



QUARRYVILLE
PRESBYTERIAN
RETIREMENT COMMUNITY



August 25, 2021

Ms. Lori Gutierrez
Deputy Director Office of Policy
525 Forster Street, Room 814
Health and Welfare Building
Harrisburg, PA 17120

Dear Ms. Gutierrez,

Quarryville Presbyterian Retirement Community strongly opposes the proposed changes to the nursing facility regulations published in the Pennsylvania Bulletin on July 31, 2021. It is no secret that Skilled Nursing facilities have faced arguably the toughest and most tumultuous 18 months in its industry's history. Quarryville Presbyterian Retirement Community has had to drastically alter the way we operate, the way we care for our residents, the way in which we welcome visitors and volunteers, and the way we recruit and retain employees. All of this at a time when financial and operational pressures have threatened the ability to continue operating on what seems like a daily basis. Below are just a few of the specific reasons, as they relate to Quarryville Presbyterian Retirement Community, that we are in strong opposition to the proposed changes in their current state.

Availability of Staff

The strongest reason for opposition to the proposed regulation is simply the availability of staff. If the regulation had gone into effect just over 6 months ago, Quarryville would have needed to hire an estimated 8 full-time equivalent employees to consistently meet the 4.1 PPD criteria. Just over 6 months ago, Quarryville was a 5-star rated facility with a 5-star staffing rating. Throughout the past 6 months, Quarryville has seen the long-term care workforce shrink due to COVID-19 and lack of funding for adequate pay increases. Due to that workforce shrinkage, Quarryville would now need to hire an estimated 16 full-time equivalent direct care staff to maintain a 4.1 PPD. I believe it goes without saying that that would be a herculean task that is impossible to carry out even with sufficient lead time as we are currently swimming against the current to just get back to where we were. Located in Lancaster County, PA, our facility is extremely rural with a small pool of potential applicants in the surrounding area. With the current extremely competitive employment landscape, our facility is seeing both current employees and applicants opt for employment in the non-healthcare industry. The jobs they are moving to are less stressful and oftentimes offer equal or higher pay rates and sometimes significant sign-on bonuses. When posed with the challenge of hiring 16 new full-time employees, our team is at a loss as to how we can accomplish this at this time.

During the COVID-19 Pandemic, there has been a slight glimmer of hope with the waiver to use temporary nurse's aides to assist with the care of residents. Quarryville has developed their own training course and requirements for these individuals to be allowed to perform all the functions of a certified nursing assistant. Our strict internal requirements require more on the floor training than current regulations prior to being allowed to perform care on their own. We can get individuals hired and working solo on the units quicker than the previously regulatory process that involved multiple background checks from different sources, a multiple weeks-long course and a formal skills test to follow. If the new proposed regulation does go through, I would urge the state to look at the process in which nurse's aides are able to be brought on board to help meet the 4.1 PPD requirement, be adequately trained, and hit the floor in the shortest amount of time possible. I am

confident that by sitting down with skilled nursing facilities' operators, Pennsylvania can develop requirements that encourage individuals to start positions in healthcare and eliminate the hurdles nursing facilities face while doing so.

Execution and enforcement of proposed regulations

In a review of the proposed regulations, there are far more questions to be asked than answers given. So many questions in fact, that it is difficult to truly comment on the regulations with so many key parts unanswered.

- What positions will be included in the PPD requirement? We have activity staff that are certified nurses' aides that feed residents and perform direct care on residents during and in-between activities. Are their hours eligible to be counted? How about licensed and certified therapists that assist residents with ADL's during their evaluations and treatments? Social workers can spend hours meeting the psychosocial needs of the residents while the Director of Nursing and other nursing administration personnel are the first to jump in and help provide care when needed. We recommend and need clear direction on which employees should be considered in the calculation.
- Will the 4.1 PPD requirement be looked at day by day, weekly, monthly or quarterly? On a daily basis, nursing facilities have employees call in sick or are unable to come to work for a number of reasons. While an attempt is made to fill that shift, there are times when we are unable to do so. It is inevitable that facilities will have days where call-offs significantly affect the PPD. Expecting facilities to meet the 4.1 PPD requirement every single day is simply unreasonable due to call offs and the low availability of staff. Facilities must know what timeframe the PPD will be looked at for compliance to be able to meet the requirement.
- Will any consideration be given for facilities unable to hire enough staff? As previously mentioned, the workforce shortage and availability of staff will be a huge factor in being able to meet the new regulation. Will the state give any consideration to facilities who do not have sufficient staff in-house to meet the regulation but are doing everything possible in attempt to hire them? It is our stance that the state should have the autonomy and leverage to be able to review the facility's use of agency staff, use of overtime and shift bonuses, as well as their employment advertising and hiring history to show a good faith attempt at having enough employed staff to meet the requirement.
- What will the penalties of non-compliance be? For facilities that are doing everything they can to meet these requirements but still fall short, penalties for doing so will be even more detrimental moving forward. At a time where financial challenges are present in just about every nursing facility, a monetary fine could be the final nail in the coffin.

Lack of Adequate reimbursement

As facilities across the state have been communicating for a decade, nursing home funding has drastically fallen behind the actual costs that it takes to adequately care for our residents. There has been no increase in medical assistance rates in the past 7 years. Quarryville Presbyterian Retirement Community serves a population made up of roughly 40% of medical assistance residents. In the past seven years while there has been no increase in the medical assistance rate, salaries, supplies, food, and other costs have all increased. It is no secret that the cost of groceries or food at a restaurant has increased over the past decade. As restaurants and grocery stores have higher expenses due to supplies or labor, they are simply able to increase their prices. When our nursing facility is faced with increased costs of labor and supplies, the only individuals who can meet the deficit are our private pay residents. It is simply not sustainable for a nursing facility's only option to be increasing the cost on a portion of the residents to help cover shortfalls for all our medical assistance residents. The alternative to raising the costs to private pay residents to help cover medical assistance residents is to cut essential resident services

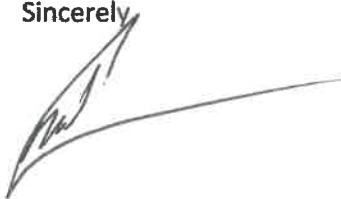
or be forced to operate at a loss to ensure residents have all the care they need. Nursing facilities are in a unique situation in that the majority of our revenue comes from Medicare and Medicaid. When mandates and regulations are pushed out that require more staff, more administrative reporting, or more time and hours to meet regulatory requirements, government officials have often failed to remember we can't simply pass on the increased costs to thousands of individuals as non-healthcare organizations are able to do. Unfunded mandates have been crippling nursing facilities for years and this mandate, if not funded adequately, could likely be the final straw for many nursing facilities, including our own.

The bulletin has estimated costs of this increase though no guarantee of ongoing financial assistance to help meet this new requirement. In fact, in reviewing the financial estimates of how much this mandate would cost, a number of items were left out. Fringe benefits totaling up to 35% of an individual's salary must be considered in the estimated cost that will be passed along to the nursing facilities to meet this requirement. In addition to fringe benefits, there will be enormous recruitment costs associated with finding and hiring these staff members which often require significant sign-on bonuses to compete with other facilities and industries, training for new employees and ongoing training, paid time off for the newly hired staff, the cost of shift, weekend and holiday differentials, plus additional costs if agency staff are needed to meet short falls. These additional costs must be taken into account when calculating the estimated financial effect of this new requirement for nursing facilities. The estimated cost for a nursing home servicing 85 residents such as ours is \$430,000 per year. Our nursing facility has already been forced to operate on a shoestring budget and does not have the margins to cover this increase in cost. If this cost is passed on to residents it would equate to \$13.86 per resident per day. If that nursing home is 42% Medicaid and 10% Medicare the increase rises to \$28.74 per private pay resident per day (an additional \$10,491 per year for each private pay resident).

On behalf of every employee within our organization and like-minded facilities across the state, we urge you to strongly reconsider this proposed regulation. As the federal government has expressed, minimum staffing requirements, especially those that push facilities to the brink and challenge their ability to continue operating, stifle innovation that the industry desperately needs at this time. We urge the commonwealth of Pennsylvania to bring skilled nursing facility operators to the table to determine how to ensure that the correct regulatory steps are taken that will encourage innovation, support skilled nursing facilities in caring for their residents, and build a financial framework that creates an optimistic outlook for nursing facilities heading into a new era.

Please do not hesitate to reach out directly should you have any questions or want to discuss further the impact these proposed regulations would have on Quarryville Presbyterian Retirement Community. We can be reached at (717) 786-7321 or by email at smeltzer@quarryville.com.

Sincerely,



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