

September 16,2022

Dear Chairman Clyburn and members of the House Select Subcommittee on the Coronavirus Crisis,

My name is Kris Erickson, and I am blessed to serve as the CEO of Bethany Village in rural Lindsborg, Kansas. I write today on behalf of our 111-year-old faith-based mission of care to inform you and to request your aid in averting a national senior care crisis. Unfortunately, I am unable to be with you because today I am escorting my 80-year-old mother through a knee replacement surgery and placement in post-acute care.

I am both a 21-year veteran of the senior care field and I am the son of aging parents. I present this testimony today because the late-pandemic issues that are rapidly emerging are truly frightening. As an example: If it weren't for her physician's intervention, I am not sure we would have found post-surgical replacement for my mother today. Even as the CEO of a skilled senior care mission, I could not place my own mother in my own community because I have over 30 people ahead of her on an active waiting list. Never have I had to turn away so many elders seeking care, and I have even had a family offer a bribe for placement. Families are becoming desperate to find care.

The primary reason so many seniors are going without care is simply that the senior care workforce disappeared during the pandemic. Many of my coworkers chose to retire during the pandemic. Nearly 30 percent of my coworkers exited the field for pandemic related reasons including: stress, burnout, restrictive requirements, fear, vaccination mandates, and simply because our work became too difficult. My mission was not alone in losing staff, and nearly every one of my peers has reported reducing care capacity due to a lack of available staff. Bethany Home, our Skilled Nursing Facility, is currently operating at 2/3 capacity simply because we cannot recruit sufficient staff. Not only is senior care operating at reduced capacity, but nationwide our field has experienced more building closures than I have witnessed in my entire career.

Perhaps the most difficult aspect of the pandemic was the isolation our residents experienced. We followed every requirement issued by Centers for Medicare and Medicaid Services and the Centers for Disease Control. Our staff fought valiantly to keep our residents safe and healthy, and we restricted visitors as required. Our staff became like family to residents whose families were not allowed to enter the building. Even early on, staff retirements became frequent. Those who stayed with our residents adapted, played, laughed, and even cried with our residents as we waited to reopen our doors. Not everyone was able to reunite with their family before the lockdown was eased. The emotional trauma of working through a lockdown was more than many employees could bear, and more than most could bear to ask of our residents. We are still waiting to be fully released.

Although we are seeing a glimmer of hope that things will return to normal, we are not seeing staff return to work. An examination of our nation's birthrate and demographics will reveal that for decades American families have not had enough children to meet population replacement requirements. As the Baby Boom generation retires at an estimated 10,000 people per day, we are finding that the low birthrate is leaving many of their vacated positions empty. Even recruitment of foreign workers is difficult due to restricted immigration policies, slow review

processes, and cost prohibitive expenses. Essentially, employers are left with a very shallow labor pool to hire from.

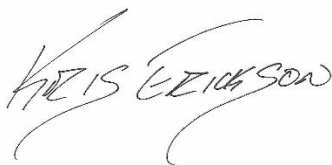
This shallow labor pool is beneficial to employees seeking jobs, but the cost of employment has experienced extreme inflation. Local fast-food restaurants have advertised starting wages as high as \$18/hour. As much as we wish to pay our talented staff a living wage, reimbursement for senior care has not risen to match employee or marketplace expectations. While retail entities can raise prices to match wage expectations, skilled nursing providers are restricted by fixed Medicaid and Medicare reimbursement. In my mission, our current Medicaid daily rate is \$50 below our cost to provide care. Today we are caring for 44 elders who rely on Medicaid, and our mission will lose \$2,200 today because we love those we serve. That said, a mission cannot be sustained without a margin, and our elders are relying on us to thrive.

When I first arrived at Bethany Village in 2014, approximately 30% of those we served relied on Medicaid as a primary payer source. In the past 8 years, the population relying on Medicaid as a payer source has risen to over 60%. We could potentially increase our private pay residents' rates to help offset higher wage expectations, but residents would only exhaust their financial resources faster and transition to Medicaid faster. The elders seeking care no longer arrive with healthy pension funds, quality insurances, or large savings. Vanguard's How America Saves 2022 Report shows that the average median retirement savings for those 65 years and over is less than \$90,000. In most regions, \$90,000 would barely cover one year of residential care.

We are already in the early stages of a post-pandemic senior care crisis. Only those seeking care for loved ones can see the current crisis, but awareness is growing as more and more families cannot find placement for their frail elders. Even as I write this, I see that today my admissions team has turned away four people seeking placement in skilled care. Rejecting inquiries at this rate is not uncommon. I pray for each and every person we turn away, and I pray that our dedicated staff will remain with us until we can pay them a competitive wage.

I thank you for your time, and your service. I will pray for you and I ask that you pray for our elders and our healthcare heroes. I ask that you work toward making eldercare a desirable and competitively compensated career choice. I ask that you remember both our elders and our care providers as you formulate policy and advise policy makers.

Sincerely,



Kris Erickson, CEO