



September 10, 2021

The Honorable Greg Abbott  
Governor's Office  
PO Box 12428  
Austin, TX 7871  
*(sent electronically)*

Dear Governor Abbott,

On behalf of aging services in Texas, we are grateful for the leadership and support your office has provided to long-term care communities throughout the pandemic. As you know, nursing facilities have been disproportionately impacted by COVID-19. The federal relief funding made available to Texas through the American Rescue Plan Act (ARPA) provides a unique opportunity to address the negative impacts of this historic event and the ongoing challenges faced by healthcare providers. Texans need bold action to strengthen nursing home care and ensure every nursing home resident has access to healthcare services that protect their health and well-being.

During the third special session we are asking the Legislature to direct 4.5% (\$750 Million) of ARPA funds to address the long-term care workforce crisis and support permanent infection control measures in the over 1200 Texas nursing homes.

Compared to other healthcare settings, Texas nursing facilities have struggled with a severe direct-care workforce shortage for many years according to the Texas Center for Nursing Workforce Studies. COVID-19 has increased demand for direct care staff across the health care sector, making an already challenging situation crippling for long-term care. As COVID-19 swept across the nation, and nursing homes became one of the deadliest jobs in America,<sup>1</sup> recruiting and retaining staff became even more difficult. Today, providers have no other choice but to utilize temporary staffing agencies and pay inflated rates to ensure safety and continuity of care for residents.

According to recent analysis, nursing homes experienced an 11.5% decline in employment since February 2020.<sup>2</sup> Nationally, nursing homes and residential care facilities employed three million people in July 2021, a decrease of 380,000 workers from February 2020, according to the Bureau of Labor Statistics. Industry employment has fallen every month except one since the World Health Organization declared COVID-19 a global pandemic in March 2020.

The recent announcement by President Biden to mandate COVID-19 vaccination for nursing facility staff is expected to further exacerbate staffing challenges, particularly if the mandate is only applied to nursing homes. Following the announcement, a national survey of more than 2,100 long-term care workers was conducted. Of those respondents, currently not vaccinated, 53% plan to seek employment where vaccines are not mandated, and 39% are unsure of their future employment status. In a recent poll, 70% of our member facilities responded they anticipate losing staff if the vaccine is mandated.

Long term care providers have done everything possible to reward our frontline heroes, but we are still unable to provide the level of compensation needed to recruit and retain direct care workers, and other essential staff. Results from a recent survey of LeadingAge Texas and THCA members highlight the urgent need of long-term care providers across Texas.

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<sup>1</sup> Available at: <https://www.scientificamerican.com/article/nursing-home-workers-had-one-of-the-deadliest-jobs-of-2020/>

<sup>2</sup> Available at: <https://skillednursingnews.com/2021/03/u-s-nursing-home-workforce-shrank-by-11-5-since-start-of-pandemic/>

- 75% of facilities are currently operating at a loss.
- 70-90% of facilities are unable to hire enough CNAs.
- Over 60% of facilities are unable to hire enough nurses.
- Staffing budgets have increased by 25% on average.
- Over 50% of facilities are using agency staffing to fill positions.
- 30% of facilities have restricted admissions due to staffing shortages.

In addition to the workforce crisis, COVID-19 required providers to implement health and safety measures that resulted in unprecedented costs. However, there is consensus that certain standards established during the pandemic should become common place. The health and well-being of nursing home residents and staff will benefit from a meaningful investment in service delivery and capital improvements that enhance infection control and prevention efforts. We have included a detailed proposal that offers long-term solutions to the challenges we have described.

Finally, we want to voice our appreciation for the financial support provided in 2020 through the federal Provider Relief Fund and the temporary nursing facility COVID-19 emergency Medicaid increase authorized by the Legislative Budget Board. This funding has been a lifeline for providers. However, nursing facilities have not received additional federal funding relief in 2021, and while the temporary rate increase continues through the Public Health Emergency, recent analysis of 2020 Medicaid Cost Report data by THCA shows the difference between costs and Medicaid reimbursement (not including the temporary rate increase) exceeded \$50 per patient day, even after accounting for federal funds received. It is anticipated that increased costs incurred due to COVID (such as infection control costs and direct care staffing costs) and have been paid for with federal funds and/or the temporary Medicaid add-on will not be reduced to pre pandemic levels, even after the Public Health Emergency ends.

We know you value the extraordinary work of caregivers in Texas and ask that you and the Legislature prioritize ARPA funding in long-term care to ensure stability, access, quality care, and services now and into the future. Thank you for your consideration. As always, we stand ready to work with you to provide the highest quality care to the thousands of Texas seniors who rely on long-term care providers.

Sincerely,



George Linial  
President & CEO  
LeadingAge Texas



Kevin Warren  
President & CEO  
Texas Health Care Association

cc: The Honorable Dan Patrick, Lieutenant Governor  
The Honorable Dade Phelan, Speaker, Texas House of Representatives  
The Honorable Jane Nelson, Chairwoman, Senate Committee on Finance  
The Honorable Greg Bonnen, Chairman, Texas House Appropriations Committee  
The Honorable Lois Kolkhorst, Chairwoman, Senate Committee on Health and Human Services  
The Honorable James Frank, Chairman, Texas House Human Services Committee  
Cecile Young, Executive Commissioner, Texas Health and Human Services Commission  
Luis Saenz, Chief of Staff, Office of the Governor  
Sarah Hicks, Budget Director, Office of the Governor  
Heather Fleming, Advisor, Office of the Governor

# ARPA (2021) Federal Relief Funding to Support Nursing Homes PROPOSAL FOR THE THIRD SPECIAL SESSION

**Background:** The American Rescue Plan was enacted to address the adverse impacts of COVID-19 across sectors of the economy and state and local governments. The rule narrative includes reference to “support for prevention, mitigation, or other services in congregate living facilities”. It would be prudent to use a portion of these resources to support and improve Texas’ nursing facilities and the residents for whom they provide care. This need was underscored by Gov. Abbott’s Second Special Session call, which included the following:

“Legislation providing appropriations from unappropriated available revenues for COVID-19-related healthcare expenses, such as those listed below, taking into consideration the approximately \$10.5 billion in funds received by local governments intended to be used on COVID-19 from the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2:

- Healthcare staffing needs, including physicians, nurses, and other medical professionals; and
- Supporting the operations of nursing homes, state supported living centers, assisted living facilities, and long-term care facilities”

**Use of Funds:** The Texas Legislature should target federal relief funding to long-term care facilities to (1) address staffing needs and strengthen the long-term care workforce, and (2) support the operations of long-term care facilities and their efforts to prevent and mitigate infectious diseases. These ARPA funds should be used for relief costs not otherwise reimbursed by Federal, state, or other sources. Licensed nursing facility recipients must attest to HHSC that such funds will be used for costs associated with the following and may be required to meet reporting guidelines on use of funds.

## Addressing Staffing Needs & Strengthening the Long-Term Care Workforce (\$400M)

As COVID-19 swept across the nation, and nursing homes became one of the deadliest jobs in America,<sup>1</sup> recruiting and retaining long-term care staff became even more difficult. According to recent analysis, nursing homes experienced an 11.5% decline in employment since February 2020.<sup>2</sup> The long-term care field remains at a severe disadvantage in attracting and retaining qualified professionals due to a workforce shortage and having limited resources to compete in a highly competitive labor market. For these reasons, it is critical additional resources be targeted to strengthen the long-term care workforce. Use of funds could include:

1. Recruiting and hiring qualified staff, with sign-on bonuses and use of direct care agency staffing support. *\$200M based on number of nurses/Certified Nurse Aides (CNAs) needed, turnover costs, and cost of agency staffing.*
2. Staff retention programs to include frontline staff bonus, hero pay, and shift differential. *\$100M based on \$1,000 x 100,000 frontline staff (direct care, janitorial, nutrition services positions) as reported in U.S. Bureau of Labor Statistics data).*
3. Improved education and training/mentor programs for nursing facility and other professional staff.
4. Long-term care nursing student loan repayment assistance program for candidates who meet eligibility criteria for application, including full-time employment by a long-term care facility.
  - A. APRN/RN/LVNs. *\$50M to provide up to \$5,000 in loan assistance to 10,000 employees (Note: there are ~22,000 RNs/LVNs in Texas nursing facilities according to U.S. Bureau of Labor Statistics data).*
  - B. Free training and certification testing for CNAs and Temporary Nurse Aides. *\$25M based on \$2,000 x 12,500 CNAs.*
5. Expand access to LVN to RN Bridge Programs through educational curriculums designed to allow licensed vocational nurses (LVNs) to advance their education and career. These programs allow LVNs to complete the Associate Degree Nursing curriculum in an accelerated process. *\$25M to support development of, and participation in, these programs.*

## Supporting the Operations of Long-Term Care Facilities & Efforts to Prevent Infectious Diseases (\$350M based on \$2,536 per bed)

As community spread of COVID-19 surged across Texas, congregate living settings were at highest risk of infection. Concerns related to infection control in nursing facilities have been longstanding. There is consensus that certain standards established during the pandemic should become common practice. The health and well-being of nursing home residents and staff will benefit from a meaningful investment in service delivery and capital improvements that enhance infection control and prevention efforts. This program’s use of funds would include:

1. Funding for HVAC & air filtration upgrades.
2. Facility/environmental improvements, such as isolation wings and private rooms, to reconfigure care delivery to reduce the risk of communicable disease spread to be better prepared for future pandemics.
3. Expanding telehealth capacity and digital communications strategies.
4. Maintain adequate supply and use of personal protective equipment and testing materials.
5. Food service and delivery reconfiguration to reduce spread of infection.

<sup>1</sup> Available at: <https://www.scientificamerican.com/article/nursing-home-workers-had-one-of-the-deadliest-jobs-of-2020/>

<sup>2</sup> Available at: <https://skillednursingnews.com/2021/03/u-s-nursing-home-workforce-shrank-by-11-5-since-start-of-pandemic/>