



Rural Nursing Facilities – summary of research

INTERCONNECTED WEBINAR

NOVEMBER 13TH, 2024



Research Themes

Remaining resilient in an aging rural Minnesota

The future of rural access to well-being

The role of rural places and people in a shifting energy infrastructure and environment

Funding local government in changing times

A new future for rural child care



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Content



Demand for skilled nursing beds



Declining capacity in skilled nursing beds



Why is there so much decline?



The role of non-institutional care



What to do?

Demand for skilled nursing beds

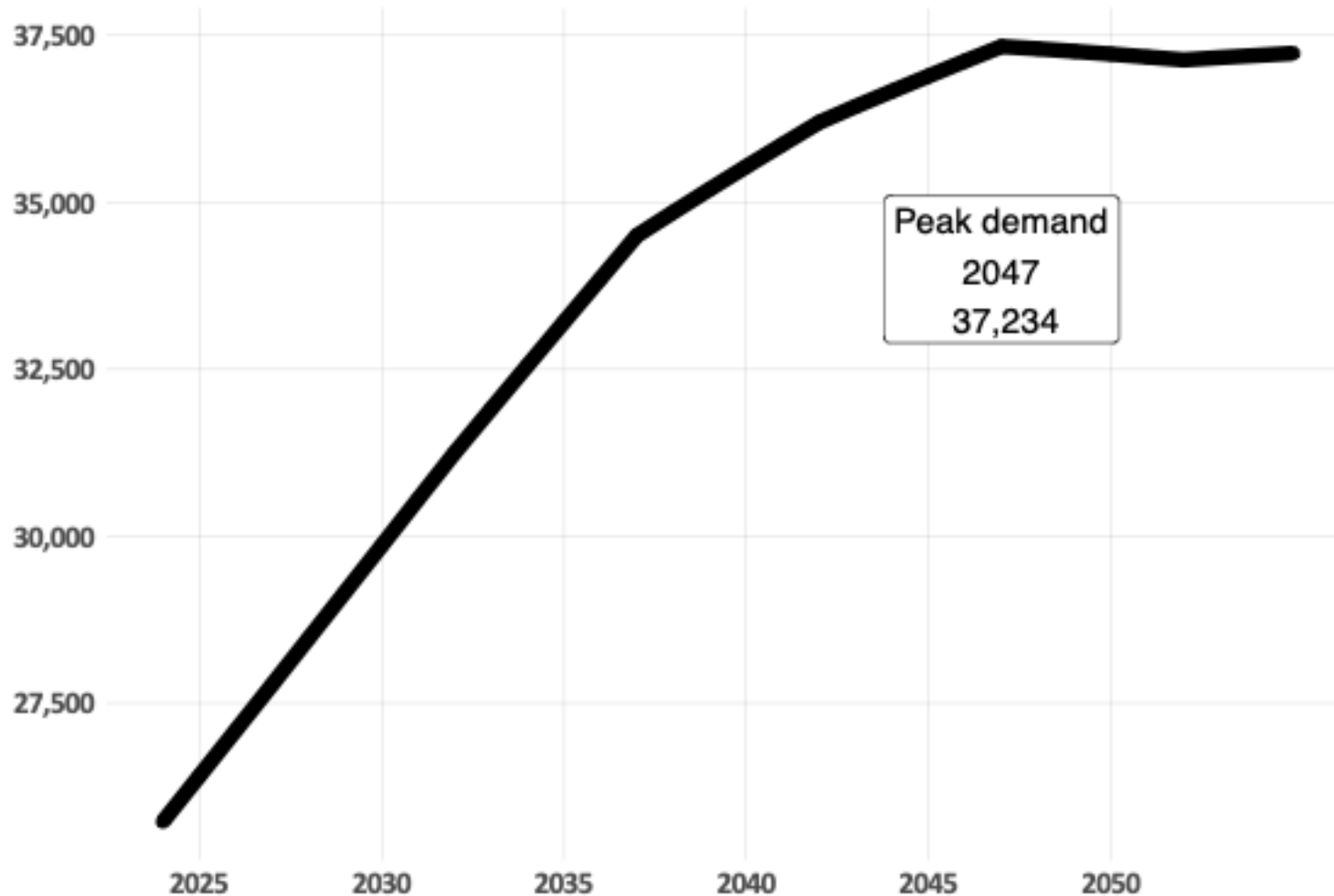
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Projected demand for nursing facility beds among population 65+

Demand will increase by 45% from now until 2045.



MN State Demographer - Population Projections
Administration for Community Living - Profile of Older Americans

Demand will
increase
across
Minnesota

Projected demand for nursing beds among population 65+

The trends in demand vary significantly by rural and urban-ness



However,
peak
demand
will vary

Declines in nursing facility beds

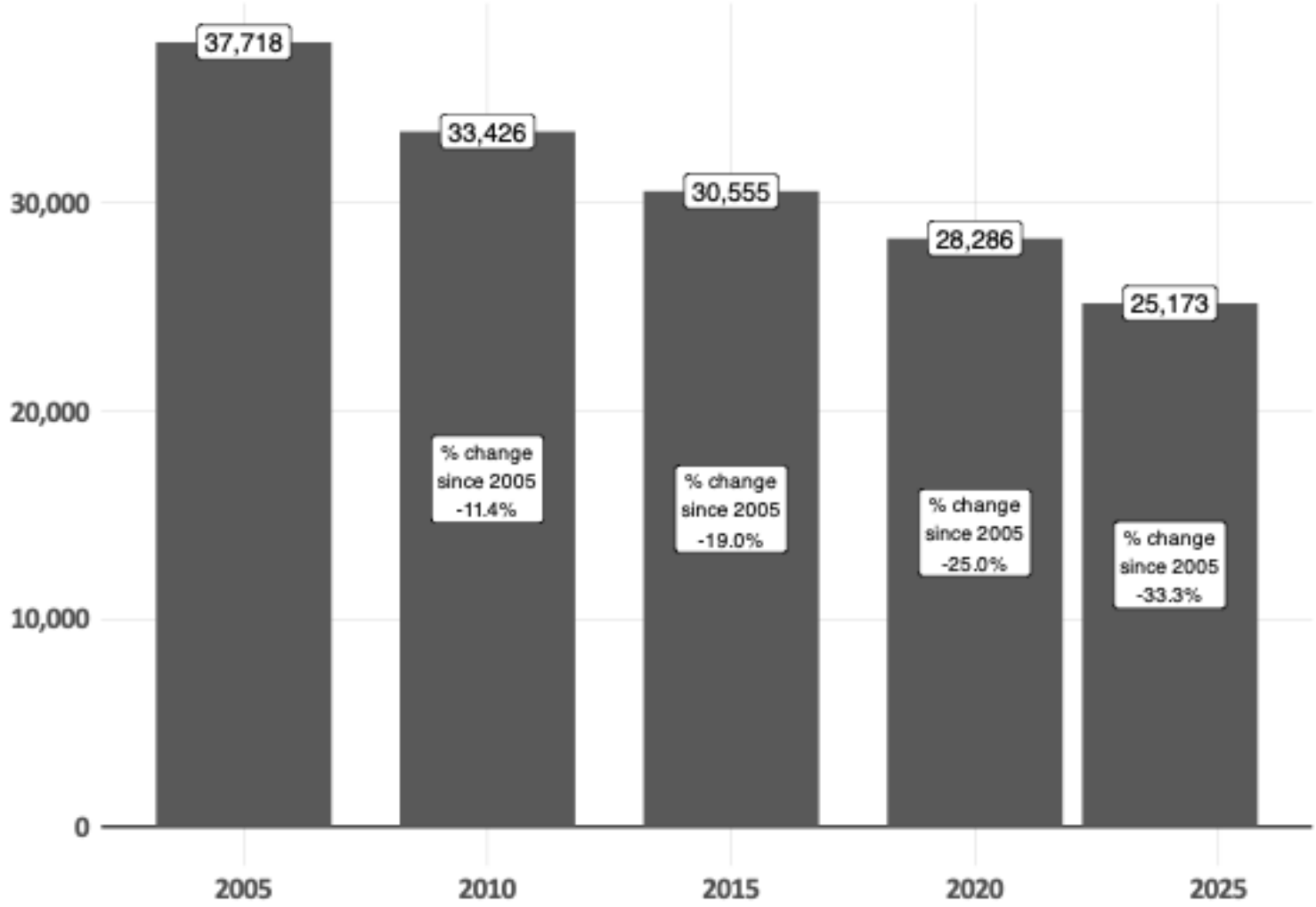
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Percent change in the number of nursing beds since 2005

The number of beds has decreased by a third since 2005

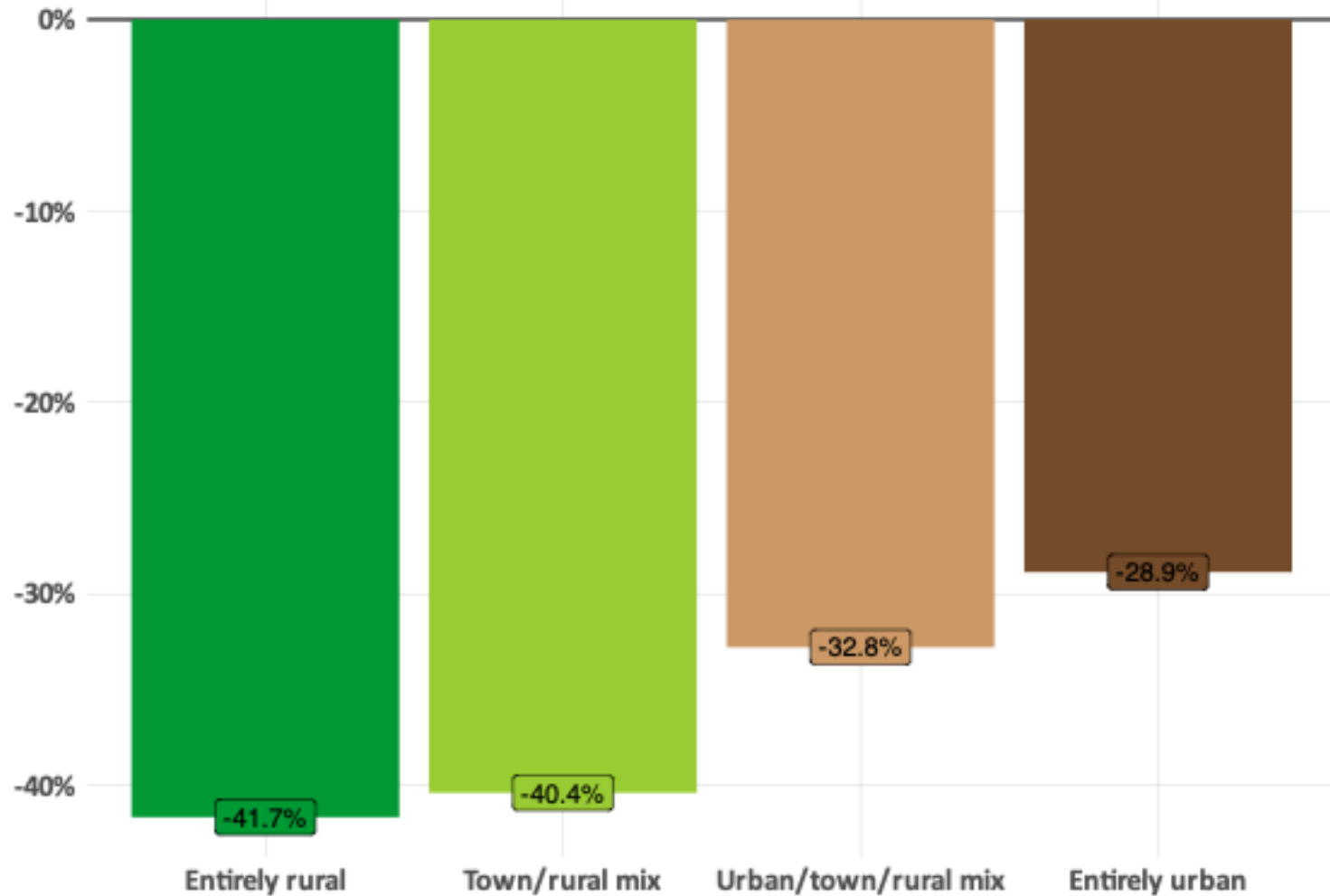


Care Providers of Minnesota; Minnesota Department of Health, Nursing Home Licensing

Minnesota has lost a third of its nursing home beds

Percent change in the number of nursing beds since 2005

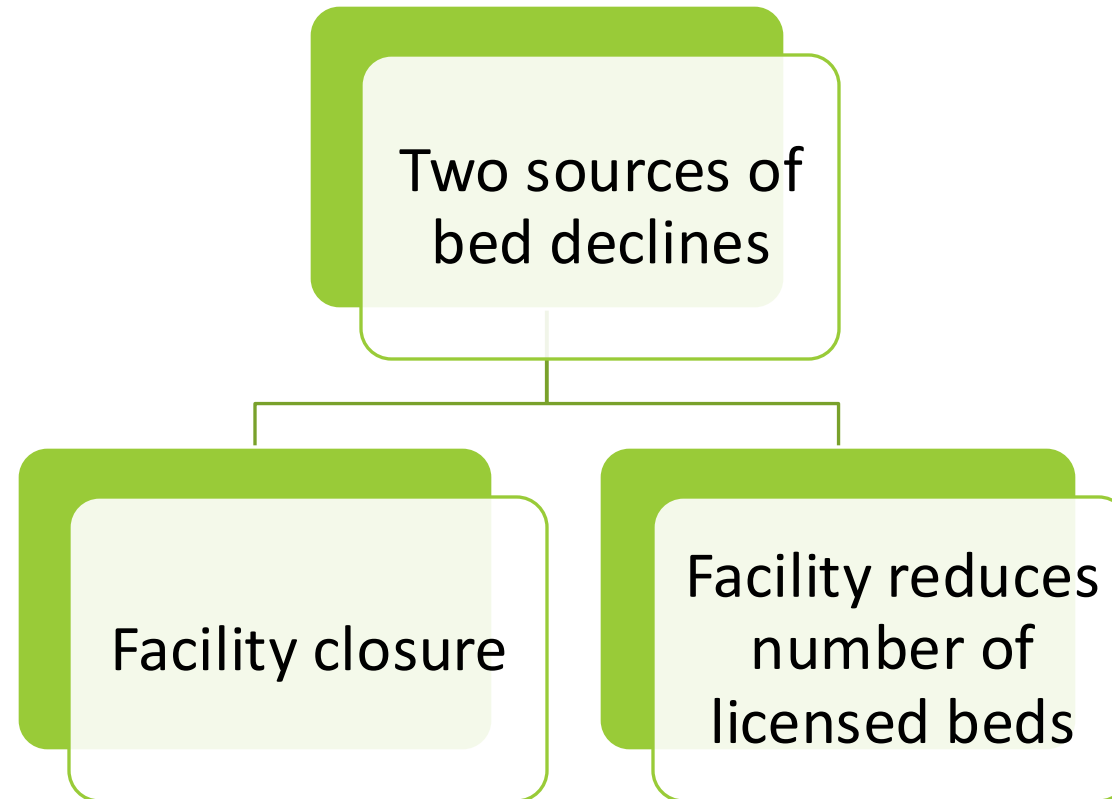
The most severe declines have occurred in rural Minnesota



Care Providers of Minnesota; Minnesota Department of Health, Nursing Home Licensing

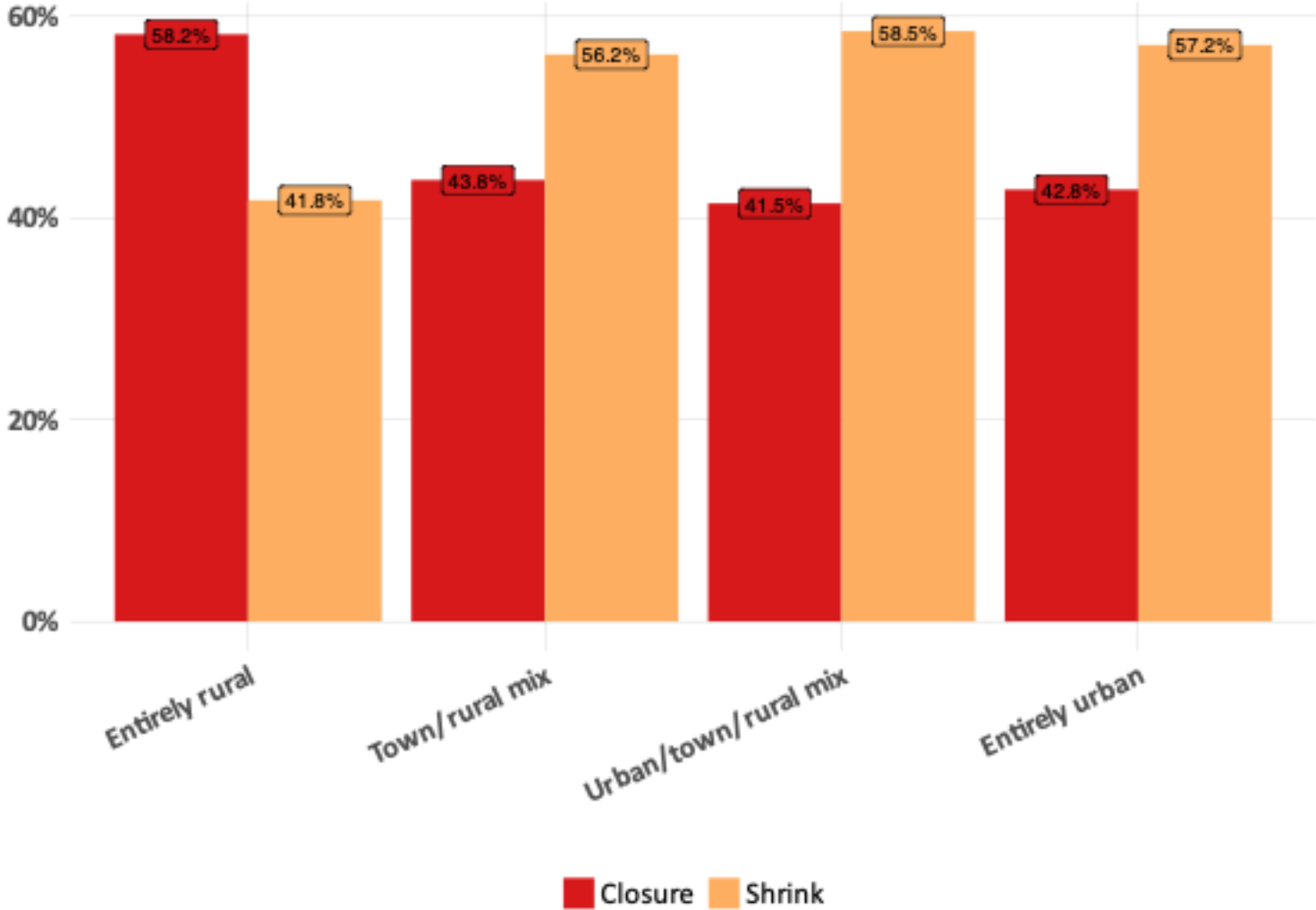
More severe declines in our most rural areas of MN

Bed declines – shrinkage vs. closure



Percent share of bed reduction

Entirely rural counties have a much higher percentage of reductions in beds due to facility closures.



Declines in rural areas more likely due to facility closure

Care Providers of Minnesota; Minnesota Department of Health, Nursing Home Licensing

Why is there so much decline?

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Primary reasons

Long term impact -

Technological, financial and policy changes allowing home-based care and assisted living to take a bigger piece of the elderly care pie, and

More recent impact -
Workforce shortages.

Long term impacts



Negative perceptions of skilled nursing facilities among consumers have shifted their preference to receive care at home or in assisted living whenever possible.



Changes in state and federal policy allowing payments and care to take place in non-institutional (i.e. skilled nursing facilities) settings.



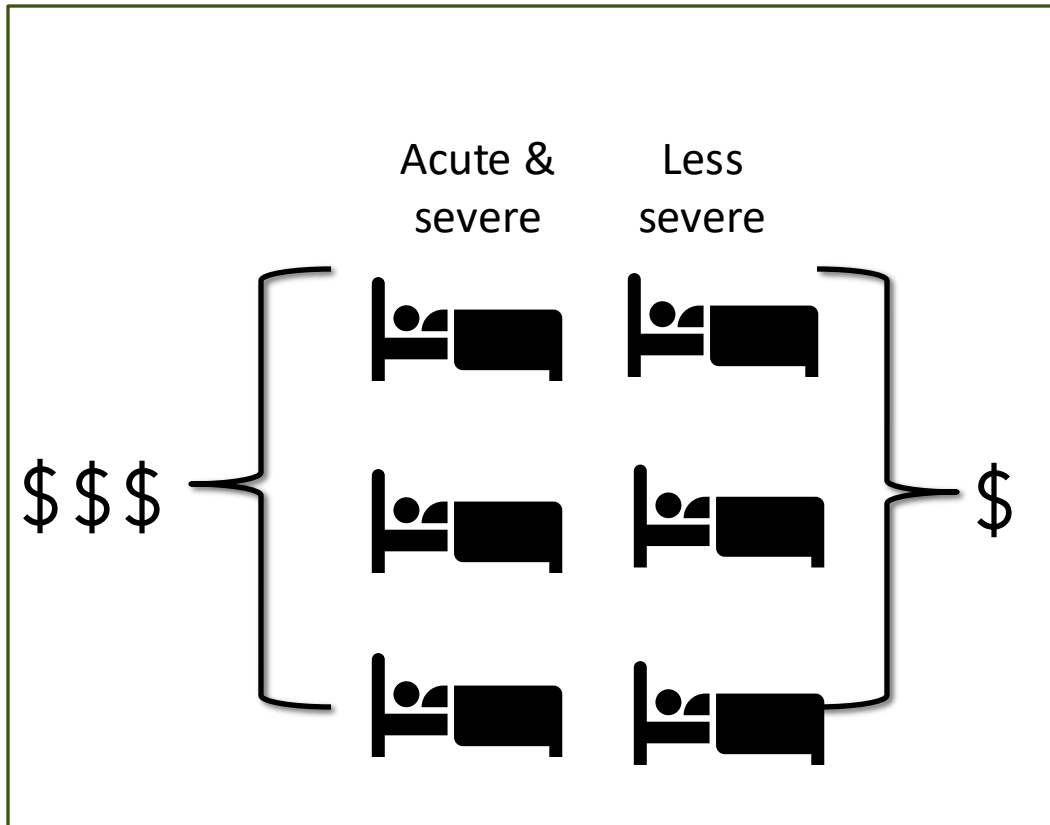
Advances in technology have made it easier to receive care in non-institutional settings.



Assisted living communities and receiving care at home is less expensive than receiving care in a nursing facility.

Business model changes

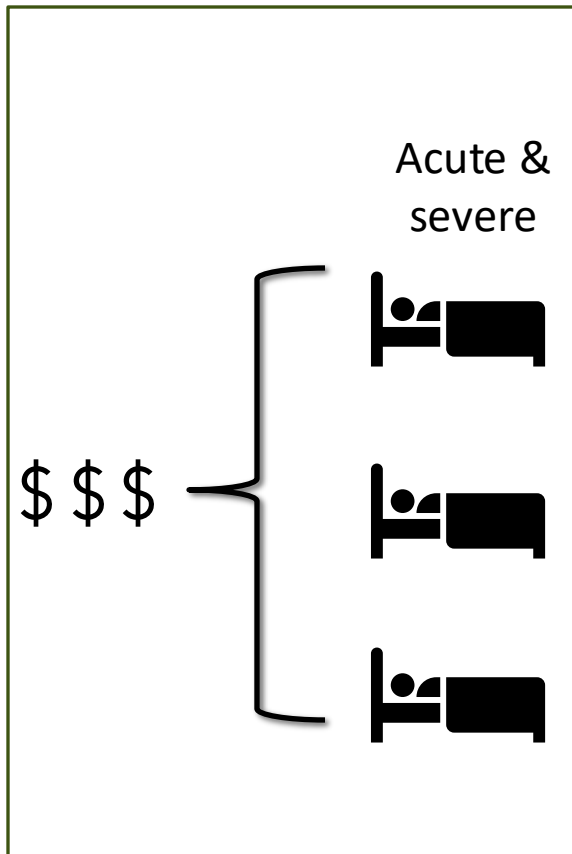
Nursing Facility



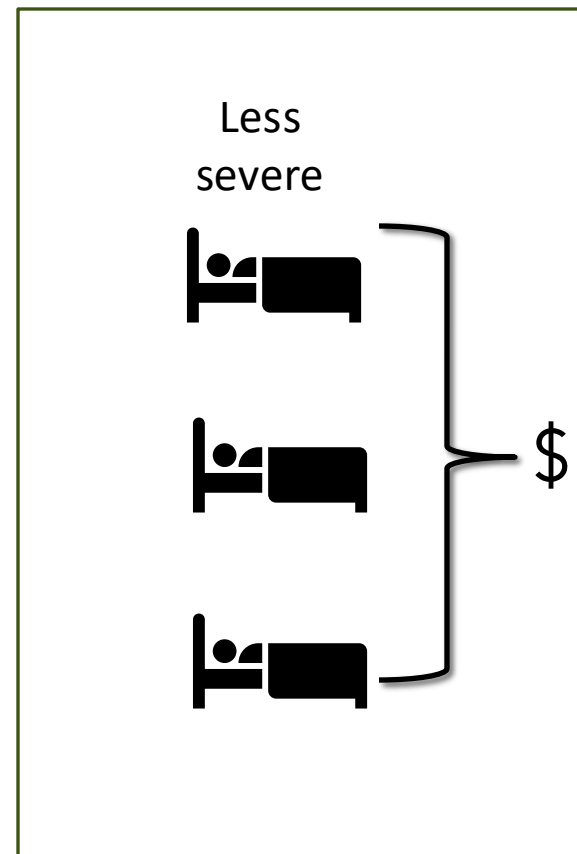
This is a very simply representation of the role and resulting business model that nursing homes used to operate.

Business model changes

Nursing Facility



Assisted Living, Home Health Care



This is a very simply representation of the role and resulting business model that nursing homes now operate.

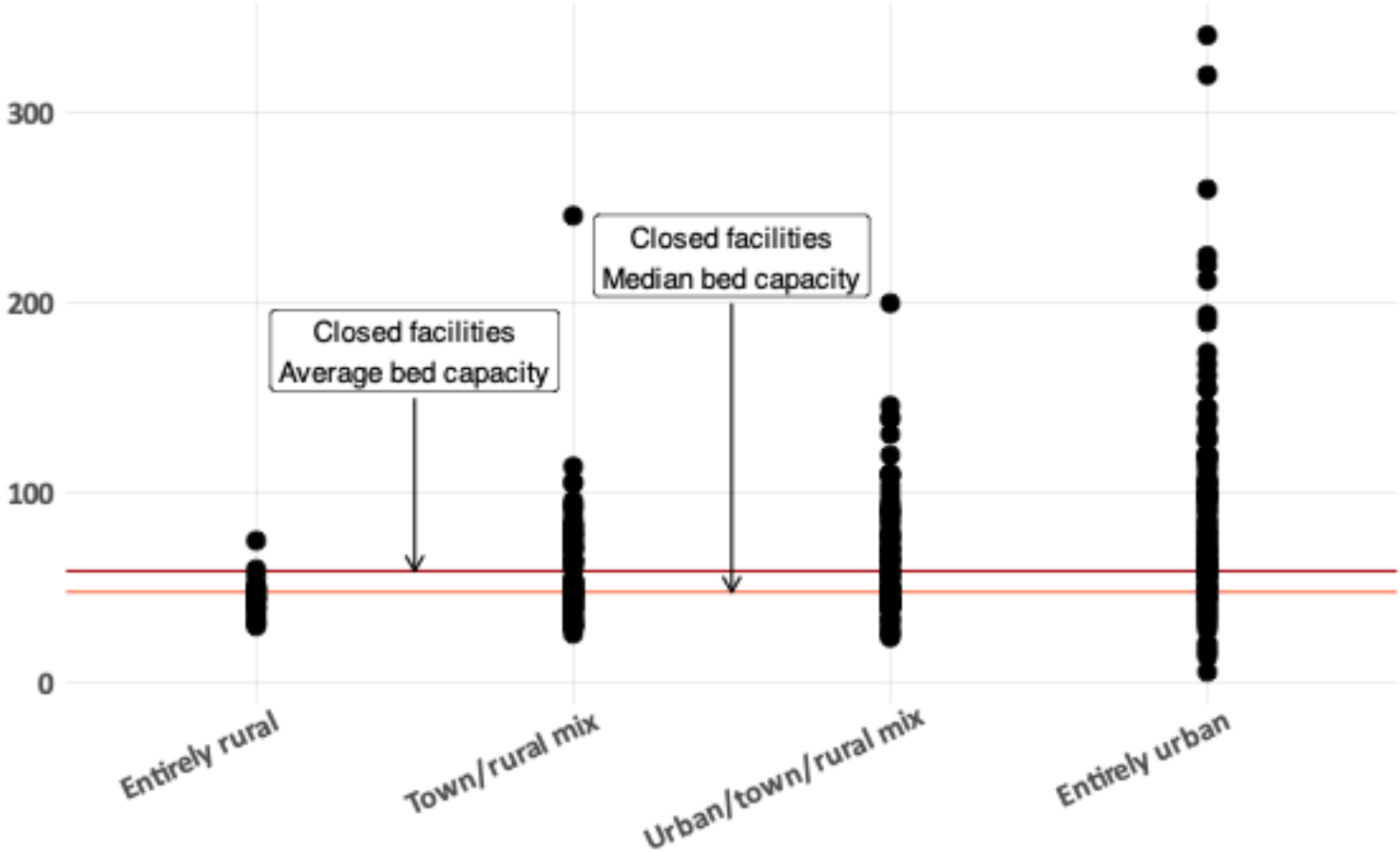


Small facilities lack economies of scale

Kari Swanson, CEO of Cornerstone Nursing and Rehab Center serving Bagley, Fosston and Kelliher says, “Cost of supplies are up, wages are up, but payments have not increased enough...lots of rural facilities are small and can’t cut anymore corners or scale down enough to make the finances work”.

Summary statistics of open nursing facilities by rural-urban county groups

Currently open rural facilities match the capacity of facilities that have closed in Minnesota



Care Providers of Minnesota; Minnesota Department of Health, Nursing Home Licensing

Can small, rural facilities survive?

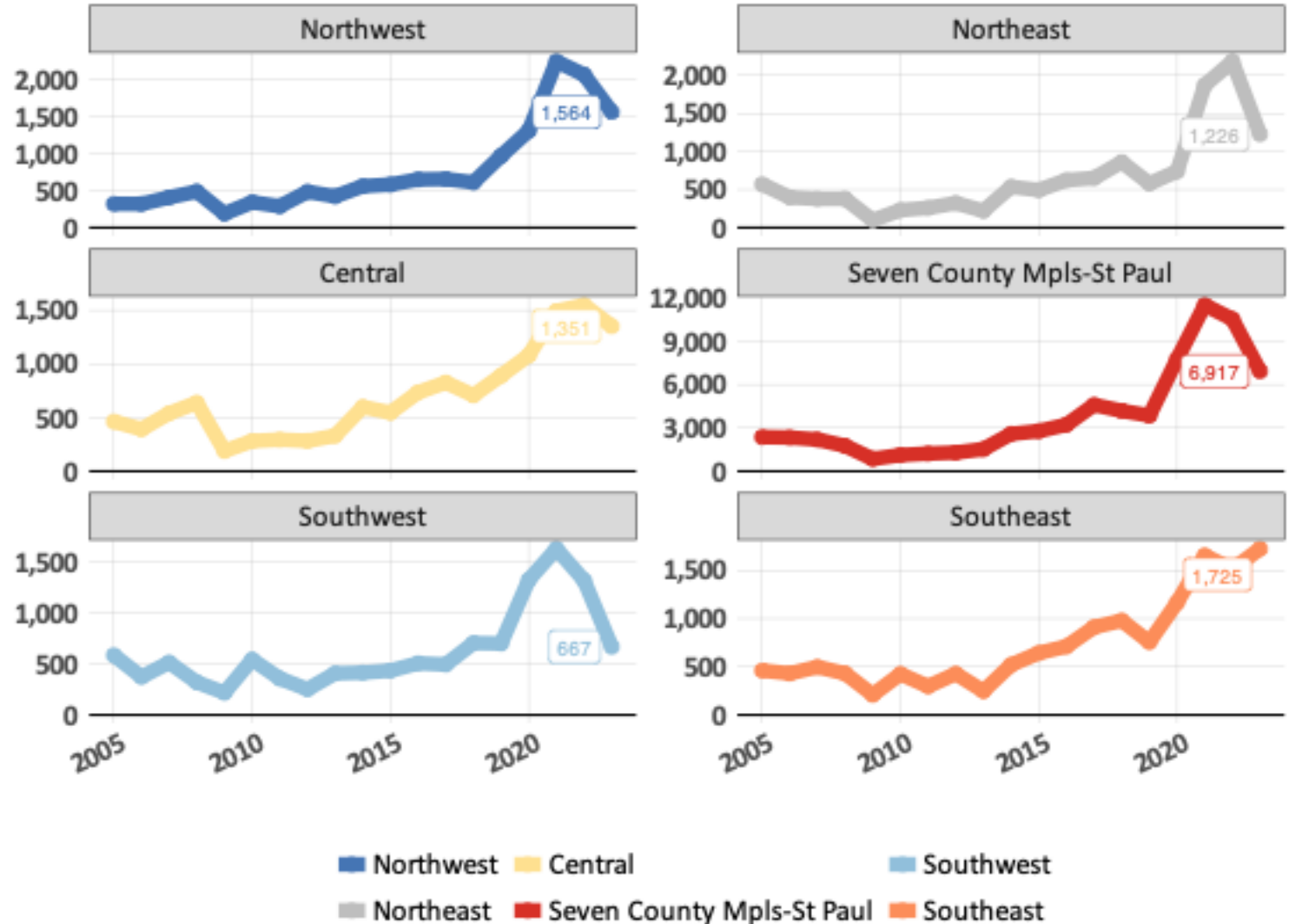
Recent impacts – workforce shortage

Occupations include the following;

- Registered nurses
- Home Health and Personal Care Aides
- Nursing Assistants
- Orderlies
- Psychiatric Aides

Personal care and nursing occupations

Thousands of people are needed to fill critical jobs in elderly care



MN DEED - Job Vacancy Survey

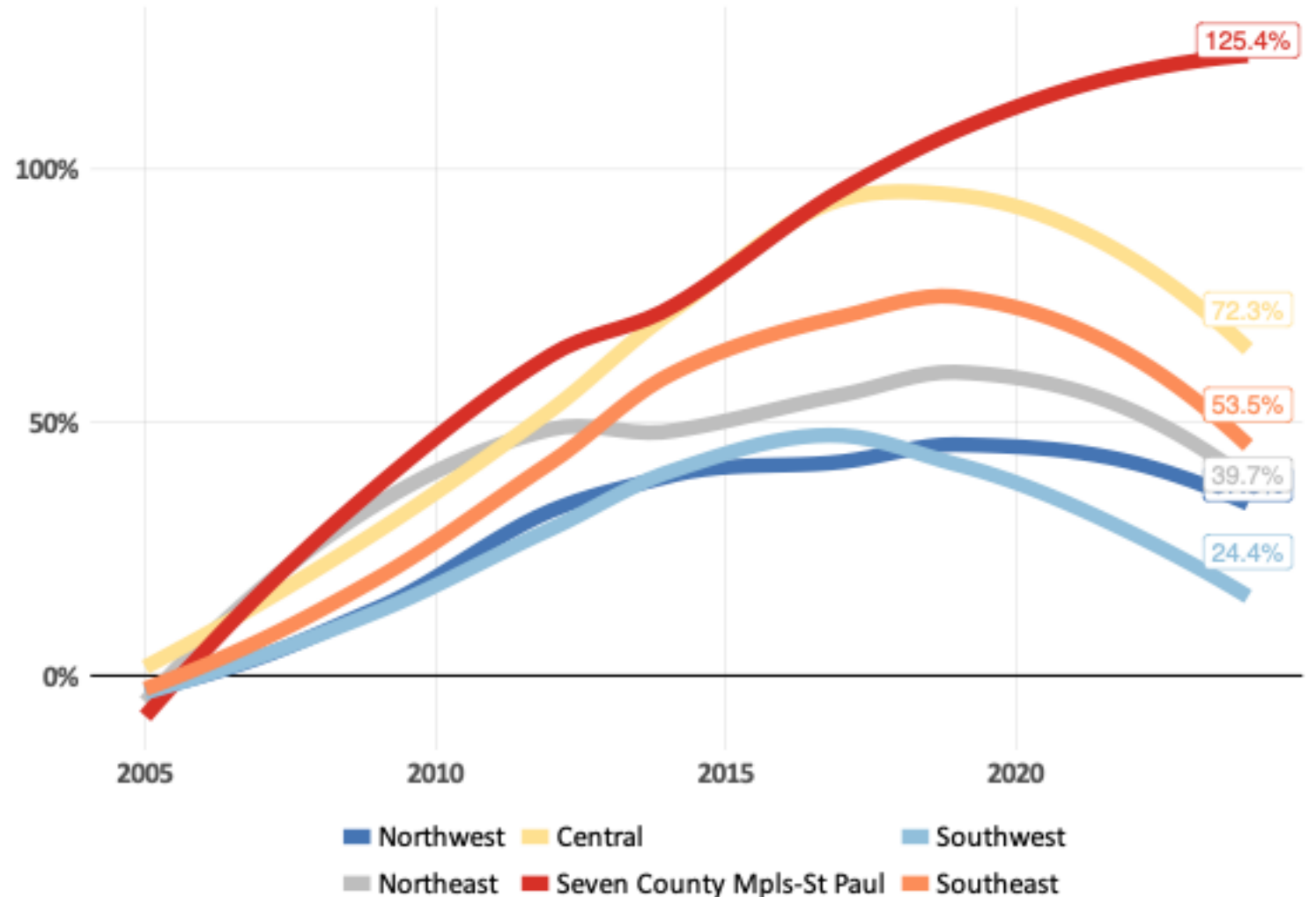
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Change in registered nursing and other care provider jobs 2005

Employment in occupations related to elderly care have been declining since the mid-2010s in Greater Minnesota



MN DEED - OWES



Already not meeting the need due to workforce shortages

“We are screening patients to make sure we have the workforce to meet their needs and we are turning people away daily due to the lack of workers”.

Access to non- institutional care

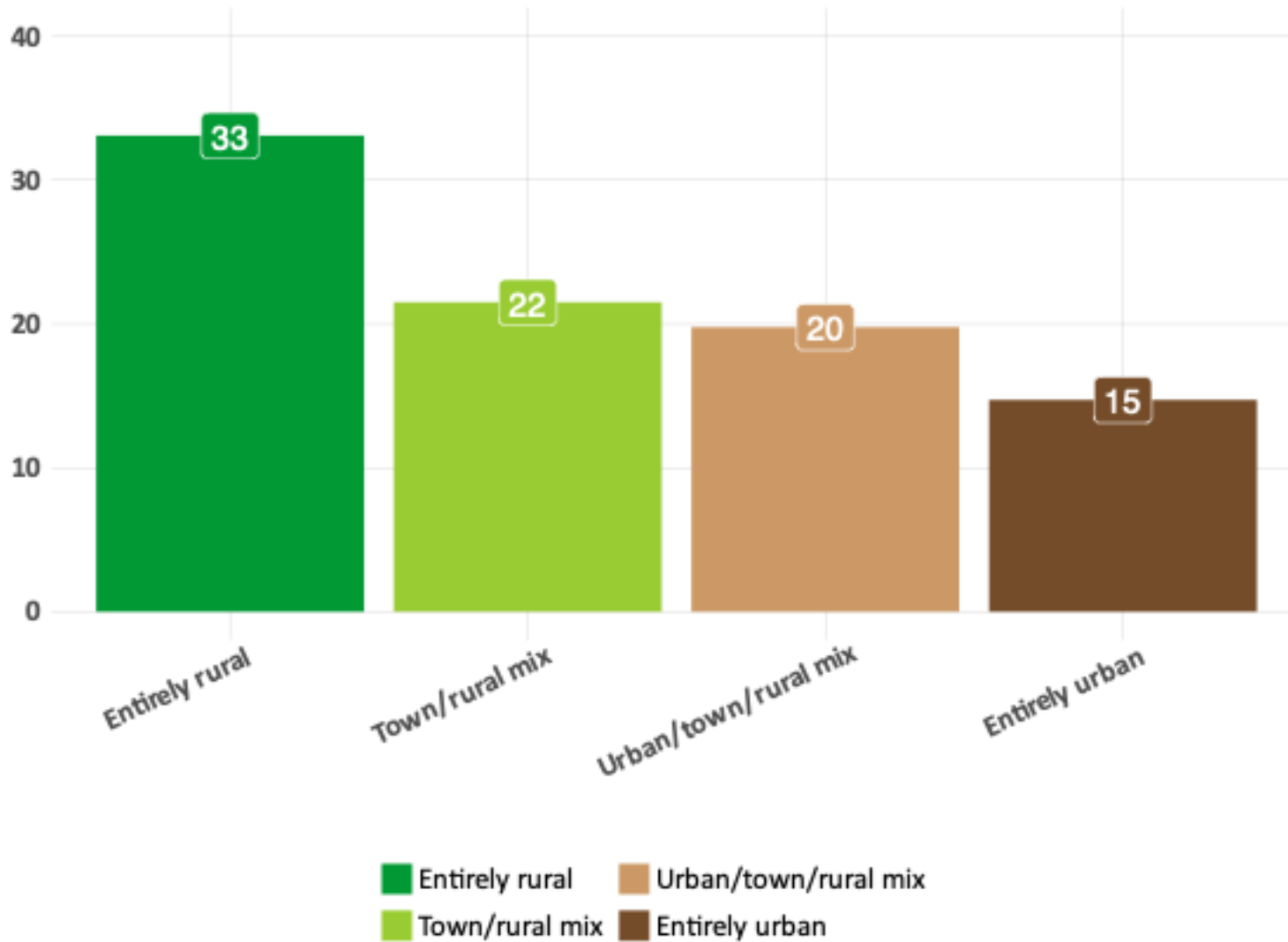
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Number of people age 65+ per, assisted living bed

Rural Minnesota has a significantly higher number of people 65+ per assisted living bed

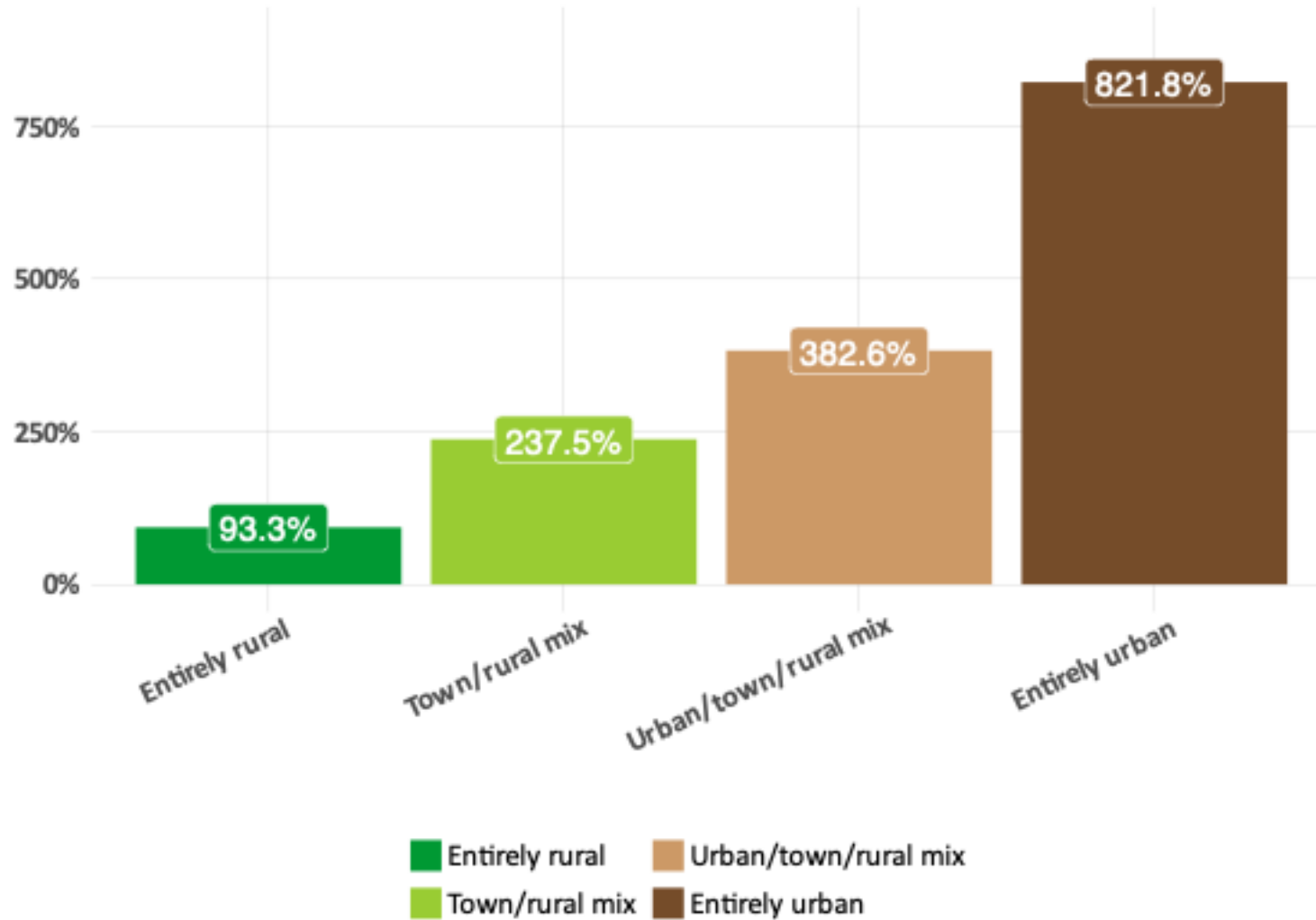


Care Providers of Minnesota; Minnesota Department of Health, Nursing Home Licensing

Assisted
living
access may
be limited

Assisted living capacity as a percentage of nursing home bed declines

Assisted living capacity doesn't make up for the full decline of skilled nursing beds in rural Minnesota



Care Providers of Minnesota; Minnesota Department of Health, Nursing Home Licensing

Assisted living access may be limited - 2

Home-base care providing skilled nursing services

County	Skilled Nursing Provider
Rosseau	6
Cook	7
Swift	15
Houston	11
Carver	37
Rock	10
Kittson	7

What to do?

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Upcoming concerns



CMS Staffing Requirements – look for report
from Anthony Schaffhauser (MN DEED)



MN Nursing Home Workforce Standards Board
– Minimum wage for staff

Look for future research

REMAINING
RESILIENT IN AN
AGING RURAL
MINNESOTA



Panelists

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