



The Better Way

AHCA's forward-looking policy agenda to deliver bold solutions for quality long term and post-acute care.

Overview

An Aging America

Our country has a growing elderly population. More people than ever will need long term care. It is critical that our nation's leaders **prioritize, support, and invest** in America's seniors and their caregivers.

80

the age of
the oldest
Baby Boomers in
the coming year

+4M

the number of
people turning 80
over the next
five years

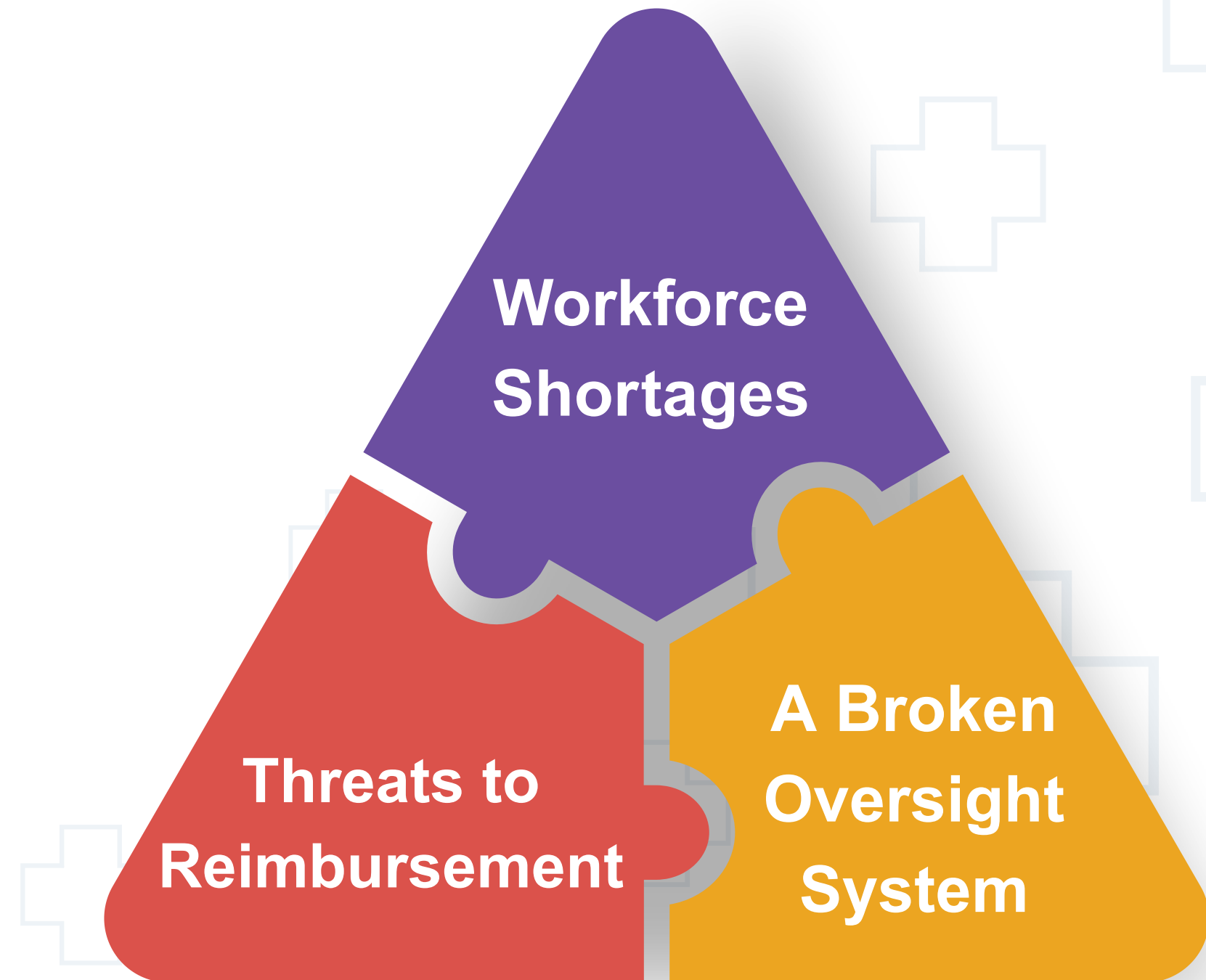
18.8M

the total number
of people 80+ by
2030.

Source: ["Aging Boomers Are About to Rekindle the Senior-Housing Market,"](#) Wall Street Journal, February 11, 2025

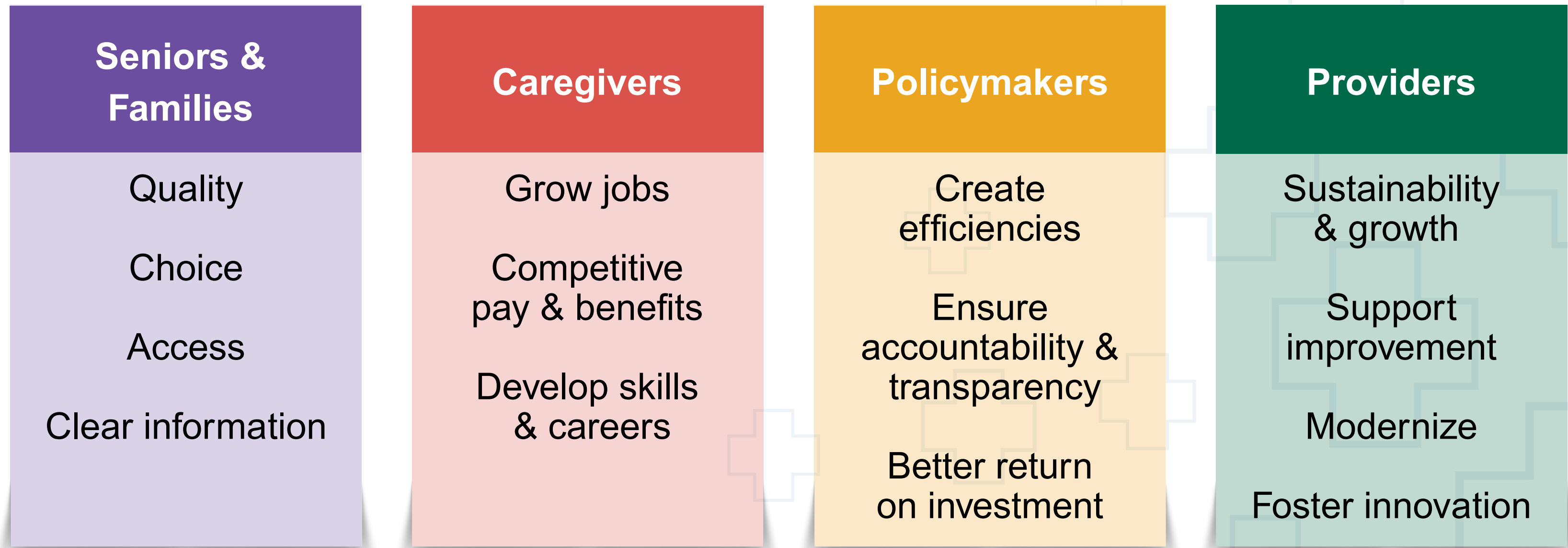
Perils to Progress

- Nursing home care is improving and has tremendous responsibility and opportunity to serve a growing elderly population.
- But access to care is being systemically threatened by a number of issues that providers are working tirelessly to manage:



How We All Win

We believe there is A Better Way forward, and we stand ready to offer **bold solutions** that benefit all stakeholders:



Policy Agenda

AHCA 2025 Policy Agenda

Our work will remain centered on finding efficient and effective solutions that support the continued delivery of high-quality care to our nation's seniors and individuals with disabilities.

Key priorities include:



**Strengthening the
Long Term Care
Workforce**



**Protecting
Medicaid**



**Reaffirming the
Promise of
Medicare Advantage**



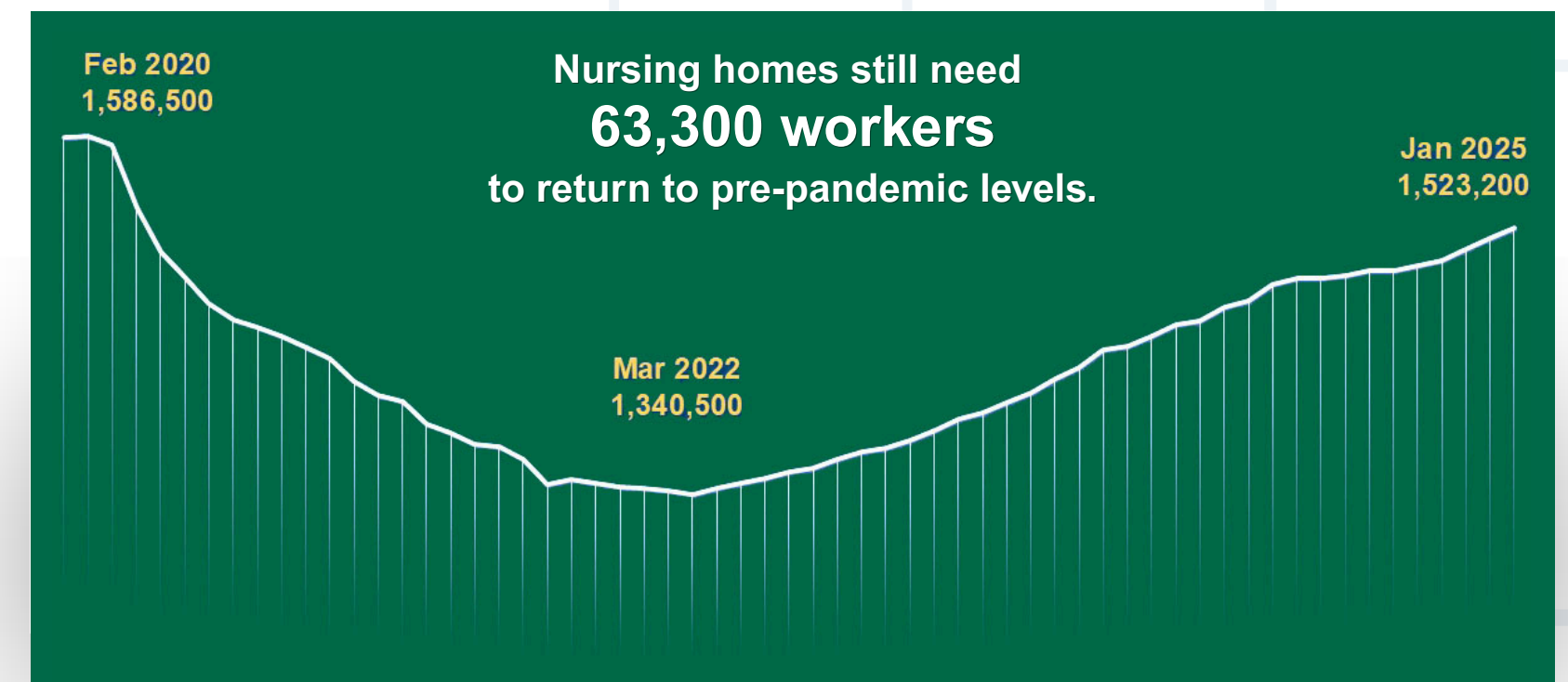
**Rationalizing
the Regulatory
Environment**

01

Strengthening
The Long Term
Care Workforce

Still Rebuilding

- Nursing homes are slowly recovering from historic workforce losses seen during the COVID-19 pandemic.
- Despite unprecedented efforts to recruit and retain workers, including the highest wage rate increases across health care, nursing homes struggle to compete for workers.
- While every other health care sector has rebounded, nursing homes still need more than 60,000 workers to return to our pre-pandemic workforce levels.



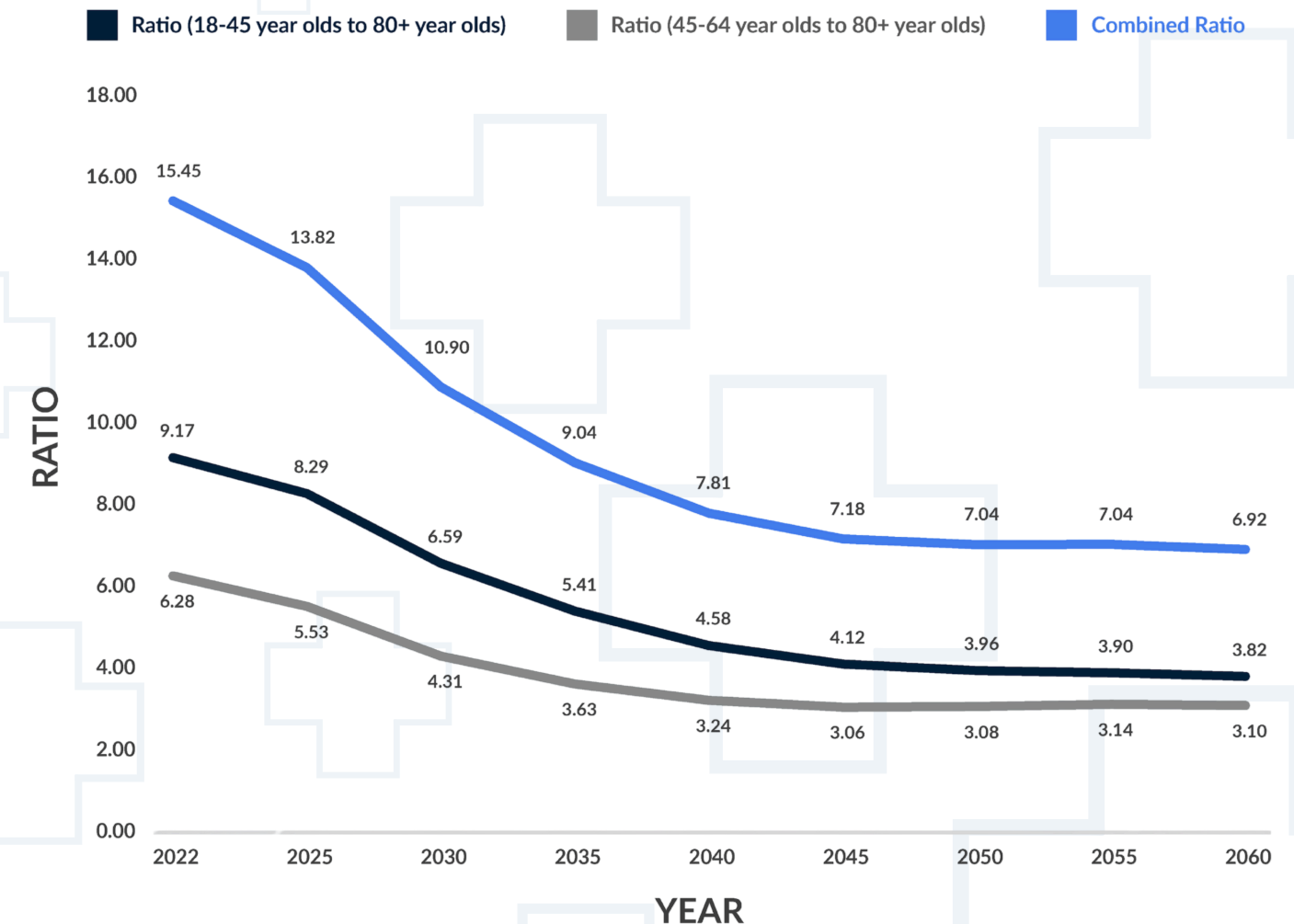
Sources: AHCA's Fast Facts | Workforce: <https://www.ahcancal.org/Data-and-Research/facts/Pages/default.aspx#workforce>
Cantor, et. al, "US Health Care Workforce Changes During the First and Second Years of the COVID-19 Pandemic"

A Growing Caregiver Shortage

- As the population ages, the younger generation is not keeping pace.
- What's accelerating the shortage? Retirements and COVID-19.
 - Across health care, approximately 100,000 registered nurses (RNs) left the workforce, and another 600,000 RNs intend to leave the health care profession by 2027.
- By 2028, it is estimated that there will be a nationwide shortage of 100,000 healthcare workers. The biggest projected deficit is among nursing assistants, the backbone of the long term care workforce.

Future Trends of Available Caregivers for Elderly Americans

This graph demonstrates the declining ratios of 18-44 year olds to 80+ year olds and 45-64 year olds to 80+ year olds in the United States, indicating that population shifts will further exacerbate the long term care workforce shortage as our nation grows older and has fewer potential caregivers available.



Sources: NCSBN: <https://www.ncsbn.org/news/ncsbn-research-projects-significant-nursing-workforce-shortages-and-crisis>
Mercer: <https://www.mercer.com/en-us/about/newsroom/future-of-the-us-healthcare-industry-labor-market-projections-by-2028/>

A Lack of Caregivers Is Fueling An Access To Care Crisis

- Workforce shortages in long term care have forced many nursing homes and assisted living communities to limit or deny new admissions, downsize their facilities, or close altogether.
- Since 2020, **774 nursing homes have closed**, displacing 28,000 residents.
- The overall decline in the number of nursing homes accelerated by nearly **four times** compared to pre-pandemic.



Source: AHCA's [2024 Access to Care Report](#)

The Biden Administration's Staffing Mandate Would Make Matters Worse

The Biden Administration's staffing mandate for nursing homes finalized in 2024 is a 20th Century solution for a 21st Century problem, failing to recognize our nation's changing demographics. It will only worsen the access to care crisis, causing more facilities to downsize or close.

Unrealistic

Only 6% percent of nursing homes currently meet all four requirements.

Unfunded

Nursing homes will have to hire an additional 102,000 nurses and nurse aides to comply, costing \$6.5 billion/year.

Unimaginable

Nearly one-quarter of nursing home residents (more than 290,000) may be at risk for displacement, as facilities are forced to reduce their census in order to comply with the mandate, or ultimately close altogether.

A Better Way: Our Solutions

Build the Pipeline

Address faculty shortages at nursing schools

Streamline legal pathways for international caregivers to work in the U.S.

Recruit & Retain

Student loan forgiveness, tax credits, affordable housing & childcare incentives

Subsidies & grants to schools whose graduates work in LTC

Develop Skills

Grants and scholarships for ongoing training

Expand career ladder programs

Remove Barriers

Repeal the federal staffing mandate

End bans on in-house CNA training programs

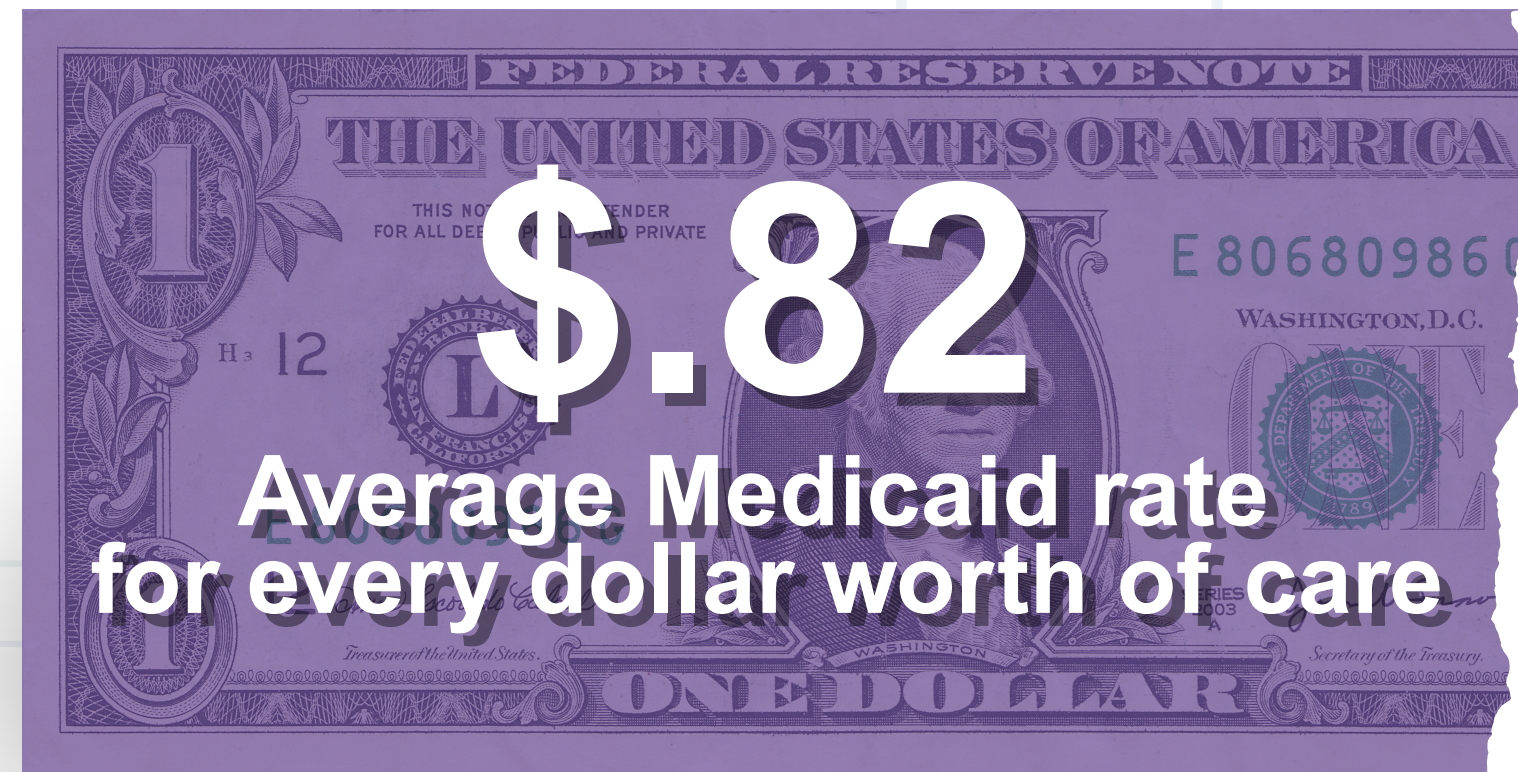
02

Protecting Medicaid

Medicaid:

The Lifeblood of Long Term Care

- Nearly **two-thirds** of nursing home residents rely on Medicaid to cover their care.
- Medicaid in many states fails to cover the actual cost of nursing home care (**on average, 82 cents on the dollar**), leaving providers with a significant financial shortfall.
- Chronic underfunding makes it **difficult to invest** in the nursing home workforce, care services, and modernization. For some, it means **closing their doors** all together.



Source: ASPE, [“Assessing Medicaid Payment Rates and Costs of Caring for the Medicaid Population Residing in Nursing Homes: Final Report”](#), October 2024

A Better Way: Our Solutions

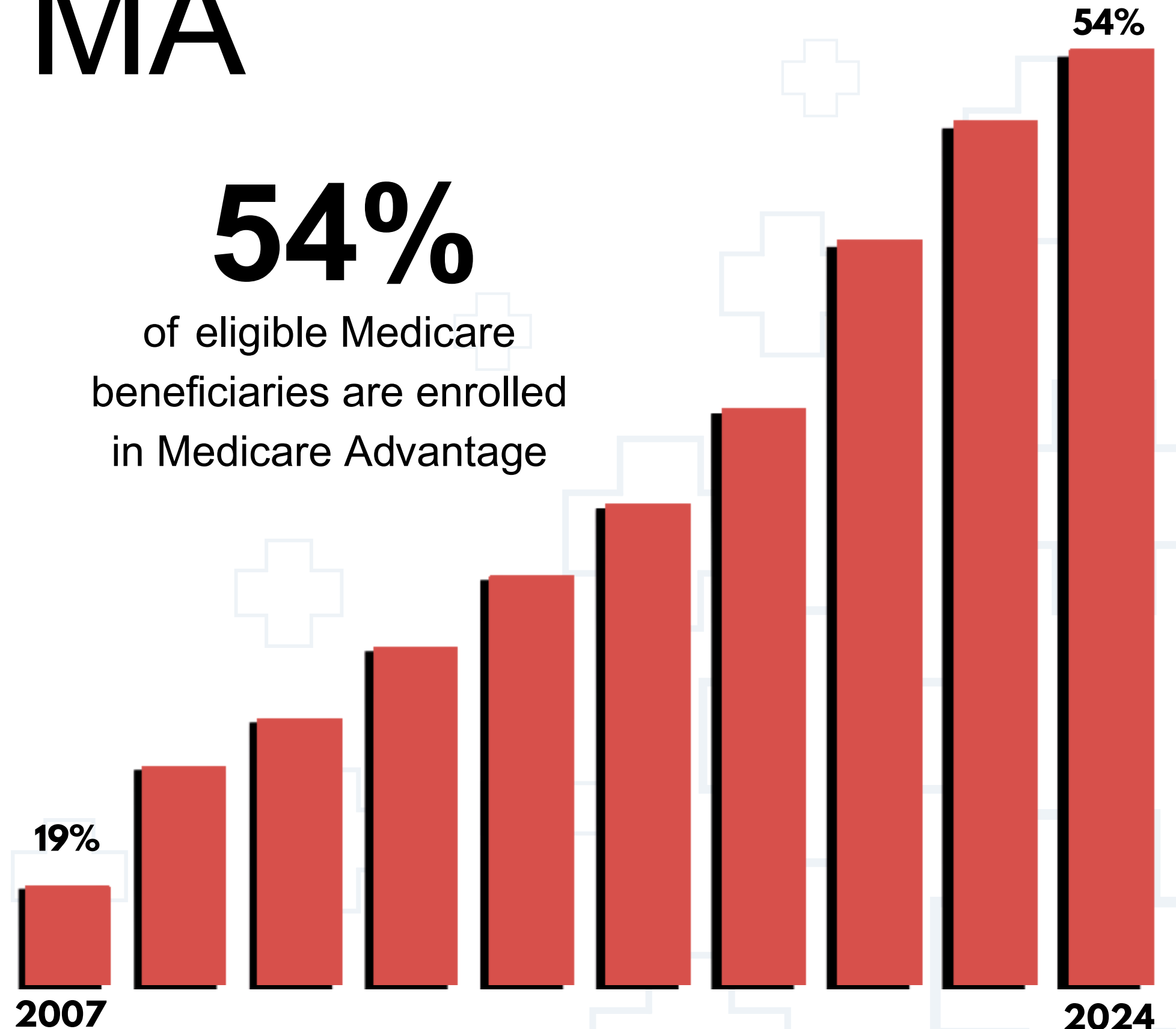
- Protect and defend Medicaid from cuts.
- Federal policymakers should require that Medicaid rates are brought up to equal the cost of care and regularly updated to keep pace with increasing costs.

03

Reaffirming the
Promise of
Medicare
Advantage

The Growth of MA

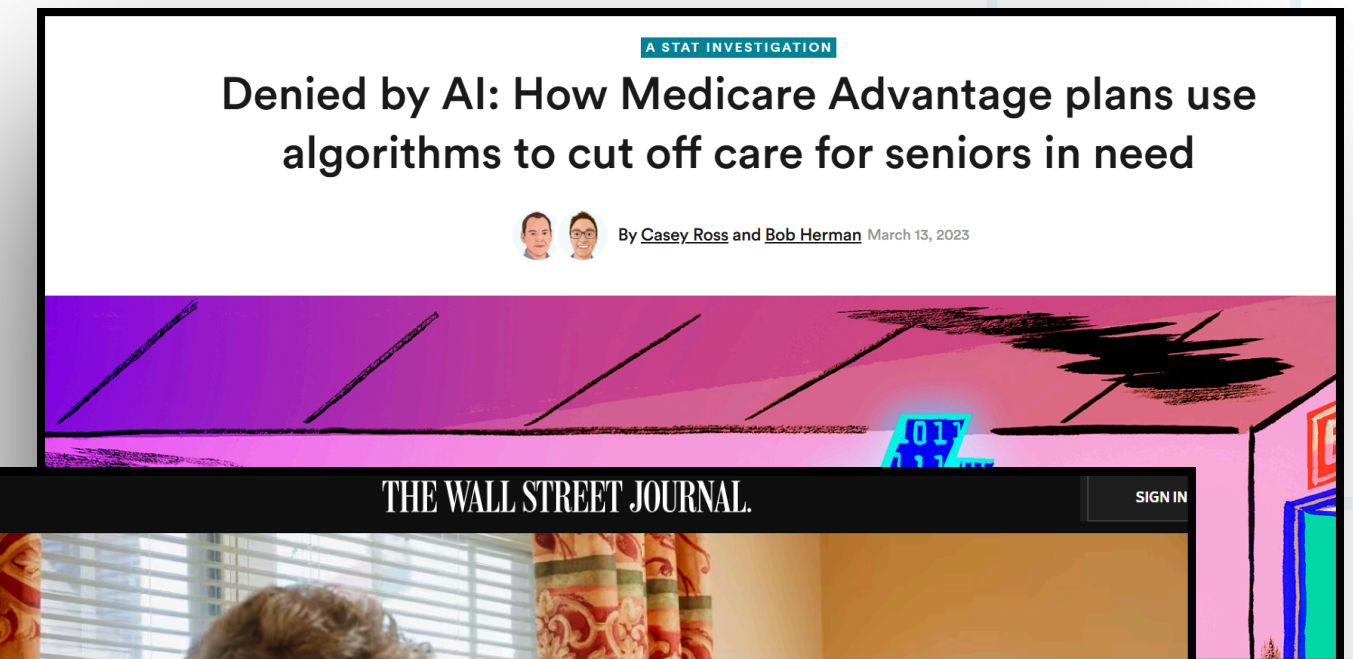
- More seniors are enrolling in Medicare Advantage (MA) plans than traditional Medicare.
- It offers many perks (out-of-pocket limits, vision, dental, hearing, and other supplemental benefits) appealing to seniors.



Source: KFF, ["Medicare Advantage in 2024: Enrollment Update and Key Trends"](#)

Challenges with Access

- As patients get sicker, MA plans are too often **denying or delaying** seniors' access to necessary post-acute care, including in skilled nursing facilities.
- From 2019 to 2022, the top three MA insurers denied prior authorization requests for post-acute care at **higher rates** than for other types of care.
- As a result, the rate of seniors in the final year of their lives leaving MA plans for traditional Medicare doubled from 2016 to 2022, **leaving taxpayers will the bill.**



Sources: U.S. Senate Permanent Subcommittee on Investigations, "[Refusal of Recovery: How Medicare Advantage Insurers Have Denied Patients Access to Post-Acute Care](#)" October 2024

Wall Street Journal, "[The Sickest Patients Are Fleeing Private Medicare Plans—Costing Taxpayers Billions](#)" November 11, 2024

STAT, "[Denied by AI: How Medicare Advantage plans use algorithms to cut off care for seniors in need](#)" March 13, 2023

A Better Way: Our Solutions

- **Seniors have earned the right to make choices, changes, and have timely access to necessary care.**
 - Put the power to determine the course of care in the hands of medical professionals and patients, rather than AI or insurers.
 - Enhance MA transparency and the rating system, so seniors can make informed decisions.
 - Foster market competition, so seniors have options to select the best plan.
- **Make sure patients, policymakers, and taxpayers are getting the best deal.**
 - Encourage insurers to work with providers to improve outcomes and reduce costs through shared savings programs.

04

Rationalizing
the Regulatory
Environment

A Broken Oversight System

- For decades, federal bureaucrats have doubled down on an excessive punitive system that has failed to produce real change.
- Federal regulators pile on regulations, guidance, and penalties, while administering enforcement disproportionately.
- The current system is **inconsistent and ineffective**. It does not drive quality improvement among nursing homes or enhance the quality of life for residents.
- Stakeholders across the gamut are unsatisfied with the results, and policymakers aren't getting a return on their investment.

A Better Way: Our Solutions

- Create more effective and balanced oversight that prioritizes quality care while maintaining safety, accountability, and transparency.
- **Examples:**
 - **Update the Five-Star Rating System:** to provide more complete and useful information to consumers.
 - **Expand Risk-Based Surveys Nationwide:** to reduce survey backlog, recognize higher-quality facilities, and incentivize more facilities to qualify.
 - **Improve Access to the Civil Monetary Penalty Reinvestment Program:** to increase use of funds on quality improvement initiatives; allow them to be used for workforce programs and technology investments to enhance care.
 - **Strengthen the Special Focus Facility Program:** to help poor-performing facilities get better and out of the program.



Quality at the Core

AHCA's Policy Priorities are centered on our mission:
improving lives by delivering solutions for quality care.

Learn More: ahcancal.org