



February 1, 2016

The Honorable Nikki R. Haley
Office of the Governor
1205 Pendleton Street
Columbia, South Carolina 29201

Dear Governor Haley:

Lutheran Services Carolinas (LSC) provides services to the most vulnerable citizens in our society from foster children, to people with developmental disabilities, to homeless veterans. We are heavily dependent on Medicaid funding, whether direct or through managed care. The largest expense for LSC is direct care wages. It takes people to care for people. Recruiting and retaining direct care workers is essential to our mutual mission to serve the citizens of this State. As South Carolina's economy continues to heat up, the competition for quality staff heats up as well. Lutheran Services Carolinas cannot raise wages sufficiently for our teammates when the majority of our reimbursement is fixed by the state and is often inadequate.

Some states have begun to allocate more Medicaid funds targeted directly at direct care staff. Lutheran Services Carolinas and other providers need more funding to pay a living wage to direct care staff. Enclosed is a copy of a recent article about a program initiated in nursing homes in Minnesota, which has been successful in filling vacancies and decreasing turnover. While this article is specifically about nursing home workers, the same principles hold true for all direct care workers.

Thank you for your consideration. I am available if you or one of your staff members would like more information or would like to discuss this further.

Sincerely,

A handwritten signature in black ink that reads "Ted W. Goins, Jr." in a cursive script.

Ted W. Goins, Jr.
President

kkm

Enclosure



Certified nursing assistants Anni Torma, left, and Sam Clemens serve cookies and coffee to West Wind Village residents Marlos Bacon (sitting, left) and Lila Estenson on Friday, Jan. 22 in Morris, Minn. (Brooke Kern/Sun Tribune)

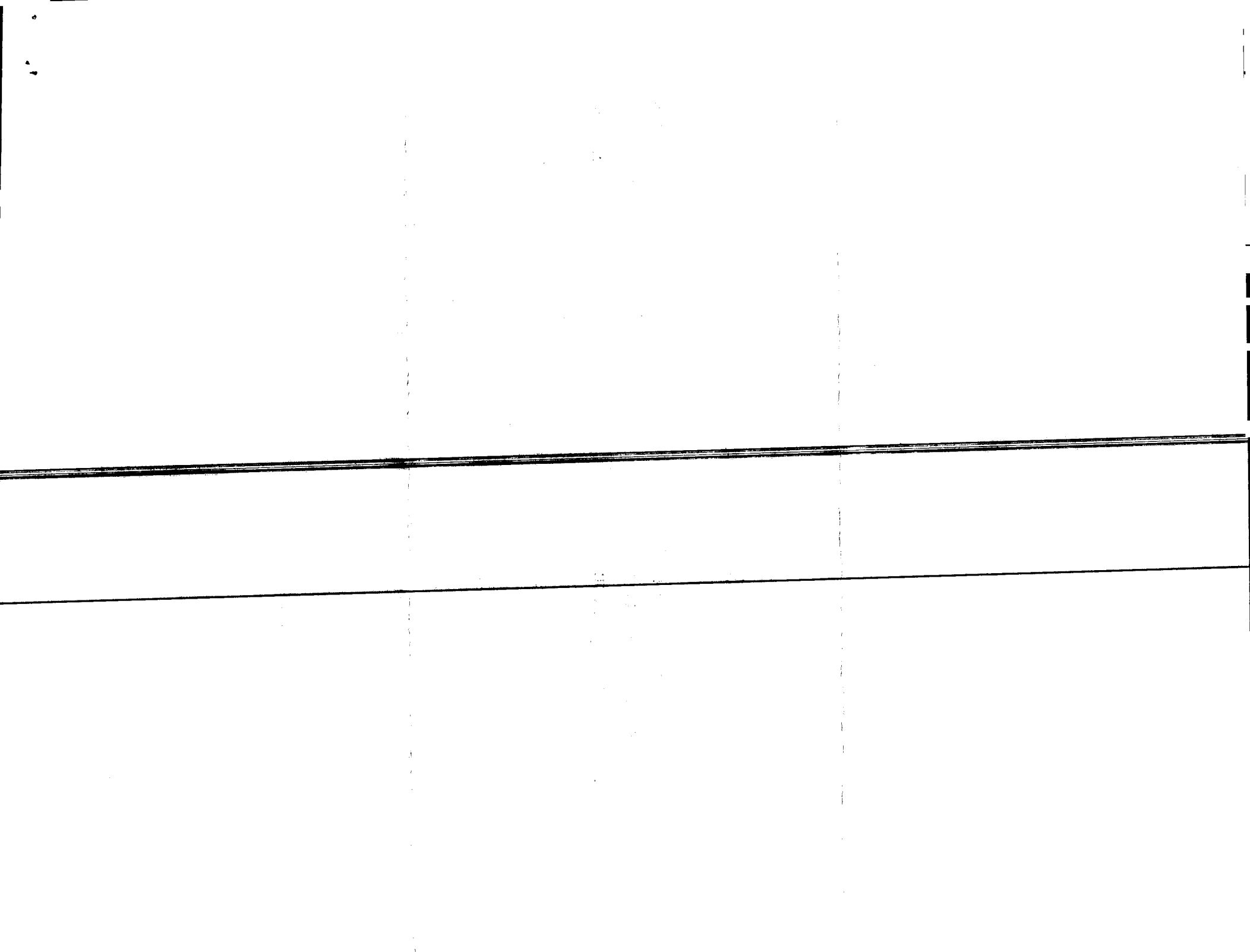
A year later, more money has helped change nursing home attitudes

By Don Davis Today at 10:46 a.m.

ST. PAUL — Cami Peterson-DeVries was intense when she pleaded with Minnesota lawmakers to find money so nursing homes could boost worker wages.

"They can go to the sugar beet plant down the road and get more money," she told a state House committee.

Peterson-DeVries, who was RenVilla Health Center administrator in Renville, was joined on the witness stand by many others from rural nursing homes across the



state, including Michael Syltie of Wind West Village in Morris. He said that his 50-person staff had 15 openings.

The testimony was Jan. 21, 2015.

It was not a good time for nursing homes, with nurses, nursing assistants and others who directly deal with residents peeling off to take better-paying and easier jobs at fast-food joints, retail businesses and elsewhere.

On Jan. 21, 2016, Peterson-DeVries was a much happier woman, as were nursing home workers throughout Minnesota.

"What a difference," she exclaimed about life after state officials appropriated \$138 million more for nursing homes. "Really. I don't believe that we thought it could be done. When we sat there, it seemed like such a monstrous problem. The changes are so significant. There is a lot of benefit all the way across."

Peterson-DeVries, who now oversees six nursing homes for Morris-based St. Francis Health Services including those in Morris and Renville, and workers said the added money means employees are more likely to stay and the facilities now can recruit new workers.

Reports from around Minnesota indicate that nursing home job openings have fallen dramatically while worker happiness has soared as many long-time employees say the raises are the largest they ever have seen.

"I am just glad that our Legislature finally saw the light," said Melody Nordby, a certified nursing assistant who dispenses medications at Luther Haven in Montevideo. "The elderly in Minnesota need to be taken care of."

"I think it is moving in the right direction," added Sonja Lemire, a licensed practical nurse at Parkview Care Center in Buffalo. "It is such a needed occupation."

Raises began showing up on paychecks at some nursing homes months before the state money arrived. In other cases, raises are being negotiated or planned in coming months.

The new money helps rural nursing homes bring pay into competition not only with many businesses, but also with hospitals that lured away nursing home workers for years. It also helps rural Minnesota facilities compete with the Twin Cities and other metropolitan areas, Peterson-DeVries said.

"We are seeing wage increases and better compensation packages all across the state," said Jodi Boyne of LeadingAge Minnesota, which represents nursing homes.

New pay levels vary, but in many cases, nursing assistants now get \$15 an hour.

Peterson-DeVries said that some in her organization received 15 percent raises, and many got 13.5 percent. "Nursing assistants were given the highest percentage."

Benefits changed for some workers, including those in the St. Francis organization. They had been offered a high-deductible health insurance plan before, but now full-time employees receive free and better health care insurance, Peterson-DeVries said.

Lemire said that even though the raise the Services Employees International Union negotiated in Buffalo does not kick in for a few more days, she notices a difference.

"It is helping us recruit right now," she said, with some new hires already on staff.

LPNs and CNAs are happier, she said. "They are not as gripe-y about everything. ... I think it will make a significant difference."

The Buffalo facility gave its LPNs and CNAs a \$2-an-hour raise. That means a starting CNA would get almost \$15.

Workers at Aicota Health Care Center in Aitkin landed some of the biggest pay bumps. Every nursing-related worker received at least a 15 percent raise, with some getting a 25 percent boost. That puts the minimum wage in nearly every department at \$15 an hour.

The Red Wing Care Center, meanwhile, boosted wages \$2.45 an hour to \$13 for certified nursing assistants. Licensed practical nurse pay rose to \$21 an hour, a \$3.87 raise, the SEIU reported.

In Montevideo, LPNs and CNAs generally received \$4 an hour raises.

When Nordby started at Luther Haven 33 years ago, she earned \$3.99 an hour and there was no need to advertise for aides because the pay was good enough that people wanted the jobs. Then advertising was needed to attract applicants, Nordby said, and eventually the facility turned to a company that provided pools of nurses and CNAs, but at a higher cost than regular employees.

Luther Haven has filled its day shift, Nordby said, and people are in the pipeline for other shifts, too. "They are hiring more all the time."

While much of the talk has been on raising employee pay, the end result should improve resident care.

Besides residents seeing a happier staff, Peterson-DeVries said, they may enjoy more activities.

"The focus is on the quality of life," she said, and some facilities will be able to add more activity positions with the new money.

When Luther Haven was shorthanded, Nordby said, residents "would complain about how long it would take to get (call) lights answered and get help."

Instead of giving baths at certain times, she said, "we did baths whenever we had time."

Now, however, things are changing as staffs grow back to where they should be.

"I think they notice it because things like their baths are more on a timely fashion," Nordby said. "To the elderly, a routine is important to them."

Don Davis

Don Davis has been the Forum Communications Minnesota Capitol Bureau chief since 2001, covering state government and politics for two dozen newspapers in the state. Don also blogs at Capital Chatter on Areavoices.

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