



The Senior Care Staffing Crisis

Can Technology Provide Relief?

Introduction

The severe shortage of caregivers is the single greatest challenge facing the senior care industry. According to a study published by the Kaiser Family Foundation, 28% of nursing facilities reported at least one staffing shortage in March 2022, up from 21% in May 2020. The study also states that, “Staffing shortages and high turnover rates impact quality and safety and have been associated with adverse outcomes including increased mortality rates, hospitalization rates, and emergency department visits.”¹

In this white paper, we unpack the factors fueling the staffing crisis and discuss how senior care organizations can implement operational efficiencies to make the most of their resources.



The Symptoms Behind the Caregiver Shortage

The staffing shortage has resulted in ballooning costs to attract, train, and retain increasingly scarce caregiver staff. A confluence of factors is contributing to the caregiver labor crisis:

- 1. The demand for caregivers is rapidly growing as the U.S. population ages.** The growth of the over 65 population is drastically outpacing the growth of potential younger caregivers; more than 20% of the U.S. population will be over the age of 65 by 2030. The ratio of caregivers to persons over the age of 80 will nearly halve by 2030 due to declining rates of marriages and births in the U.S. By 2034, for the first time in U.S. history, older adults are projected to outnumber children.
- 2. Younger people are choosing not to enter the caregiver workforce.** Caregiving is a highly demanding yet notoriously low paying job for the work performed. Wage increases among other minimum wage employers have made it increasingly challenging for care providers to attract workers. COVID-19 also dramatically accelerated departures from the industry as caregivers felt the risks they were being asked to accept as frontline workers did not justify the low pay. At the same time, the existing caregiver workforce is rapidly aging, and retirements are outpacing young people choosing to enter the caregiver workforce.
- 3. The high rate of caregiver vacancies is driving a downward spiral as burnt-out caregivers leave the industry.** According to an article in the Washington Post, "About 420,000 employees, many of them low-paid certified nursing assistants — the backbone of the nursing home workforce, have left since February 2020."² As caregiver vacancy rates increase, the demands on the remaining caregiver population increase further, leading to burnout and a downward spiral as more caregivers decide to exit the industry. Caregivers frequently do not turn up for their shifts, forcing other staff to work back-to-back day and night shifts. In response, some senior care organizations have resorted to paying caregivers signing bonuses, followed by additional retention bonuses if the caregiver remains



The growing caregiver supply shortage is resulting in unintended consequences, some of which are good for the senior care industry, including heavy adoption of new technologies.

The Ripple Effect: Government Interventions and Industry Response

The healthcare worker shortages have led to a bevy of issues, including making it harder for the caregivers still on staff to do their jobs effectively. This has led to federal and state interventions and intense debate about how to solve the staffing crisis.

In February 2022, the Biden administration announced a series of initiatives³ developed by the Department of Health and Human Services to improve the safety and quality of nursing home care including a minimum nursing home staffing requirement that if not met will result in penalties.

While the federal government looks to increase oversight, individual states have already put rules into effect meant to improve patient safety. This includes New York state, whose Safe Staffing Act⁴, which went into effect in April 2022, requires all long-term care facilities to provide a minimum of 3.5 hours of care per resident per day. Facilities that fall out of compliance of the Safe Staffing Act must submit a corrective action plan within 45 days of the penalty or face harsh penalties.

More than a dozen other states are following New York's lead, either introducing legislation on nursing home staff-to-patient ratios or studying the impacts.

According to Mark Parkinson, President and CEO of the American Health Care Association and National Center for Assisted Living (AHCA/NCAL), "Nursing homes and assisted living communities are facing the worst job losses among all health care professions, and the shortage is impacting seniors' access to care. More than half of nursing homes were limiting new admissions in recent months—at a time when overwhelmed hospitals needed assistance to free up precious beds due to the Omicron surge." In an effort to provide relief, AHCA/NCAL is calling for a replenishment of the Provider Relief Fund with \$20 billion allocated to long term care, as well as an extension to the current delay of Medicare sequestration cuts and the recoupment of Medicare Accelerated and Advance payments.

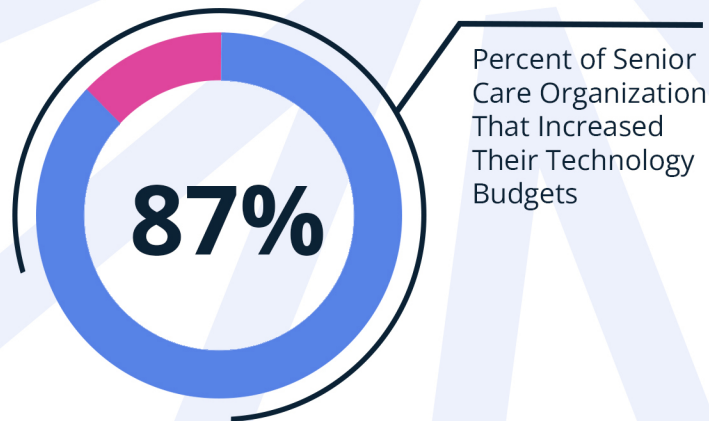


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Technology Adoption is Making Headway

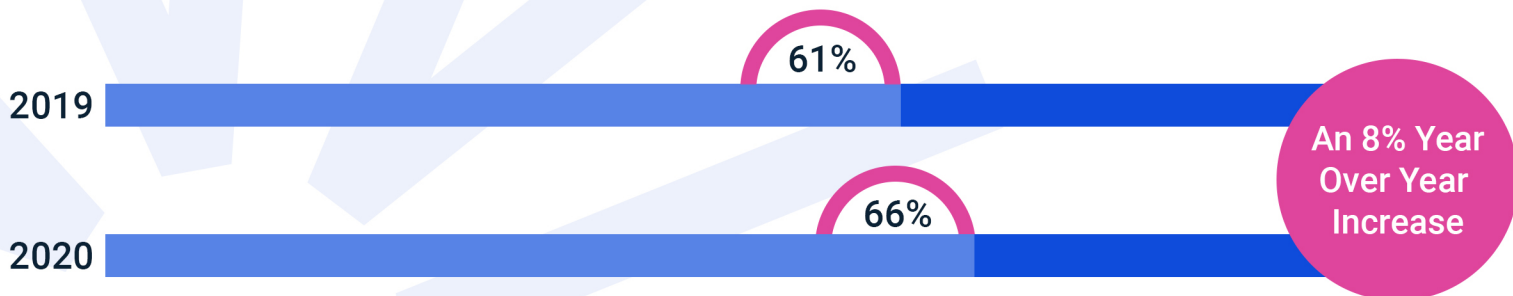
Alleviating the burden of the growing labor shortage by improving operational efficiencies has become a central focus of senior care organizations. The drive to maximize efficiencies is spurring the adoption of new technologies and approaches to reduce costs and increase staff productivity. According to a survey conducted by Senior Housing News, 87% of respondents said they expect to increase their technology budgets.

Communication and engagement technology adoption has increased substantially, given the need to use limited overworked caregiver staff more efficiently. The Senior Housing News survey noted that the adoption of social connectedness and resident engagement tech grew in 2020, rising to 66% from 61% in 2019⁵.



The need to use limited and overworked caregiver staff more efficiently has been driving rapid adoption of technology that automates the time-consuming, large-scale communications that all senior care organizations must perform.

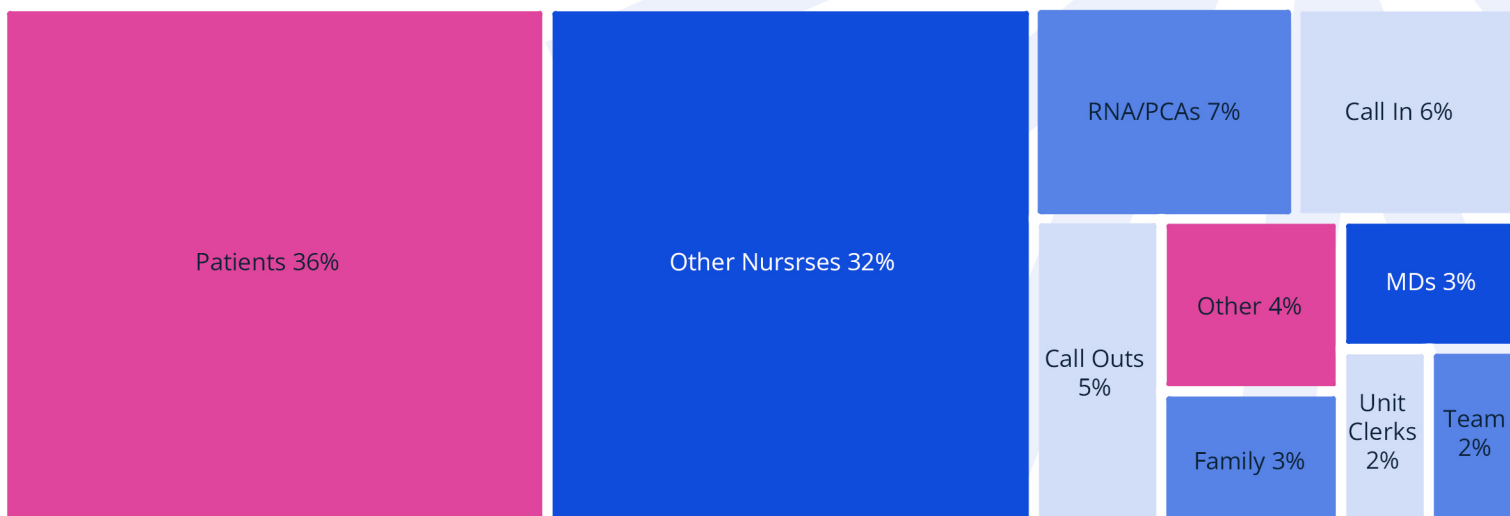
Adoption of Social Connectedness and Resident Engagement Technology



The High Cost of Communication

An analysis by Icon, a communication and engagement platform used by more than 1200 senior care organizations in the U.S., shows that 35% of nurse hours each day are spent on communication. Much of this time is spent on time consuming processes involving pen and paper, excel spreadsheets, and manual communication via phone, text and email.

Who Nurses Communicate with on a Daily Basis



What Nurses Communicate

The types of information nurses at senior care organization need to share include:

Emergency Messages: Keeping residents, family, and staff informed about inclement weather, natural disasters, and infectious disease outbreaks

Routine Messages: Sharing messages about events, menus, scheduled maintenance, or policy changes

Family Updates: Ensuring families are engaged and involved in the lives of their loved ones.

Activity Reminders: Promoting activities to drive participation and engagement

Appointment Reminders: Sending appointment reminders to decrease missed appointments

Staff Management: Sending messages about open shifts and call outs.

Staff Compliance Management: Reminding staff when certifications and licenses are due to be renewed and about upcoming training sessions.

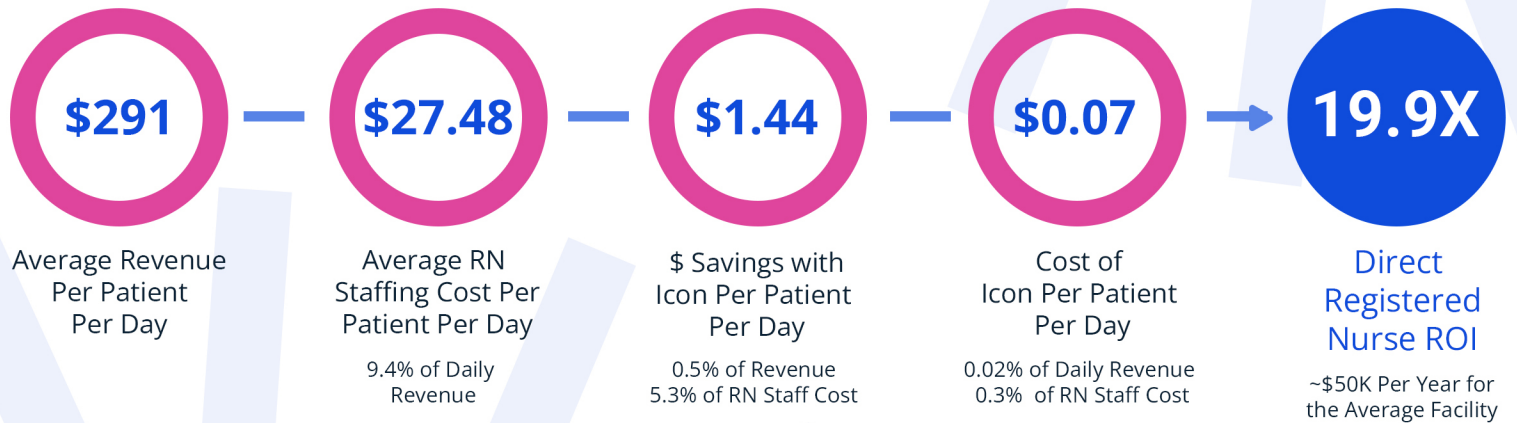


In 2021, more than 27 million texts, emails, and phone calls were made to residents, family members, and staff through the Icon application.

ROI From Streamlining Communications

An Icon analysis found that nurses saved 25 minutes per day after Icon communication solutions were implemented. The average facility saved the equivalent of \$50,000 per year in nurse time.

Icon Proprietary Data



Indirect RN ROI

Reduced Turnover
(Avg. 85% & Cost \$4k/emp)

Improved Compliance

Reduced Risk & Litigation

Improves Quality,
Referrals and Census

Other Job Roles Currently Benefiting from Using Icon

LPN
(9.4% of Daily Revenue)

CNA
(16.3% of Daily Revenue)

Admin
(3.9% of Daily Revenue)

Sample of Other Functions Streamlined with Icon

Staff Call Out
(10x of Incremental ROI)

Family Notification and
Emergency Reporting

Discharged Patient
Process

About Icon

It's our mission to make the aging experience iconic with the best all-in-one communication and engagement software. Built for organizations that support seniors, with ease of use in mind, Icon's HIPAA-compliant solution, equips you with the tools needed to communicate and engage with your entire community including residents, families, and staff efficiently and effectively.

Icon is the result of VoiceFriend's best-in-class communication technology and Caremerge's leading engagement solutions joining together under a mutual mission – to equip organizations that support seniors with the tools needed to ensure older adults and providers have the best experience



Sources

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2. <https://www.washingtonpost.com/health/2021/12/28/nursing-home-hospital-staff-shortages/>
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