Testimony by Nathan Johnson, CEO, PioneerCare, Fergus Falls

Supporting HF 162

House Committee on Aging and Long-Term Care Policy

March 4, 2015

Mr. Chairman, Members of the Committee,

My name is Nathan Johnson. I am the CEO of PioneerCare in Fergus Falls. With me today are John Zwiers, COO of the Broen Home in Fergus Falls, and Jim Wolf, administrator of the Good Samaritan Home in Battle Lake, which is about 20 miles from Fergus. Also with us is in the gallery today is Barbara Garrity, administrator of the Pelican Valley Nursing Home in Pelican Rapids, located about 18 miles from Fergus.

We are the long-term care facilities in Otter Tail County that are impacted by the bill before you.

Thank you to Rep. Nornes for sponsoring this legislation and to Rep. Schomacker for being a co-sponsor.

I know the Committee has heard of the difficulties that all long term care facilities in our state face. We all face the inability to pay high enough wages to attract and retain workers in a shrinking labor pool, especially in our rural communities. We face the same problems that every long-term care facility in Minnesota faces.

Plus we face an added problem that has been inadvertently created by the State of Minnesota.

Our three long-term care facilities and the others included in the bill are all close to a Minnesota Veterans Home. The Minnesota Veterans Homes are reimbursed at a substantially higher rate than our skilled nursing facilities.

This is no way is meant to disparage the Minnesota Veterans Home. They are an important asset in our communities and provide an important service to our veterans. The wages they pay to their employees are much closer to wages that should be paid to our long-term care employees.

But this disparity puts the private long-term care facilities near the Minnesota Veterans Homes at a significant disadvantage. We are unable to offer even closely competitive wages and benefits to attract and retain qualified staff. The Minnesota Veterans Homes are able to pay higher wages and outbid the private long-term care facilities for an increasingly limited pool of employees.

There are five Minnesota Veterans Homes in the state, including Fergus Falls and Luverne. The other three Veterans Homes — Hastings, Minneapolis and Silver Bay — are in areas where the private skilled nursing facilities have been reimbursed at a higher level, thus reducing the disparity.

House File 162 is a matter of fairness. It will put our facilities on par with the other long-term care facilities near a Minnesota Veterans Home that have been receiving a higher reimbursement. It will allow our long-term care facilities, also near a Minnesota Veterans Home, to be more competitive with wages and benefits, coming closer to being able to offer caregivers similar pay for the same work in the same market place.

Thank you.