



OVERVIEW OF ILLINOIS' NEW NURSING FACILITY CNA PAY SCALE SUBSIDY

Resident and Family Support Council Meeting

Tuesday July 12, 2022

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WHAT LED ILLINOIS TO CHANGE THE WAY IT PAYS NURSING HOMES?

- Illinois consistently ranked last in nurse staffing
- COVID-19 had a devastating impact on nursing home residents and staff
- These effects were felt disproportionately by Black and Brown residents
- Each year, Illinois spent \$2.7 billion on nursing home services for Medicaid customers
- For-profit nursing homes turned profits, even those with lots of Medicaid residents, but many did so by staffing far below the level of resident need
- Medicaid pays for more than 60% of all nursing home days
- HFS has a moral obligation for 45,000 Medicaid residents each year in nursing homes

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**REFORMS ADOPTED
THIS SPRING PUT
ILLINOIS AT THE TOP
OF A NATIONWIDE
EFFORT TO TIE
PAYMENT TO
PERFORMANCE**

- Total *net** increases in Medicaid payments to nursing homes are about \$465 million per year
 - or +\$33 per Medicaid resident per day, on average
 - but this increase will vary a lot across nursing homes
- **Base Medicaid rates** will rise **\$7-16** per resident day
 - All homes' rates will rise \$7 per resident day
 - Rates for homes with above-average Medicaid utilization (at least 70%) will rise another \$4 per resident day
 - Increased rates for downstate homes
- Performance payments add another **\$0-64** per day
 - **Nurse staffing level incentives** range from \$0-38.68 per resident day
 - **Quality incentives** range from \$0-10 per resident day
 - Subsidies to adopt a **CNA pay scale** range from \$0-15+ per resident day

*Net of increases in nursing home assessment (tax), and redirected funding (\$4.55 originally intended but not dedicated to staffing)

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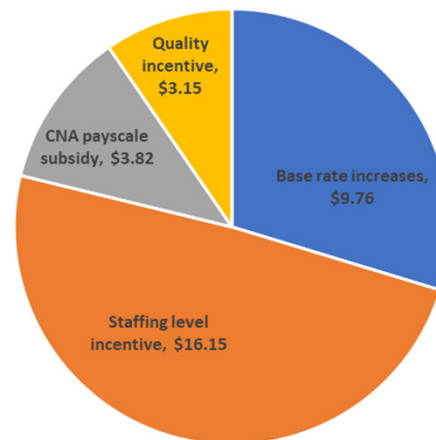
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Most New Funding Goes to Staffing

Nursing homes will receive a net increase of about \$33 per Medicaid resident per day, on average.

Staffing-related funding accounts for two-thirds of that increase – or about \$20 more per resident per day – but nursing homes have to *earn* that money...



Note: these increases represent averages. Increases will vary widely across nursing homes.

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WHY DID THE STATE FOCUS ON NURSING HOME STAFFING?

- HFS found that under-staffing in Illinois nursing homes was mainly due to hiring too few certified nursing assistants (CNAs)
- Nursing facilities employ half of all CNAs statewide (and Medicaid funds over half of *them*)
- The pandemic made the CNA shortage worse
- HFS took its moral obligation seriously, and proposed to use its buying power to coordinate a rapid rise in pay
 - Increase pay for CNAs, the backbone of nursing home staff
 - Establish a reward to CNAs with experience

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New Staffing Level Incentive Payments

- The biggest single piece of the reforms is a \$350M incentive that compares nurse staffing levels to need-based staffing targets measured and monitored by the Federal government
- Nurse staffing will now be **measured** using payroll data that nursing homes submit to the Federal Government and publish online
- Nurse staffing **targets** for each nursing home are now tied directly to nursing home “coding” of resident needs
 - the higher the resident need that nursing homes report, the more Medicaid’s base rate goes up
 - but the home’s staffing target also goes up, putting up to \$38 per resident day at risk if nursing homes don’t hire more staff

Note: This provision goes into full effect in January 2023; the state is currently pre-funding nursing homes who still need to raise their staffing levels for a period of six months

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New Medicaid Subsidies for a CNA pay scale

- In homes that choose to participate, Medicaid will pay its share (based on percentage of resident days) of the hourly rate increases that CNAs receive
 - step increases: years of experience as a CNA and/or
 - grade increases: promotions (additional duties or responsibilities)
- Nursing homes may choose to implement either the experience pay scale or the promotion pay scale, or they may implement both (or neither)
- If homes implement both the experience and promotion pay scales, **CNAs that earn both get both**
- The experience pay scale is intended to reward a CNA's full history working as a CNA
 - experience prior to their tenure in their current facility counts
 - experience in other types of health care settings, and in other states, counts
- CNA pay scale subsidies are expected to cost \$80 million per year statewide when fully implemented

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Minimum Qualifying CNA Experience Pay Scale

Medicaid will subsidize nursing homes if their CNA experience pay scale provides *at least*:

- A raise of \$1.50 per hour for CNAs with at least one year's experience
- A raise of (another) \$1.00 per hour for each additional year of experience (beyond the first) up to a maximum of \$6.50 per hour for CNAs with at least 6 years' experience
- Nursing homes may choose larger wage increments, but HFS will only subsidize these amounts
- Note: the new state law uses the term "tenure" but this term is meant to describe experience working as a CNA, with CNA duties, and is not limited to tenure in a CNA's current facility

Years of CNA Experience	Wage Increase
Less than 1	\$0
1 year	\$1.50
2 years	\$2.50
3 years	\$3.50
4 years	\$4.50
5 years	\$5.50
6 years or more	\$6.50

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Minimum Qualifying CNA Promotion Pay Scale

Medicaid will also subsidize its share of raises for promotions or added CNA duties at the rate of \$1.50 per hour, which would be applied on top of any experience pay.

- Subsidized wage increments for promotions are capped at 15% of a facility's CNA workforce
- Nursing homes may choose a wage increment larger than \$1.50 per hour for some (or all) promoted roles, but HFS will only subsidize \$1.50 per hour
- Nursing homes may identify promoted roles of their choosing, but the Department has offered this list as a starting point:
 - CNA II (w/Advanced Nursing Aide Training)
 - CNA Trainer, Preceptor, or Mentor
 - CNA Scheduling Captain
 - CNA Dementia or Memory Care Specialist
 - CNA Behavioral Health Specialist
 - CNA Geriatric Specialist
 - CNA Infection Control Specialist
 - CNA Activities Specialist
 - CNA CPR Educator
 - Other (as specified)

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Implementing the CNA Pay Scale

The legislature intended that the new subsidies "be directly incorporated into increased compensation for CNAs."

- Nursing homes must post the pay scale in employee common areas
- Nursing homes must certify to HFS that they are paying according to the pay scale (paying the listed amounts, at a minimum)
- Nursing home payroll information is submitted to (federal) CMS, then obtained by HFS to calculate worked hours at the individual CNA level
- CNA experience and roles are being submitted directly to HFS by nursing homes
- IDPH's workforce registry is also being used as a point of comparison for reported CNA experience
- The pay scale is to reflect increases tied solely to experience and/or promotion, and its implementation is NOT to result in wage reductions (e.g., for new CNAs)

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Examples of Qualifying CNA Pay Scales

*****New CNA Pay Scale Effective August 1, 2022*****

Years of CNA Experience	Hourly Wage* (non-promoted)	Hourly Wage* (promoted**)
Less than 1	\$16.00	\$17.50
1 year	\$17.50	\$19.00
2 years	\$18.50	\$20.00
3 years	\$19.50	\$21.00
4 years	\$20.50	\$22.00
5 years	\$21.50	\$23.00
6 years or more	\$22.50	\$24.00

*We reserve the right to pay some CNAs more based on performance, background, or other distinguishing qualifications or roles

**Promoted roles include:

- CNA scheduling captain
- CNA infection control specialist
- CNA geriatric specialist

EXAMPLE ONLY

In this example, the nursing home has chosen to set an entry (or base) wage of \$16 per hour and has identified three promotable roles for CNAs.

They have also chosen to set their pay scale increases at the minimum qualifying levels.

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Examples of Qualifying CNA Pay Scales

*****New CNA Pay Scale Effective August 1, 2022*****

Years of CNA Experience	Hourly Wage* (non-promoted)	Hourly Wage* (promoted**)
Less than 1	\$17.00	\$18.50
1 year	\$18.50	\$20.00
2 years	\$19.50	\$21.00
3 years	\$20.50	\$22.00
4 years	\$21.50	\$23.00
5 years	\$22.50	\$24.00
6 years or more	\$23.50	\$25.00

*We reserve the right to pay some CNAs more based on performance, background, or other distinguishing qualifications or roles

**Promoted roles include:

- CNA scheduling captain
- CNA trainer
- CNA infection control specialist

EXAMPLE ONLY

In this example, the nursing home has chosen to set an entry (or base) wage of \$17 per hour and has identified three promotable roles for CNAs.

They have also chosen to set their pay scale increases at the minimum qualifying levels.

This home chose different promoted roles.

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Examples of Qualifying CNA Pay Scales

****New CNA Pay Scale Effective August 1, 2022****

Years of CNA Experience	Hourly Wage* (non-promoted)
Less than 1	\$17.00
1 year	\$18.50
2 years	\$19.50
3 years	\$20.50
4 years	\$21.50
5 years	\$22.50
6 years or more	\$23.50

*We reserve the right to pay some CNAs more based on performance, background, or other distinguishing qualifications or roles

EXAMPLE ONLY

In this example, the nursing home has chosen to set an entry (or base) wage of \$17 per hour but has not chosen to identify promotable roles for CNAs.

They have also chosen to set their pay scale increases at the minimum qualifying levels.

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PLEASE VISIT
[NURSING HOME PAYMENT UPDATE | HFS \(ILLINOIS.GOV\)](https://www.illinois.gov)
 FOR ADDITIONAL DETAILS AND FUTURE UPDATES

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