



March 23, 2020

The Honorable Tom Wolf
Governor of the Commonwealth of Pennsylvania
508 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf:

Thank you for the leadership and collaboration our respective members and the people of Pennsylvania have seen and experienced from your administration throughout this COVID-19 emergency. As the virus impacts every corner of the Commonwealth, no group of people are at higher risk than older adults, and no group of organizations will be asked to support them through both prevention and mitigation more than nursing homes and long-term care providers.

Your emergency declaration and the recent passage of the federal Families First Coronavirus Response Act together will help to ensure access to critical funding to assist health care providers who are protecting the vulnerable populations who are most acutely at risk of adverse health outcomes. As associations representing long-term care providers and the workers who provide their care, who together work every day to ensure quality care is delivered to our state's most vulnerable, we are submitting to you a number of requests to ensure proper protections for older Pennsylvanians in long-term care facilities and those who provide for their care.

Personal Protective Equipment (PPE):

Providers and workers request that all efforts be made to procure an adequate supply of PPE (masks, gowns, gloves, etc.) funded through state or federal dollars. Providers and staff remain concerned that their current supply of PPE is inadequate today, creating a scenario in which they will be ill-equipped to provide protection for residents and employees in the event the virus enters a facility. Given the news over the weekend in which two cases were reported in nursing home environments, this is more critical than ever.

Reimbursement:

Pennsylvania nursing home providers have not received a statewide funding increase in six years, and the increasing number of ownership changes, coupled with the growing number of high-quality providers taking beds offline, reflect the strain this has created. Given the projection of increased operating costs related to COVID-19 – including additional protective equipment, staffing, testing supplies, and other interventions as needed – as well as current operating costs due to the crisis, we are requesting a 3% increase in rates and a direct minimum allocation of **\$290 million** to nursing homes from the emergency funds approved (or yet to be approved) both federally and here in Pennsylvania, including but not limited to dollars accessible through the enhanced FMAP and other sources. These emergency funds will be used to ensure adequate staffing, PPE, and supplies for a duration of 120 days, and the rate increase will help to ensure that both residents and nursing home staff are provided the quality living and working environments they deserve. The appendix to this letter provides a more detailed explanation of the calculations used to derive this request.

Workforce and Staffing:

We request the state to provide and distribute emergency state or federal funding for skilled nursing and personal care homes/assisted living facilities to offer paid sick leave to all staff who have exhausted their sick leave benefits to avoid sick staff interacting with frail, vulnerable residents, and ensure that staff aren't forced to come to work because they have no other financial option to support their families. Additionally, such funds should be utilized to replenish workers' paid time off that was/is used related to COVID-19 illness to the employee or their dependents.

Facility Closures:

Any time a skilled nursing facility, personal care home, or assisted living residence closes, it places residents at risk of infection, adverse mental/physical health reactions due to the stress of relocation, and other heightened factors. Although this scenario may be unlikely, we request immediate planning on how potential facility closures will be addressed, with a central focus on the residents living in these facilities, and what extraordinary financial assistance might be offered to facilities to avoid closures during this public health emergency due to the impact on a facility's admissions, census, staffing and mounting unpaid expenses.

This request represents our best estimate of the needs of long term care providers and employees to ensure quality care continues throughout the Commonwealth, but also acknowledges that the uncertainty of the situation may mandate additional future funding. To the extent that funds may be specifically set aside for healthcare providers addressing the COVID-19 crisis, we endorse the utilization of such a fund to address this request.

The undersigned have agreed to collaborate and work together to provide transparency regarding the utilization of funds provided pursuant to this request, and we plan to continue this partnership on behalf of the residents and employees of long term care providers.

These are extraordinary times, and we look forward to addressing these challenges together. Thank you for your consideration. Please do not hesitate to contact us with questions.

Sincerely,



Adam Marles
President & CEO
LeadingAge PA



Zachary Shamberg
President & CEO
Pennsylvania Health Care Association



Matt Yarnell
President
SEIU Healthcare Pennsylvania



Chris Woods
President
National Union of Hospital &
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Wendell Young, IV
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c: Mike Brunelle, Chief of Staff
Alison Beam, Deputy Chief of Staff
Teresa D. Miller, Secretary, Pennsylvania Department of Human Services
Jen Swails, Secretary of the Budget

Cost Estimate Explanation

The following descriptions and spreadsheet provide an estimate of the relevant costs associated with the requests above. What follows is an explanation of the attached calculation and the rationale behind our assumptions on the costs to nursing homes of COVID-19.

Staffing

For the staffing ratios section, we consulted CMS data for the average per patient day staffing levels experienced in Pennsylvania as of the most recently available data. Hourly Wage and Benefits were derived from the HCS Nursing Facility Survey. These staffing ratio levels were multiplied by the wage and benefits to come up with a cost per resident day based on the average staffing level and wage amounts. This amount is shown on line 11 of the spreadsheet.

The paid leave cost estimates assume that twenty percent of direct care staff would incur a missed 14-day work period, either because of COVID-19 infection to themselves, or because of having to care for children who are no longer able to attend school during the day. This is imperative as many caregivers are single parents and access to daycare was already a challenge when children were able to attend school.

Because of this staffing shortage, other staff will have to deliver more care by working more hours and providers will incur overtime costs. On line 15 we estimate the cost per patient day of ten percent of staff incurring these overtime costs of 1.5 times their normal PPD rate.

Increased training and education costs relate to the need to keep staff fully apprised of the most current infection control and related protocols, as well as training for emergency fill-in services, and additional staff for dining reflects prohibitions on communal dining.

Supply Costs

Supply Cost estimates show the estimated increase in supply costs including personal protective equipment (PPE) for caring for a resident that is receiving enhanced barrier precautions. Based on data gathered by providers, PPE distributors, Associations and consultants; we concluded the average amount of PPE (gloves, N-95 masks, gowns and face shields) required to care for a COVID-19 infected resident.

When a resident needs to receive precautions associated with COVID-19, staff is required to continue to provide care and services, including activities of daily living, medications, psychosocial needs, and increased care needs associated with the virus. PPE is required for each interaction with a resident on precautions. Often during enhanced precautions, a minimum of two staff are required to care for sick and compromised residents, which drastically increases the amount of PPE required to provide necessary care. On average, nursing staff will need to interact with a resident every 1-2 hours depending on other comorbidities.

The period a facility may have to incur these additional costs is unknown. In our estimate, we use what we believe to be a realistic estimate of 120 days for the immediate emergency to conclude. The result

is the cost that each facility will likely encounter for each resident under their care during their experience with COVID-19.

After the cost displayed on our spreadsheet, we calculate the total beds and occupancy in the state currently, to arrive at total residents per day in the state. The total number assumes what funding would be needed to weather these turbulent times. It bears mentioning that these assumptions only consider a very narrow scope of the costs that will be incurred by providers. The spreadsheet does not look at increases in maintenance staffing costs, dietary staffing costs, and the potential cost hikes for other supplies and services that providers may experience due to circumstances outside of the provider's control.

Conclusion

We have strived to provide a clear and reasonable representation of the costs that providers will incur in battling the COVID-19 crisis. Please know that we stand ready to engage in more detailed conversations about the attached calculations and our greater request.