

# MHCA

Missouri Health Care Association

## Talking Points on SNF Medicaid Cut

## HOW YOU CAN MAKE A DIFFERENCE

- ✓ Communicate regularly with your legislators to tell your own story.
- ✓ Set up facility tours so they can get to know you, your staff, your residents and your residents' families.
- ✓ Share facility specific information with them (i.e. staffing cuts, financial impact, etc.).
- ✓ Encourage your staff, residents and their families to also communicate with their legislators.
- ✓ Follow Save MO Seniors on Facebook and Twitter. Share and retweet as often as you can.

# Talking Points

**The Funding Crisis** - After the 3.5% rate cut, nursing homes are underfunded by \$25 PPD. Missouri now has one of the lowest SNF Medicaid rates in the United States. Missouri contributes the least amount in General Revenue dollars to the SNF Medicaid rate compared to our surrounding states and states that have a similar budget to Missouri.

**Reduction In Services** - Nursing homes have been forced to reduce services provided by non-direct care staff.

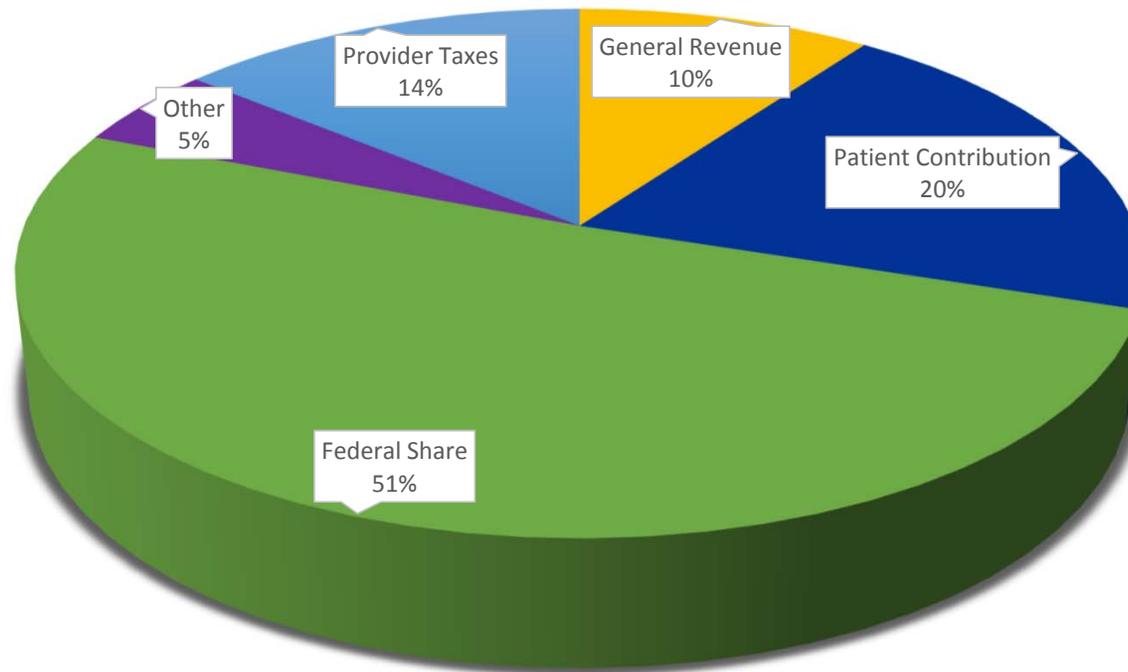
**What's At Risk** - If the funding crisis isn't fixed soon, nursing homes will close; residents, including veterans, will lose care; jobs will be lost; and the State of Missouri will lose valuable federal dollars.

**Rural Communities Suffer** - Rural communities will be hit the hardest with the loss of 24/7 healthcare; employment rates will plummet; and seniors, veterans, and the disabled will be forced to leave their communities.

**Over-Regulated** – Nursing homes are the most heavily regulated industry. The onslaught of new regulations are costing nursing homes hundreds of thousands of dollars.

# The Funding Crisis

**State of Missouri pays only \$15.26 of the \$153.81 PPD**

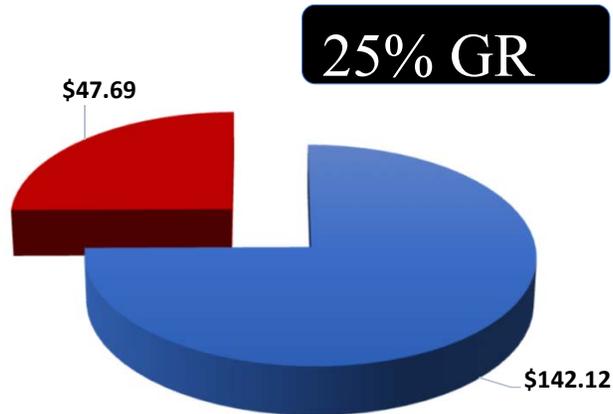


■ General Revenue ■ Patient Contribution ■ Federal Share ■ Other ■ Provider Taxes

# The Funding Crisis

## How Missouri Compares to Similar States

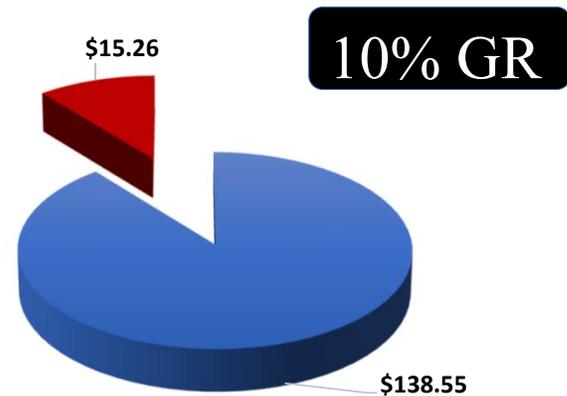
States with Similar Budget Avg.  
SNF Medicaid Rate - \$189.81



\$28.1 billion average State  
Budget – SC, CO, AK, AL,  
LA, IN

■ Avg. Other Sources ■ State GR

Missouri Avg. SNF Medicaid  
Rate - \$153.81



\$27.4 billion State  
Budget

■ Avg. Other Sources ■ Portion of Rate that is State GR

# The Funding Crisis

## BUDGET RATE COMPARISON BY SURROUNDING AND SIMILAR STATES

<u>State</u>	<u>Total State Budget</u>	<u>Avg. SNF MCD Rate</u>	<u>Portion of Rate that is State GR</u>	<u>% of Rate that is State GR</u>	<u>Surrounding or Similar Budget State</u>
<b>Missouri</b>	<b>\$27,400,000,000</b>	<b>\$153.81</b>	<b>\$15.26</b>	<b>10.00%</b>	
South Carolina	\$26,300,000,000	\$169.84	\$42.46	25.00%	Similar
Colorado	\$27,100,000,000	\$234.40	\$96.10	41.00%	Similar
Alabama	\$29,200,000,000	\$198.20	\$30.44	21.02%	Similar
Louisiana	\$29,200,000,000	\$171.14	\$46.21	27.00%	Similar
Indiana	\$31,900,000,000	\$192.31	\$47.62	24.70%	Similar
Arkansas	\$28,600,000,000	\$172.94	\$23.33	13.49%	Similar/Surrounding
Iowa	\$8,400,000,000	\$172.00	\$50.67	29.50%	Surrounding
Nebraska	\$9,000,000,000	\$176.56	\$67.09	38.00%	Surrounding
Tennessee	\$34,900,000,000	\$196.67	\$37.37	19.00%	Surrounding
Kentucky	\$22,000,000,000	\$183.56	\$52.92	28.83%	Surrounding
Illinois	\$87,400,000,000	\$151.99	\$75.99	50.00%	Surrounding
Oklahoma	\$6,800,000,000	\$143.79	\$30.20	21.00%	Surrounding
Kansas	\$15,900,000,000	\$177.73	<i>n/a</i>	<i>n/a</i>	Surrounding
<b>Avg. of Surrounding States</b>	<b>\$26,625,000,000</b>	<b>\$171.91</b>	<b>\$48.22</b>	<b>28.55%</b>	
<b>Avg. of State w/ Similar Budgets</b>	<b>\$28,716,666,667</b>	<b>\$189.81</b>	<b>\$47.69</b>	<b>25.37%</b>	

# Reduction in Services to Residents

The 3.5% rate cut has forced nursing homes to reduce services provided by non-direct care staff. While residents will continue to receive the best direct care, the funding crisis has left no margin for the following beneficial services:

- **Activities** - reduction in staff results in decreased social and cognitive stimulation activities for the residents
- **Dietary** - decreased selection in food options and limitations on dining times means residents can no longer eat at the time of their choosing
- **Housekeeping** - reduction in staff hours forces cleaning schedules to be limited
- **Maintenance** - no preventative maintenance instead limited to only basic upkeep and no allowance for aesthetic modifications
- **Transportation** - services have been cut so facilities are forced to outsource transportation services or utilize ambulance, which both come at a much higher cost to the state

# What's At Risk

- **Closure of Nursing Homes** – Nursing homes will go out of business if funding trend continues.
- **Residents Will Lose Care** – Current funding levels cannot sustain the highly regulated care mandated and necessary to properly care for nursing home residents.
- **Veterans Will Lose Care** - This population is growing with the aging of Vietnam and Korean War veterans. The VA will not grant additional VA nursing home beds in Missouri. Veterans will have no place to go.
- **Jobs** - An estimated 2,500 nursing home jobs are currently at risk and many more may be lost.
- **Loss of Federal Funding** – Missouri must enhance federal match dollars NOW. As Congress works to cap federal funding to states, the 3.5% cut that initially saved Missouri \$16.2M will cost Missouri \$44.1M in GR to restore.

# Rural Communities Suffer

If nursing homes go out of business:

- Loss of 24/7 nursing care available in the rural communities will create a healthcare desert
- Economy in rural communities will be devastated as employment rates plummet and businesses are hit hard
- Seniors, disabled and veterans will be forced to leave their communities and loved ones to relocate to a nursing home hundreds of miles away

# Over-Regulated

- Nursing homes are the most heavily regulated industry with 95% of our regulations imposed by CMS and the State of Missouri has no ability to reduce these federal regulatory burdens.
- CMS issued new Requirements of Participation for nursing homes in 2016, which were 700 pages of new regulations costing each nursing home approximately \$250,000 in on-going costs.
- The CMS Payroll-Based Journal requires all nursing homes to collect and submit staffing and census information on a quarterly basis. Since the process is so time consuming, it actually takes valuable staff hours away from the residents, can negatively impact the nursing homes' 5-STAR rating and also result in fines. This mandate has nothing to do with resident care.

## **Over-Regulated (continued)**

- Due to the abundance of regulations, nursing homes must hire new staff with specific training requirements to meet all documentation, program development and administration requirements. The new staff are hired only to comply with the regulations and not for the residents' care.
- Nursing homes that fail to adhere to federal regulations receive egregious penalties totaling tens, if not hundreds, of thousands of dollars that many times continue to accrue weeks after the nursing home has corrected the problem.