



April 4, 2023

The Honorable Cathy McMorris Rodgers
Chair
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member
House Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair McMorris Rodgers and Ranking Member Pallone:

We would like to offer our input on the senior living industry and the very important issue of workforce shortages in the health care sector. As you consider proposals to address these shortages, it is critical that you include the senior living front line caregiver and other essential workers who serve our nation's older Americans, including our veterans. Senior living plays a significant role in the greater health care system and these workers are key to maintaining the health and wellbeing of the residents they serve, thereby reducing the need for more critical services or hospitalization. When residents are safe, the overall health care system benefits.

The American Seniors Housing Association (ASHA) is a national organization of over 500 companies involved in the operation, development, investment, and financing of the entire spectrum of seniors housing – independent living, assisted living, memory care, and Continuing Care Retirement Communities (CCRCs). Our members' communities serve a wide range of seniors, from those who require assistance with activities of daily living (ADL) such as eating, bathing, and dressing, to those with significant needs associated with Alzheimer's disease and age-related dementia. Our members are on the front lines when it comes to serving frail seniors providing 24/7 expert care, supportive services, dining, housekeeping, and myriad activities that promote wellbeing and social interaction. Senior living offers a valuable and much needed option for aging seniors and their families in need of care that is community based.

Worker Shortages are Critical, and the Impact is More Profound in Senior Living and Long-Term Care Communities

The senior living industry is facing an unprecedented shortage of workers. This shortage has been exacerbated by COVID-19. With the flood of retirements, childcare needs, and change of professions, we know this shortage will only intensify going forward given the characteristics of the aging population. People are living longer and requiring more care. The shortage of positions is across the board including direct caregivers, nurses, housekeepers, dining staff and more. In fact, long term care has been the hardest hit industry in the health care sector and continues to experience substantial job losses while according to BLS data, other sectors such as hospitals and physicians have nearly reached or surpassed pre-pandemic staffing levels.

The pandemic has wreaked havoc on the industry and our members are working hard to recover. According to the National Investment Center (NIC), occupancy rates dipped from 87 percent pre- COVID, to 78 percent in the first quarter of 2021 due to mandatory lockdowns, move outs and in many cases, death due to virus or other illness. In the last year occupancy rates have started rising—they were at 83

percent for the fourth quarter of 2022, but still below pandemic levels. These occupancy losses are starting to rebound but providers are now facing other pressures such as rising interest rates, increased insurance costs, inflation which is making everything more expensive and a severe workforce shortage. This is taking a toll on an industry that was pummeled by the pandemic and now trying to position itself to prepare for the groundswell of baby boomers who will need service enriched housing in the next decade. The current worker shortage must be addressed not only with private market strategies to recruit, train and retain employees in more creative ways but by government policies as well.

These are hard jobs but very rewarding and meaningful. They are best suited for those with a passion for serving older Americans. It can be emotionally draining to care for those in the twilight of their lives, share their frustration and fears, and still assure that they are getting the very best care. Without these caregivers, our seniors will suffer. The dedicated caregiver that works in our senior living communities are the unsung heroes of the American workforce.

The Aging Population Demands a Stable and Adequate Workforce

By 2040, one in five people will be 65 or older. We are a rapidly aging population; advances in medicine and technology are allowing people to live longer. However, there are serious implications to those advancements, that must be considered such as increased health care costs, social security uncertainty, the workforce and the overall health of the economy. Consider the following data about the aging population.

- 10,000 people turn 65 every day.
- By 2040, there will be about 80.8 million older persons, more than twice as many as in 2000 and is projected to reach 94.7 million in 2060.
- The 85 and older population is projected to more than double from 6.6 million in 2019 to 14.4 million in 2040 (a 118% increase).
- By 2034 there will be 77 million people 65 years and older compared to 76.5 million under the age of 18. This means there will be fewer potential paid and unpaid caregivers available to support older adults.
- 2020 marked a record-low fertility rate of 1.64 children per woman and the sixth straight year of decline in the number of births. A fertility rate of 2.1 is needed to maintain a stable population.
- More than half of assisted living residents and nearly three quarters of nursing home residents have cognitive impairment and functional needs. More than 6.2 million people aged 65 and older live with Alzheimer's today. By 2025, the number is projected to reach 7.2 million— a 16% increase. Support must be available for these communities as well as family caregivers who without help, are at greater risk for anxiety, depression, and poorer quality of life than caregivers of people with other conditions.
- 69% of assisted living residents and 88% of nursing home residents have four or more chronic conditions.
- The average assisted living resident is 86 years old, a woman and needs help with three ADLs. The average nursing home resident is 83, a woman and needs help with five ADLs.

The demand projections for long term care in all settings (Assisted Living, Nursing Homes, Home Health Care) is astonishing. This data coupled with the current shortage and projected need for workers to meet this need, should elicit a call to action for policymakers and industry alike.

The Direct Care Workforce

The country is experiencing a serious decline of caregivers in every setting. Estimates on the number of workers who left the long-term care industry during the pandemic run as high as 400,000 and levels remain lower than pre-pandemic levels. These numbers reflect combined losses in the nursing home and assisted living profession. The following data underscores the need for additional workers to care for our elderly.

- The average caregiver is a 47-year-old woman.
- An estimated 4.6 million paid direct caregivers are working in home care, residential care homes such as assisted living, and nursing homes.
- Employment of home health and personal care aides is projected to grow 25 percent from 2020 to 2030, and reach a need for almost 8 million workers.
- There is also a need for 1 million new workers in the next decade. About 711,700 openings for home health and personal care aides are projected each year, on average, over the decade. Many of those openings are expected to result from the need to replace workers who transfer to different occupations or exit the labor force, such as to retire.
- The job of a caregiver is physical and emotional. It takes the right kind of person to care for a fragile senior who needs help bathing, eating and walking. Not everyone is equipped with the compassion required to do this job. Therefore, the overall applicant pool is always going to yield fewer people who are the right “fit” relative to other industries seeking similarly skilled individuals.

Recommendation: Immigration Reform Must be in the Mix of Solutions

While employers must respond to the demands of the workforce for higher wages, benefits and flexibility, policymakers also have a responsibility to respond to the lack of workers in this country and the broken immigration system that perpetuates the problem. There are simply not enough native-born workers to meet the current and future demand and left unresolved will ultimately impact the ability to care for older adults. It is time to look beyond our borders and give immigration reform serious attention.

There are numerous nonimmigrant visa categories for people traveling and working in the U.S. but none of them are suited for the caregiver, dietary aid, med tech and other critical positions in the long-term care industry. It is time that immigration reform be given the attention it deserves as a means of not only meeting the senior care workforce needs but to strengthen our overall economy.

ASHA encourages support for the following measures:

- Create a visa category for the front-line, in demand long term care worker,
- Improve employment authorization for migrants who apply for asylum,
- Expedite processing of work applications for those in the U.S. and are in a status that allows them to work but are unable because of delays at DHS that are taking in some cases 8-12 months. This includes asylum applicants, and those with humanitarian paroles and temporary protected status,
- Create a pilot program within the existing H2-B visa category for same worker,

- Include long term care workers in future allocation of unused “green cards,”
- Grant DACA recipients, Afghans with Humanitarian Parole and TPS workers permanent legal status, and
- Establish pilot programs to assess effectiveness of creating visa programs for essential workers that are in great demand and kept business and health care systems afloat during the pandemic.

We understand the need to couple border security with legal immigration reform. We support efforts to address both challenges. However, there are thousands of people that are here in the U.S. awaiting work authorization that can be put to work today. Therefore, in addition to legislative action, we urge you to seek administrative remedies to expedite work authorization documents for those who are currently eligible.

DOL Shortage List: ASHA recently wrote to the Department of Labor (DOL) re: the Shortage Occupation List, Schedule A. (20 C.F.R. § 656.5). As you are aware, Schedule A was designed to provide a regularly updated, data-driven list of occupations that are experiencing labor shortages. Employers hiring in Schedule A occupations may more easily bring foreign workers permanently to the United States to fill those jobs. However, Schedule A has not been updated in decades and currently includes only physical therapists and nurses. Schedule A needs to be reformed to include senior living front line workers and used as an innovative way to attract talent to critical shortage occupations.

Immigration Reform Is Good for the Economy

Congress will have to address the broken immigration system and the sooner it does the better for our seniors. Although government programs such as Social Security, Medicare, and Medicaid have helped reduce poverty and improve the health of the older population, current projections indicate that these programs—as currently implemented—are not sustainable. Immigration fuels the economy. The last serious attempt at reform was in 2013 when the Senate passed S 744- the Border Security, Economic Opportunity and Immigration Modernization Act. When immigrants enter the labor force, they increase the productive capacity of the economy and raise GDP. In *The Economic and Budgetary Effects of Immigration Reform: S 744 Revisited*, Douglas Holtz-Eakin, President, American Action Forum translates CBO’s projected impacts of S 744 from 2013 to the 2024-2033 budget window, and in his analysis found that:

The population would increase by 3 percent over 10 years, the labor force would be 3.5 percent larger, the capital stock would increase by 2percent, productivity would increase 0.7 percent and GDP would be up 3.3 percent, indicating that reform would have broad benefits for labor force growth, employment, economic output and the federal budget.

Recommendation: Direct Federal Resources to Senior Living Workforce Development

As senior living providers adopt new and innovative approaches to workforce recruitment, training and retaining their workers, they are looking to increased wages and benefits, shift flexibility, career path development, tuition reimbursement, discounted meals, and many more creative ways to incentivize staff and reward exceptional service. There is much competition for the essential worker outside the senior living industry such as hospitality, retail and restaurants and thereby underscoring the need for significant and serious investments in rebuilding the senior living workforce.

In addition to these private market efforts, there is a role for policymakers to create much-needed resources to train and develop a pipeline of direct care workers who can serve in this rewarding industry. A coordinated effort to improve our national capacity to recruit, train, and retain a high-quality, competent, and effective workforce has never been more critical.

Several proposals and initiatives with those goals in mind include:

Supporting Our Direct Care Workforce and Family Caregivers Act: Awards grants to states or other eligible entities for initiatives to build, retain, train, and otherwise promote the direct care workforce., It also develops a center to offer technical assistance to grant awardees and other entities interested in direct care workforce development and in supporting family caregivers, aimed at collaboration across federal agencies.

Building America's Healthcare Workforce Act: Creates flexibility in training for nurses' aides or CNAs

Better Care Better Jobs and the HCBS Access Act: Enhances the Home and Community Based Services (HCBS) program by making it mandatory in all states, something ASHA has supported to enable more senior living participation in this Medicaid Program to serve lower income seniors in assisted living.

Long Term Care (LTC) Financing: Creating programs to help seniors pay for long term care, incentivizing greater savings to better prepare seniors for this financial obligation and other initiatives to create a new benefit or incentive to purchase long-term care insurance should be explored. The "it will never happen to me" mentality can plague many people, and it does not fare well when a long-term care event arises only to wipe out retirement savings. On average nearly 70% of 65-year-olds will eventually need some form of LTC, and that 20% will need LTC for more than five years. This issue is difficult and there is no one solution or program to fix it. It will come in several forms over time that when taken in their entirety may improve the ability to pay for senior living.

Medicare Advantage (MA) now includes new flexibility for plans to include supportive services, such as those offered in senior living. This is offering some opportunities for those providers who can demonstrate better health metrics for residents in senior living. Entry into the MA market requires collaboration with other providers, additional investment in data collection and technology platforms, and for some providers, a willingness to assume new risk. These collaborations should be encouraged.

Federal Workforce Development and Training Grant Programs: Ensure that any federal workforce grant program include senior living provider as eligible recipients. When the training and development issues of the direct care workforce are addressed, the benefits accrue to the worker, the senior resident they serve, their family, the community and the greater health care system.

Conclusion

Throughout the pandemic, long term care, front line, essential workers have proven themselves to be a truly important part of our nation's critical infrastructure and crucial part of the backbone of our society. It is clear, we need to increase the number of workers to care for our seniors. There are many talented immigrants who are willing to enter the senior living or other long-term care sector but are faced with insurmountable roadblocks. These workers should be given the opportunity to make a career, a good living and a difference in their own lives and the lives of others. If we are to meet the expectations set

for us, policymakers must act now to expand access to new pools of staff and take steps to encourage employment in long-term care.

We also need to work toward creating a pipeline of caregivers through workforce training and development programs. These federal grant programs should be made available to all providers to ensure the greatest reach for those willing to participate. Without care providers, the U.S. cannot responsibly care for its seniors. We look forward to working with you on this critically important issue.

Thank you for your consideration of our views and recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Schless".

David Schless
President & CEO