

*Advising the Congress on Medicare issues*

# Nursing facility staffing

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# Roadmap

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- Background
- Federal and state staffing requirements
- Nursing facility staffing data
- How can staffing data inform future Commission work on payment adequacy or nursing facility workforce?

# Background

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- Skilled nursing facilities (SNFs) provide short-term skilled nursing care and rehabilitation services
  - 1.2 million fee-for-service beneficiaries used Medicare-covered SNF services in 2020
- 94 percent of SNFs are also certified as nursing facilities (NFs), which provide less-intensive, long-term care services that Medicare does not cover

# Types of nursing staff in nursing facilities

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- About 1.2 million people work in 15,000 nursing facilities in the U.S.
- Three types of nursing staff provide most direct care
  1. Registered nurses (RNs): must complete a 2-year degree and become licensed in their state
  2. Licensed practical nurses (LPNs): must complete a 1-2-year degree and become licensed in their state
  3. Certified nursing assistants (CNAs): must complete 75 hours of training and become certified in their state

# Federal staffing requirements have been unchanged since 1987

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- A director of nursing who is an RN
- An RN on duty 8 consecutive hours per day for 7 days a week
- A licensed nurse (either an RN or LPN) on duty 24 hours per day for 7 days a week
- “Sufficient nursing staff with appropriate competencies and skill sets to provide nursing and related services to assure resident safety and attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident.”

# State staffing requirements vary

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- 38 states and the District of Columbia have implemented stricter minimum staffing requirements than federal requirements
- Studies of minimum staffing requirements found
  - Staffing level increases
  - Some improved quality measures
  - Unintended consequences
    - Decreased indirect staffing
    - Decreased skill mix

# Other state policies to encourage staffing

## Wage pass-through policies

- 11 states
- Nursing facilities must spend a specified portion of a Medicaid rate on staff compensation

## Cost-based payment

- 32 states + DC
- Nursing facility Medicaid rates tied to costs of direct care

## Value-based payment

- 16 states
- Performance on staffing measure increases payment

# CMS has studied staffing levels but has not changed federal requirements

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- 2001 Congressionally mandated report: CMS contractors found a higher risk of quality problems in facilities with staffing ratios below critical thresholds
- 2016 rulemaking: CMS revisited federal staffing requirements
  - Concerned about quality of staffing data at the time
  - Noted that Payroll-Based Journal (PBJ) data could be used in future evaluations of staffing



# Prior source of staffing data raised concerns about accuracy

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- CASPER was the source of staffing data before PBJ
- Concerns about CASPER data include:
  - Self-reported by facilities
  - Not subject to routine audits
  - Not representative of typical staffing because data are collected immediately preceding a facility's annual inspection
- Concerns about CASPER led to Affordable Care Act requirement for CMS to collect better staffing data

# The payroll-based journal system has improved the accuracy of nursing facility staffing data

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- CMS collects and publicly reports auditable nursing facility staffing data using the PBJ system
  - Allows for more consistent and accurate data
  - Contains daily paid nursing staff hours by facility aggregated by staffing category
  - Distinguishes between employed and contract staff
- Limitations:
  - May not reflect all staff hours worked
  - Does not measure workload intensity

# CMS is studying minimum federal staffing requirements

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- CMS is currently conducting a study of the level and type of staffing needed to ensure safe and quality care
  - Analysis of PBJ staffing data and patient outcomes
  - Site visits
  - Literature review
- CMS intends to propose minimum standards for nursing facility staffing within one year

# CMS's applications of the PBJ data

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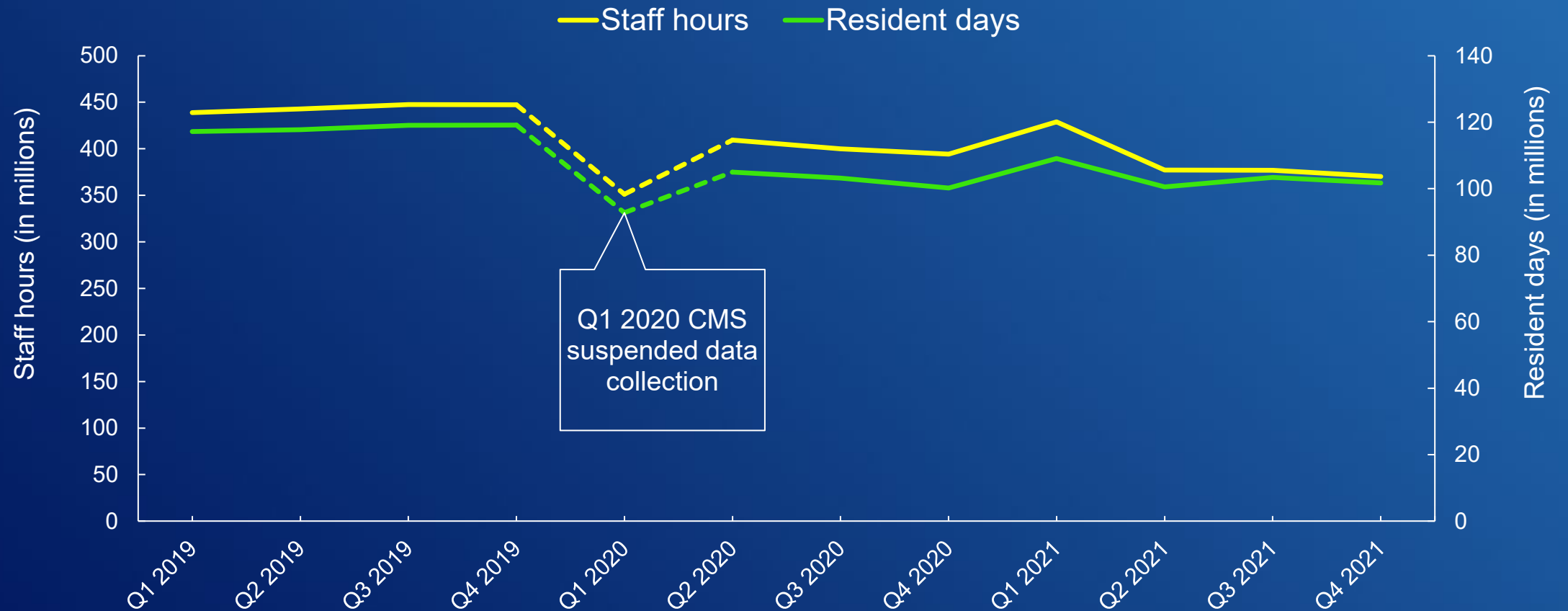
- Public reporting of staffing measures on Care Compare
- Inclusion of staffing measures in Star Ratings
- Incorporated into the state survey process
- Plans to add a staffing measure to the SNF value-based purchasing program in 2026

# MedPAC analysis of PBJ data

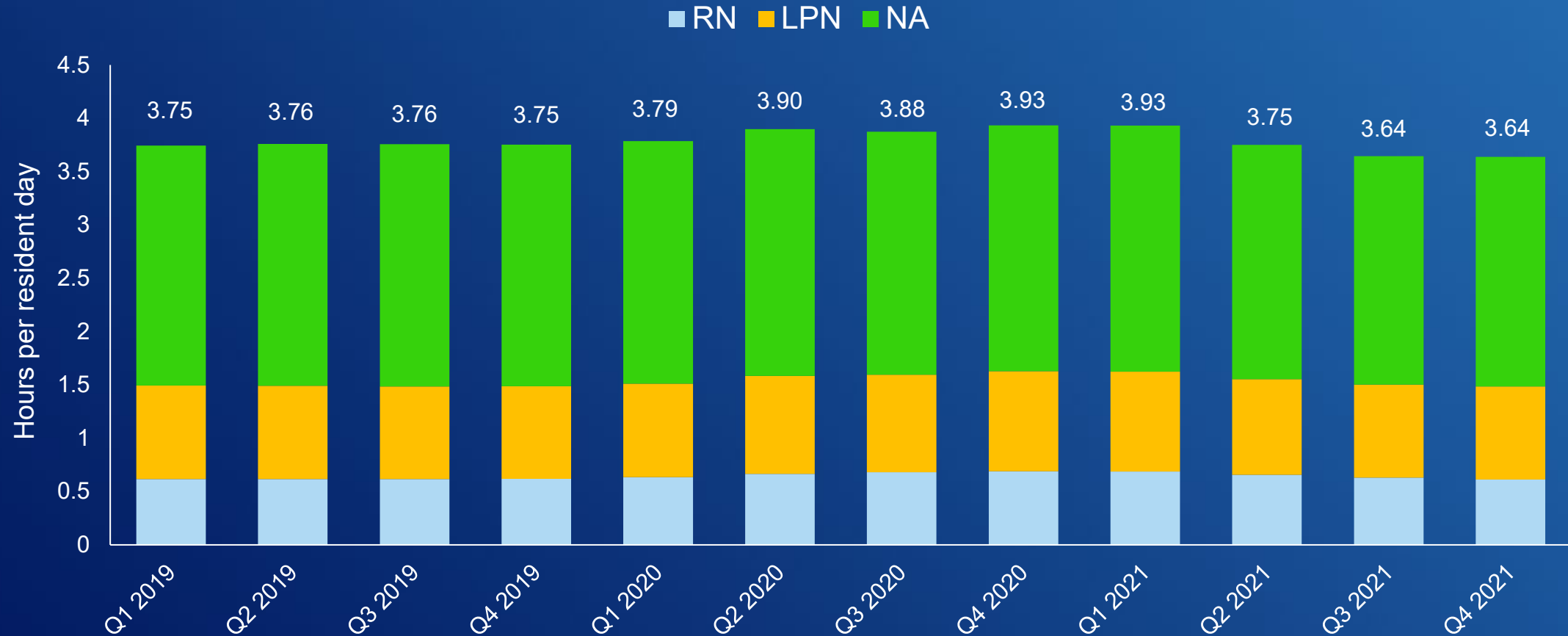
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- We analyzed the quarterly PBJ data in 2019 through 2021
- We show aggregate, sector-wide trends in total staffing, total resident days, staffing level and mix changes, and changes in the use of contract staff

# Quarterly changes in total resident days and staff hours, 2019-2021



# Aggregate hours per resident day generally consistent, but lower by the end of 2021



# Nursing facilities' use of contract staff increased in 2020 and 2021





# Potential applications of PBJ data in future Commission work

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In future work we could examine:

- Aggregate sector-wide trends in mix of nursing staff types, use of contract staff, staff hours per resident day
- Facility-level variation in mix of nursing staff types, use of contract staff, staff hours per resident day
- Beneficiaries' access to SNFs by staffing level
- The relationship between facilities' staffing levels, costs, and margins

# Discussion

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- Feedback on this material
- Uses of staffing data in future Commission work
  - Payment adequacy analysis
  - Other research on the nursing facility workforce