

# Presentation to the Oklahoma Joint Committee on Pandemic Relief Funding - Health and Human Services Working Group

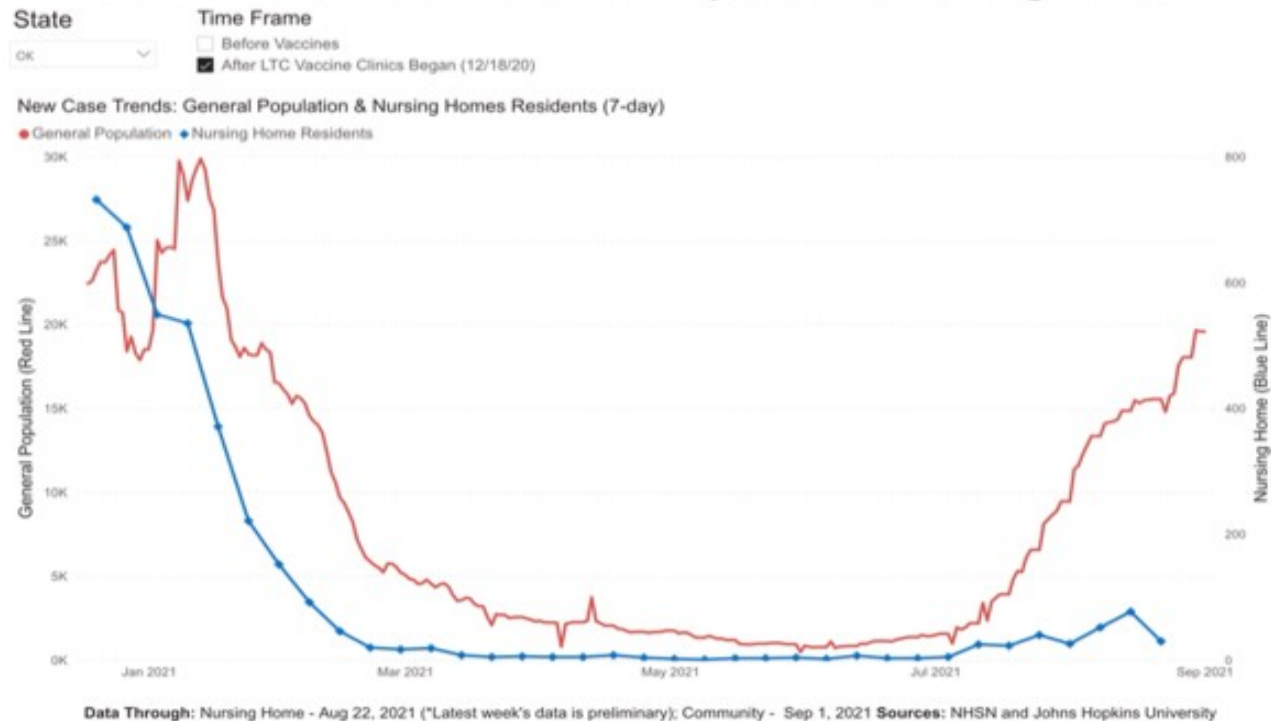


Steven L. Buck  
President & CEO  
Care Providers Oklahoma

# COVID Update

Independent research indicates that community spread is linked to COVID-19 outbreaks in nursing homes. Long term care residents and staff were among the first to receive the vaccine through on-site clinics beginning the week of December 18, 2020.

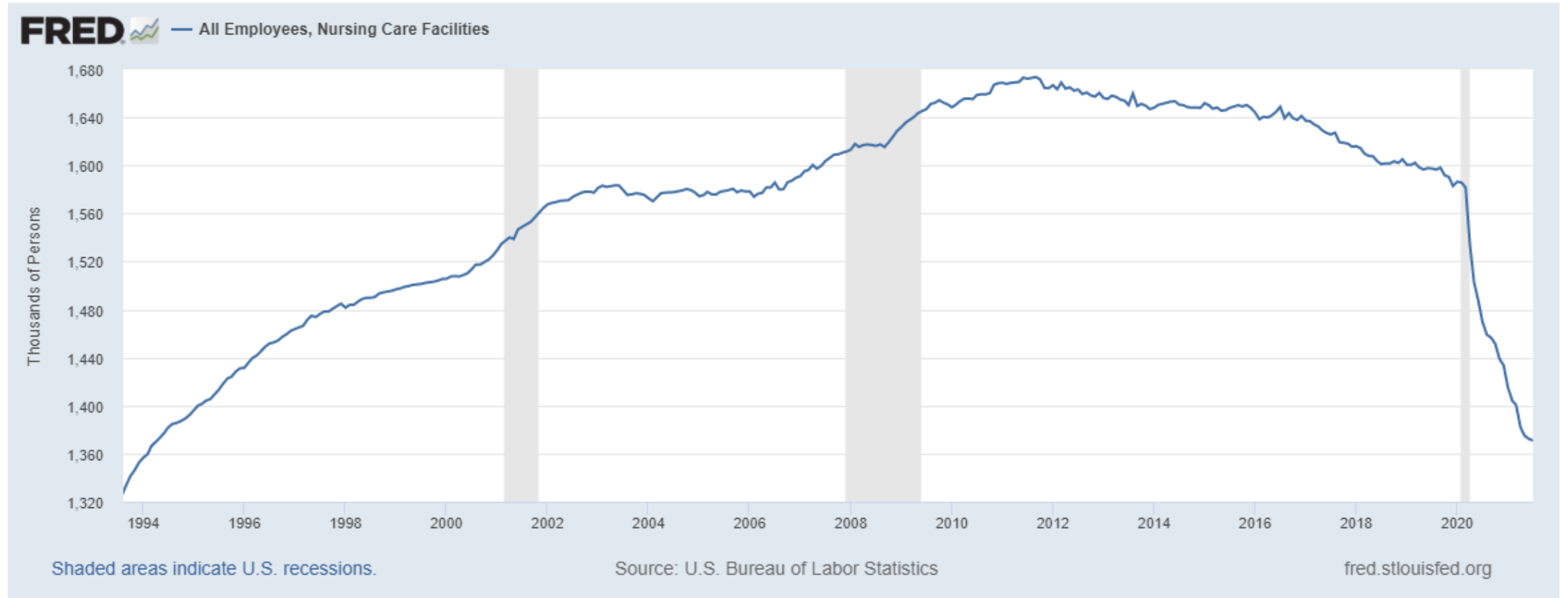
## COVID-19 New Cases: General Population & Nursing Homes



# LTC Employment Loss is Newsworthy

- Wall Street Journal, August 25<sup>th</sup>: Nursing Homes Keep Losing Workers. “...low wages, burnout and fear of COVID-19 keep staff away”
- Tulsa World, September 2<sup>nd</sup>: Closures of Oklahoma’s long-term care facilities devastating to residents and workforce. “...have to limit admissions, leaving patients in the hospital longer and costing our health care system more money.”

# Long Term Care Employee Count



# Population Growth by Age Group

## U.S. Population Predictions for Seniors and Children

Population values in millions

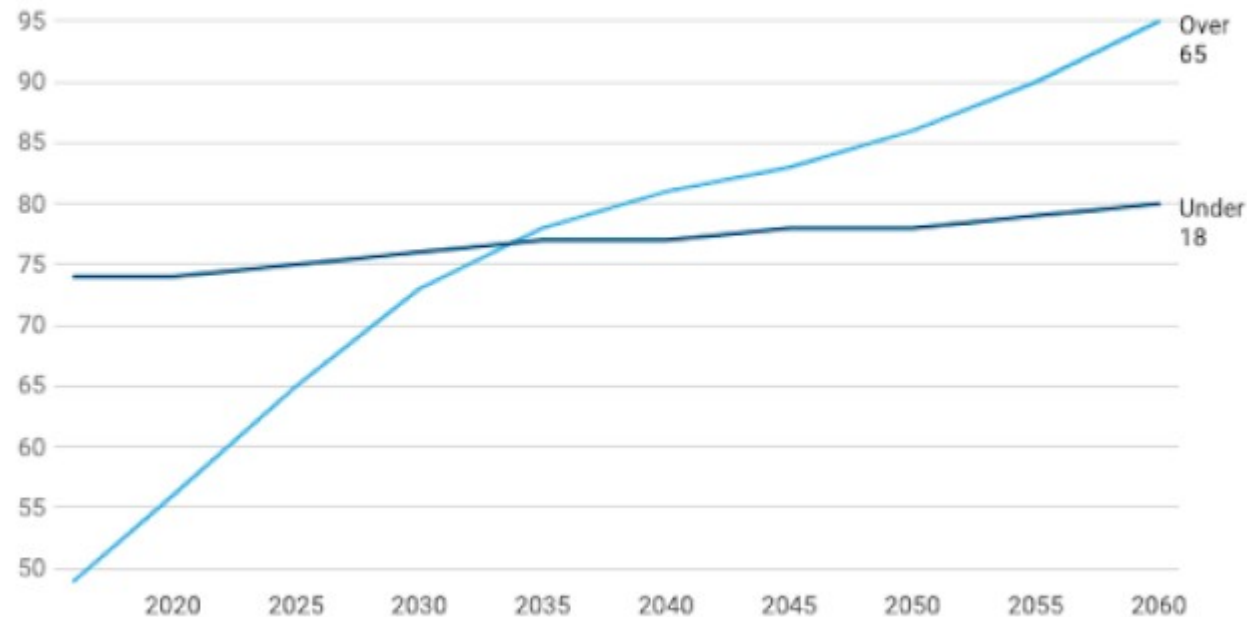
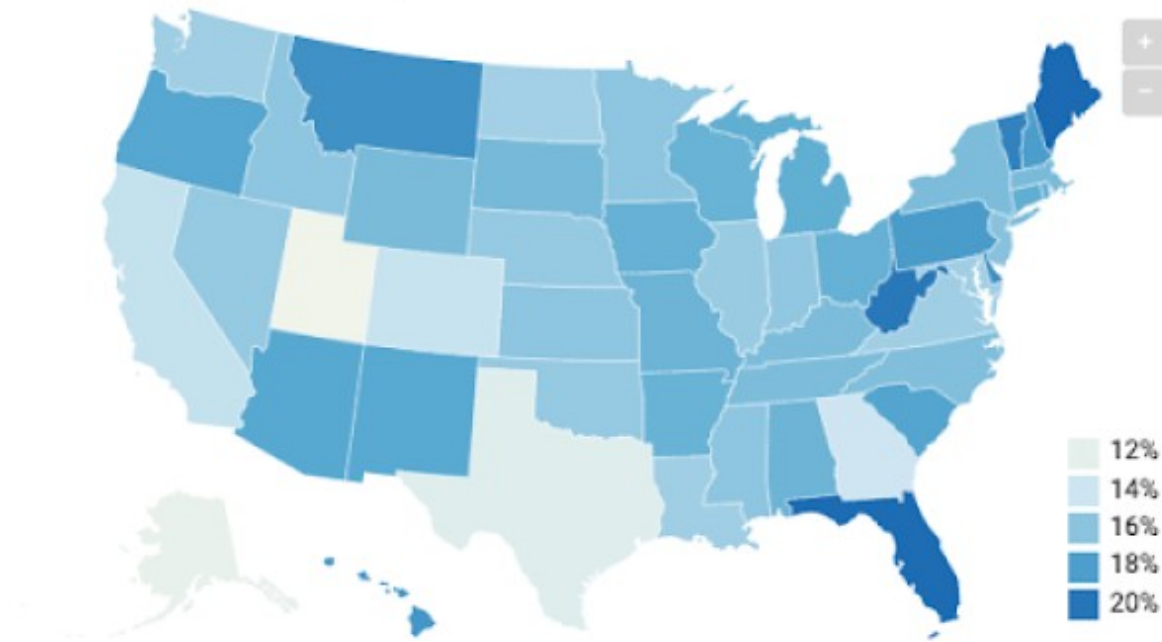


Chart: U.S. News & World Report • Source: U.S. Census Bureau • [Get the data](#)



# Oklahoma Has a Growing Share of Seniors

Share of Population Aged 65 or Older in 2018



July 2018 population estimates

Map: U.S. News & World Report • Source: U.S. Census Bureau • [Get the data](#)

U.S. News

# At the Core of Nursing Home Income is Medicaid

- Medicaid funds nearly 70% of all nursing home services in Oklahoma (as of 6/30/20)
- Medicaid, by design pays a rate per resident per day that is less than the cost of the provision of care
- Legislature in SB280 (2019) made a significant upgrade to NH rates; the legislation saved buildings during COVID-19 but it's impact is now slipping. SB280 was designed on a wage floor that has been made obsolete by the COVID19 experience

# Approaches to Staffing & Recruitment


- HERO Pay
- COVID Add on Pay
- Waivers Provided Training Flexibility
- Staffing agencies
- Extensive overtime
- “All Hands on Deck”
- Admission caps
- In Oklahoma, must continue to meet required staffing ratios



# The New Wage Floor

mercy.net/newsroom/2021-08-19/mercy-increases-starting-wage-for-all-co-workers/

All Mercy services are open. See safe options for care and the latest COVID-19 vaccine information.



## Mercy Increases Starting Wage for All Co-workers

August 19, 2021

Mercy will increase the starting wage for all co-workers across its multistate footprint. The \$18 million additional annual commitment will raise more than 6,000 co-workers' pay to \$15 an hour and serve as the starting wage for all newly hired co-workers.

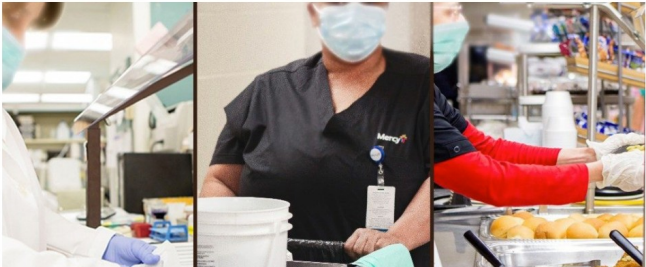
"This decision is rooted in our values and promotes the common good for our co-workers and the communities where they serve," said Lynn Britton, Mercy president and CEO.

The new minimum wage will be implemented across Mercy as of Sept. 19. Co-workers will see the increase in their paychecks as soon as Oct. 8. Some of the more than 6,000 co-workers who will receive an increase include housekeepers, food service, transportation and pharmacy, medical and lab technicians, all of whom are critical to providing compassionate care and exceptional health care service.

Mercy serves a geographical area that has a significant percentage of jobs under \$15 an hour, including Arkansas, which has the highest percentage of those jobs in the U.S.: Arkansas, 47.4%; Oklahoma 43.8%; Missouri, 41.6%.

"We decided to make the transition immediately, rather than in stages, because this critical decision can positively affect so many lives and families," said Britton. "It is our prayer and hope that this will ease the financial stress of many co-workers, regardless of where they work in our ministry, and let them know what they do matters greatly to the patients and families we serve every day."

In addition to raising wages of co-workers making less than \$15 an hour, Mercy will continue to review co-worker pay across all communities and job descriptions and adjust accordingly.




cvshhealth.com/news-and-insights/press-releases/cvs-health-announces-wage-increases

CVS Health

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## CVS Health announces wage increases



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Wednesday, August 4, 2021

# And It's Not Just Healthcare

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kfor.com/news/mcdonalds-to-raise-wages-by-average-of-10-across-us/

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NEWS

## McDonald's to raise wages by average of 10% across US

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A sign stands outside of a McDonald's restaurant February 9, 2009 in San Francisco, California. (Photo by Justin Sullivan/Getty Images)

By: Nexstar Media Wire  
Posted: May 13, 2021 / 07:51 AM CDT / Updated: May 13, 2021 / 07:51 AM CDT

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corporate.target.com/press/releases/2020/06/target-increases-starting-wage-to-15-thanks-frontline

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## Target Increases Starting Wage to \$15; Thanks Frontline Team Members with Recognition Bonus

MINNEAPOLIS - June 17, 2020

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Company investing nearly \$1 billion more on team than it did in 2019; will introduce free virtual healthcare visits for all and extend benefits established for pandemic

Target (NYSE: TGT) today announced a number of industry-leading updates and extensions to its pay and benefits. Beginning July 5, it will permanently raise its starting wage for U.S. team members to \$15 per hour. Additionally, the company will give a one-time recognition bonus of \$200 to its frontline store and distribution center hourly workers for their efforts throughout the coronavirus pandemic.

Starting this week, Target is also offering free access to virtual doctor visits for all team members through the end of the year, regardless of whether they currently subscribe to a Target health care plan. The company also announced additional extensions of a 30-day paid leave for vulnerable team members, as well as free backup care for family members.

"In the best of times, our team brings incredible energy and empathy to our work, and in harder times they bring those qualities plus extraordinary resilience and agility to keep Target on the forefront of meeting the changing needs of our guests and our business year after year," said Brian Cornell, Chairman and CEO of Target Corporation. "Everything we aspire to do and be as a company builds on the central role our team members play in our strategy, their dedication to our purpose and the connection they create with our guests and communities."

### Investment in Team Members

All U.S. hourly full-time and part-time team members at stores, distribution centers and headquarters locations will be eligible for the \$15 starting wage, which is more than 20% higher than the U.S. industry average. Target **set its 2020 goal** of a \$15 starting wage in September 2017, and over the last three years has increased wages from a starting wage of \$11. The last starting-wage increase was in June 2019 to \$13.

To recognize team members' efforts to meet guests' needs during the coronavirus pandemic, Target was one of the first in the retail industry to offer a **temporary wage increase of \$2** and

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# Evolving Factors in Employment

- Members of Care Providers Oklahoma estimate a vacancy rate of 20% of positions that could be hired day #1 if a qualified employee presented
- In addition to wage pressure, COVID fatigue/burnout & employment expectations (vaccine mandate?) are prompting employees to exit the workforce or seek employment elsewhere
- Staffing agencies are increasing cost and impacting facility based employment
- Prior to COVID-19, estimates suggested our state was 5000 short in the number of CNA's

# As the Process Continues

- Healthcare workforce is clearly a priority that must be addressed
- Employees report a need to access educational seats for advancement and lack of finances to start training as barriers
- Building a broad-based marketing platform to make healthcare careers is warranted
- Rescue Funds are a great opportunity to bend the negative sloping curve; Arkansas, Louisiana and Illinois are states that have recently launched workforce development in health careers (including LTC) as initiatives from their Rescue Act implementations