

Testimony of SEIU Healthcare Pennsylvania President Matt Yarnell on Nursing Home Funding Reform

Democratic Policy Committee Hearing 11/5/2021

I'm really excited to be here with you all this morning to discuss the future of Pennsylvania's long-term care system. Thank you to Senator Fontana and Senator Muth for bringing us together for this important conversation.

Pennsylvania's long-term care system is in crisis, and workforce issues are at the heart of that crisis. We've all seen the headlines: Over 13,000 elderly Pennsylvanians died of Covid-19 in our nursing facilities. Too many nursing home residents have faced isolation and neglect. Nursing homes are critically understaffed, and caregivers have been pushed to the breaking point.

What I want to emphasize today is that the crisis in our long-term care system didn't begin with the pandemic. The problems that made headlines during the pandemic have existed for decades. When I first started working as a CNA 20 years ago, facilities were already desperately understaffed; caregivers were already being asked to care for dozens of residents on each shift. Outdated regulations, inadequate funding, understaffing and irresponsible for-profit operators led to regular revelations of abuse and neglect for many years before the pandemic brought these issues to public attention. These conditions are what led to the catastrophe that has unfolded in our long-term care system in the past 18 months. We must act to change them.

Today I am glad to be able to say that hope is finally on the horizon. The Wolf administration has proposed new nursing home regulations for the first time in 20 years, and those proposed regulations lay the foundation for a high-quality long-term care system by requiring safe staffing: 4.1 hours of care per resident-day in every facility across Pennsylvania. Our members were proud to join resident advocate organizations like AARP, CARIE and CLS in advocating for those regulations, and we will be fighting every day to ensure that they are implemented.

But regulation alone isn't enough. Nursing homes are largely funded by taxpayer dollars, and comprehensive reform will require a new approach to nursing home funding. This approach must have two components: increased resources, and strong accountability measures to ensure that resources are directed to the bedside and improve resident care.

What do I mean by increased resources? The state must invest in resident care to fund safe staffing and high-quality jobs for caregivers. In a world where Amazon and Wawa are paying \$15 an hour, we can't expect nursing home staff to do some of the most demanding and difficult work in the Commonwealth for \$12 an hour. We need to ensure decent working conditions for caregivers. That means more staffing, better working conditions, and higher wages. We believe that achieving this will require an investment of \$350 million annually from the state, which will be matched by federal Medicaid dollars for a total investment of over \$700 million. We also believe that we can't fund long-term reform with short-term money. We're not asking for another one-time bailout. The state needs a permanent rate increase to sustain change over the long term.

But this funding must come with accountability. In an industry where most nursing facilities are for-profit, and private equity plays a growing role, it is vital to ensure that taxpayer dollars are spent on resident care, not corporate profits. Too often, we've seen money intended for resident care siphoned off to pay for inflated rents, related-party transactions and executive bonuses.

That's why we're asking the legislature to follow the lead of New Jersey, New York and Massachusetts in introducing a **care percentage** across the nursing home industry--requiring that

facilities spend at least 75 cents out of every dollar of revenue on resident care. To be clear, this requirement would apply comprehensively to the entire budget of each facility--not just to new funding. We believe this requirement is common-sense: the majority of nursing home funding comes from taxpayers, through Medicare and Medicaid, and the public has an interest in ensuring that this money goes to support resident care, not overhead or corporate profits. States across the country are holding nursing home operators accountable for resident care, and Pennsylvania should join them.

As I said earlier, Pennsylvania's nursing home industry has been troubled for decades. Across the Commonwealth, caregivers, residents and families have struggled to achieve decent and dignified care in a broken system. But it doesn't have to be this way. I believe that we have a unique opportunity to finally achieve high-quality long-term care in our state. That requires staffing regulations, increased funding, and greater accountability; it also requires industry, stakeholders and the legislature to work together for real change. I look forward to working with you. Thank you.