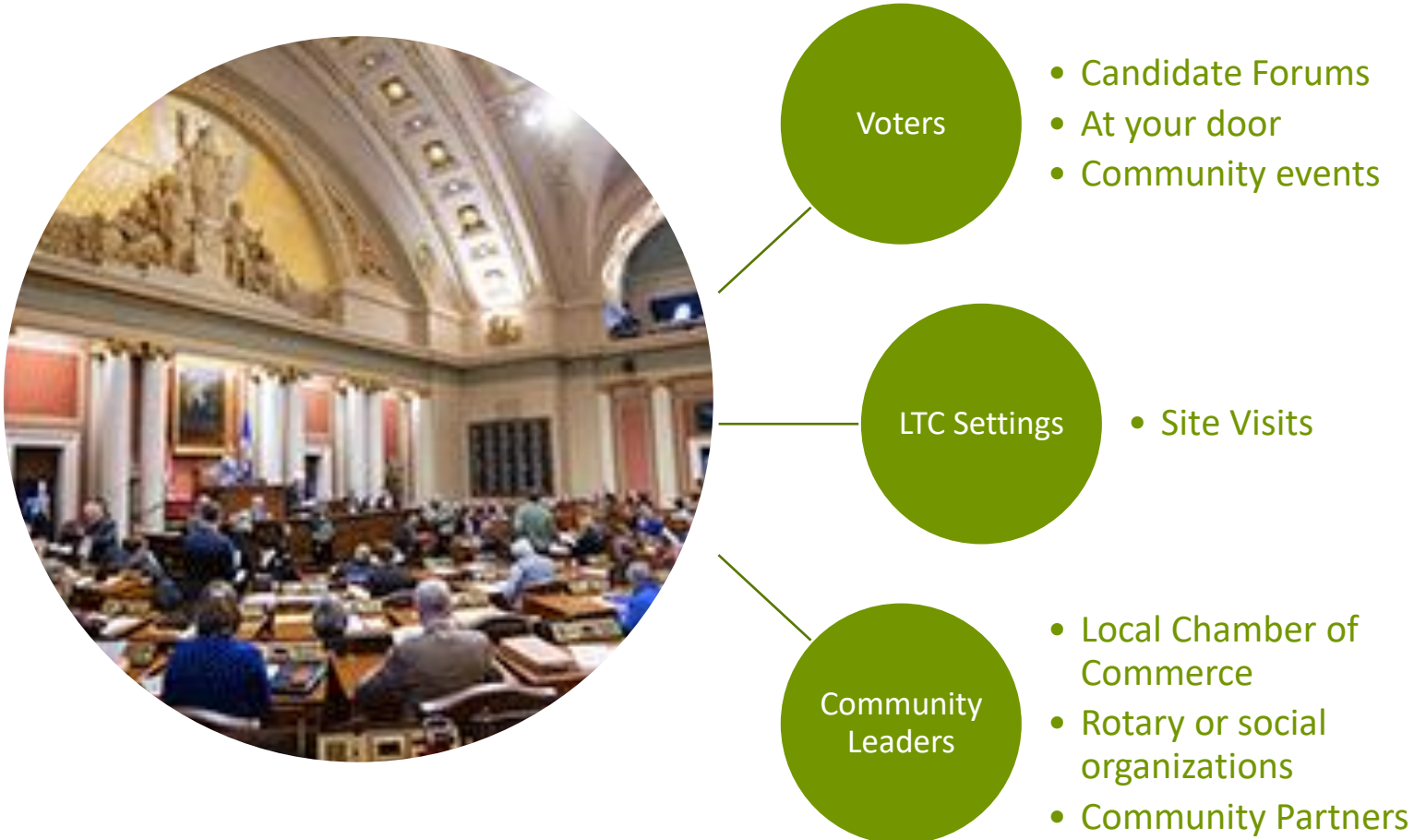
NOV

8

Election Day



# Building issue champions starts with political candidates



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# Questions & Contact Info

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