

Help Stop Governor Kasich's Proposed Cuts to Skilled Nursing Care!

Governor John Kasich's budget proposal has the potential to devastate Ohio's skilled nursing facility community, cutting rates more than seven percent (7%) for a total \$472 million in cuts to SNFs. As OHCA continues to execute its budget strategy, many members have asked how they can most effectively assist to impact the outcome of the budget bill, HB 153. Following are some suggestions that will help to achieve the budget goals best suited for Ohio's SNFs.

Please remember to refer to your facility as a skilled nursing facility and to emphasize the skilled care and rehabilitation needs of your patients (or for patients/families to emphasize why they need your facility). Part of the argument in support of cuts to "nursing homes" is that the patients could easily be cared for at home. We need to show for the vast majority, that is simply not the case, and they truly need your facility. We also have found through market research that "skilled nursing facility" generates a much more positive response than "nursing home."

Letters to Legislators

One of the most important things you can do to help us in our fight is to ask your staff, residents, families, vendors consultants and others to contact their legislators to communicate why cuts of this magnitude will harm the quality of skilled nursing care delivered to individuals in your community who need a high level of medical and rehabilitation services.

The easiest way for them to make contact with their legislator is to go to the OHCA Legislative Action Center (<http://capwiz.com/ohca/oh/home/>) or the Ohio General Assembly website (<http://www.legislature.state.oh.us/>). Through either site they can enter their zip code to bring up their legislators' information, and send an email using the online form. Legislators' address and telephone information is also provided if they would prefer to send a letter via regular mail, or call their Senator's or Representative's office.

You may want to set up a computer terminal in a family/resident gathering area and an employee lounge so that visitors and staff have easy access to the internet, and can ask for assistance if needed. Send information home with your employees, and add an item to the facility newsletter. Make it easy for people to participate, and be sure and thank them for their efforts.

What should they say?

The most powerful points can be made by letting your audiences know how these cuts will directly impact residents, their families and your facility. If the cuts would force you to reduce staff, delay improvements, cut pay, or – in a worst case scenario – close, tell them! If caring for a patient at home would tear a family apart, legislators need to know. This is not designed to scare anyone, but rather to educate individuals active in the senior care network about the unfortunate budget realities. Letters do not have to be long, and the most effective correspondence is heartfelt and personal. Form letters are recognized as such and generally have less impact. Following are a few ideas that can be used to generate personal letters to legislators:

For Families/Residents/Friends

- Indicate why you, your family member or friend needs a skilled nursing care facility, and why those services cannot be provided at home. Be specific about the care needs and why 24/7 care, observation and intervention is required.
- Tell your legislator what you most like about the care that is being provided, and how that might be put in jeopardy if such drastic cuts to skilled nursing services were imposed. Let them know what would be required to try and meet these care needs at home, and what the impact would be on your family.
- Highlight the relationships you have built with members of the facility staff who provide around the clock care to you or your loved one.
- Discuss how important it is to have a care and rehabilitation facility nearby, and what impact it might have if you would need to relocate somewhere farther from friends and family.

For Facility Staff

- Tell why you chose long-term care as a career instead of another job or health care setting.
- Discuss the intensity of the care and rehabilitation services you provide; talk about the importance of continuity of care, and the relationships you have built with residents, their families, and other staff members.
- Indicate what impact you believe a reduction in Medicaid funding could have on your job, your residents and the facility.
- Talk about “success stories” of residents who either returned to their homes after rehabilitation, or who made significant improvements because of your care and services.
- Personalize the value of your job – what it means in terms of putting food on the table, paying the mortgage/rent, keeping kids in school, being a productive member of the community.

Schedule Legislative Visits to the Facility

It is also vital that legislators hear from you with the same messages. One of the most effective ways to do this is to schedule your legislator to make a facility visit, and we are happy to help.

Invite your legislator to the facility in order to show them the level of skilled care that each of your residents require. Explain the coordinated planning that it take from your care teams. Stress the delicate condition of skilled care residents, and the need for professional 24-hour medical care. Indicate what efficiencies you have been forced to make in that delivery of skilled care due to the continued flat funding endured over the past 8+ years.

You will also want to provide your legislators with the facility and county-based data OHCA has provided. This will help create context to what they are witnessing while visiting. Ask questions about how Medicaid reductions could be handled:

- Which of these residents do you think you could care for at home?
- Based on the reductions we will face, what employee(s) do I terminate?
- Given the skilled care needs that you have seen being provided today, where should I cut services?
- What amenities do you think our residents can do without?

Encourage the family member(s) to join you at some point in the visit and have them explain the reason/issues that arose in the care for their loved one and the need for 24 hour care. We need to let our elected know that this budget cut has tentacles that impact many lives well beyond skilled nursing care providers and their employees.

If you would like our assistance in scheduling a facility visit, contact Todd Bergdoll, 614-306-5574, mbergdol@columbus.rr.com, or Susie Blair sblair@ohca.org, 614-504-1332.

Ohio Medicaid SNF Budget Cuts Your Immediate Action Needed

Governor John Kasich's budget proposal released last week has the potential to harm Ohio's skilled nursing facility community severely, cutting rates more than seven percent (7%), for a total \$427 million in cuts to skilled nursing care in the state.

OHCA initiated an aggressive campaign to fight the cuts, beginning even before the release of Kasich's budget with lobbying and advertising efforts. Now, with the Governor's plan being presented to members of the General Assembly, it is vital that providers participate in a grass roots effort to make members of the General Assembly aware of the direct impact these cuts will have on providers, workers, residents, their families and other members of the community.

Enclosed is information regarding the impact of the cuts that has been individualized to represent the blow to your facility, community, and county. To have the most impact, this information should be communicated to all of the communities – staff, residents, families, vendors, consultants and others – who rely on your business.

One of the most important things you can do is to ask your staff, residents, families, vendors consultants and others to contact their legislators to communicate the message. (See the attached sheet indicating the legislators representing your facility and community, and some suggested talking points that can be used to communicate their concerns.)

The most powerful points can be made by reviewing the enclosed information and letting your audiences know how these cuts will directly impact your facility – and them. If the cuts would force you to reduce staff, delay improvements, cut pay, or – in a worst case scenario – close, tell them!

We are also asking that you make personal contacts with your elected Senator and Representative to help educate them to the issues, and to show them how the proposed cuts will impact your facility, county, their District and its registered voters. One of the most effective contacts is to schedule the legislator to make a facility visit, so that he or she can see firsthand how today's long-term care facility operates, to meet your staff, resident and families, and to ask and answer questions relating to skilled nursing care and Medicaid funding. If you would like help in scheduling a facility visit with your legislator(s), contact Todd Bergdoll, 614-306-5574, mbergdol@columbus.rr.com.

More detailed facility specific price calculations are available from OHCA. If you need additional information or have questions, please contact the OHCA office at 614-436-4154, ohca@ohca.org.

Thank you in advance for your support and assistance in putting the messages necessary to fight this battle in front of your community and Ohio's public officials!

Contents

1. Your legislators

The names and contact information for the State Senator and Representative from the District where your facility is located

2. Talking points

These can be used to help explain the problem to your staff, residents, families and others so that they can initiate their own legislative contacts

3. Statewide impact summary

This information shows how the cuts will impact skilled nursing facilities across the state, including rates, bed tax and the total cost in dollars

4. Facility specific impact

Shows the impact of the proposed cuts on your facility, based on the data available to OHCA at this time

5. SNF quality improvement in jeopardy

Improvements in four major quality indicators that could be jeopardized by cuts in the Medicaid budget

6. County impact/jobs

A look at how cuts to Medicaid could impact jobs in the county where your facility is located

7. County economic impact

Statistics showing the importance of long-term care to the economy in your county

8. Fewer But Sicker Patients

Represents the increasingly acute level of care required by Ohio's skilled nursing facility residents

9. Cost/rate gap

This sheet illustrates the difference between what it costs to care for skilled nursing facility residents and what is covered by Medicaid payments

10. Cost/rate growth

This sheet illustrates how Ohio skilled nursing facility costs have grown, and how Medicaid rates have not increased to match

11. County bed tax impact

A look at the bed tax paid by each facility in your county compared with the Medicaid reimbursement

12. Policy rationales

The rationales presented by the Kasich Administration for its rate cut proposals and the reasons why they do not justify cutting SNF rates

Suggested Talking Points on Ohio's Medicaid Budget Cuts to Skilled Nursing Care Facilities

Ohio Governor John Kasich has proposed cutting \$427 million in Medicaid payments to Ohio's skilled nursing care facilities, including this one. These cuts could have a devastating impact on the quality of care, availability of staff, and even whether this facility and home to its residents can continue to operate. If you are concerned about the care you or your family member receives and whether the caregivers you know and love will be able to continue to provide services, we ask that you contact Governor Kasich and your legislators.

When you call or write, tell the Governor and your legislator that you are a resident, family member or employee of this skilled nursing facility, and that you are concerned about the impact of the governor's proposed cuts on you, your loved one or your job.

- Over 50,000 of Ohio's elderly, poor and disabled residents depend on services they can only get at Ohio's skilled nursing care facilities — including vital rehabilitation at a fraction of the cost of hospital stays.
- With the state facing an \$8 billion budget deficit, Governor Kasich is looking for a quick-fix with a staggering \$427 million in cuts to skilled nursing care. But his proposed cuts will reduce care and force skilled nursing facilities to close — costing 7,000 jobs and leaving many patients with nowhere else to go.
- The proposed cuts would jeopardize the quality of care provided to Ohio's skilled nursing care patients.
- By forcing the closure of skilled nursing care facilities, patients will need to look further from home for care – and their families will be forced to travel longer distances for visits and consultation.
- You can reach the Governor's office by calling 877-917-CARE (2273). You will probably reach a member of the Governor's staff; Just leave your name and your city, and tell him or her not to cut funding for skilled nursing care. Our seniors must be treated with dignity and respect.
- You can reach your legislator by going to www.legislature.state.oh.us, and use the form available to send an email; telephone and office address information is also available on the site or in this packet.

Governor Kasich's Budget and SNFs

Current Statewide Average Rate:	\$177.53
Proposed Statewide Average Rate:	\$164.50 (FY 12)
Bed Tax:	\$11.38 (FY 12)
Total Statewide Impact:	\$427 million

SNF RATE CUTS JEOPARDIZE QUALITY IMPROVEMENTS

Percentage Improvement in Key Quality Measure/Indicator Domains

**Nutrition/Eating
69.2%**

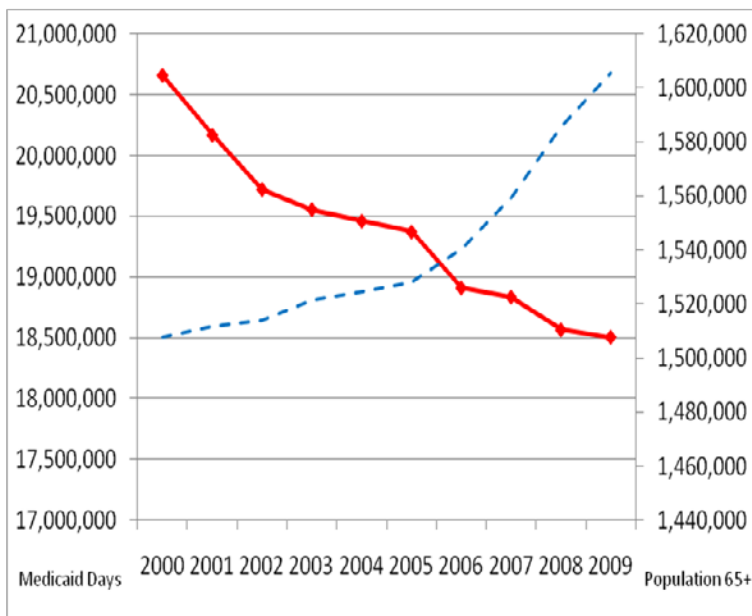
**Pain Management
51.4%**

**Quality of Life
45.1%**

**Skin Care
25.0%**

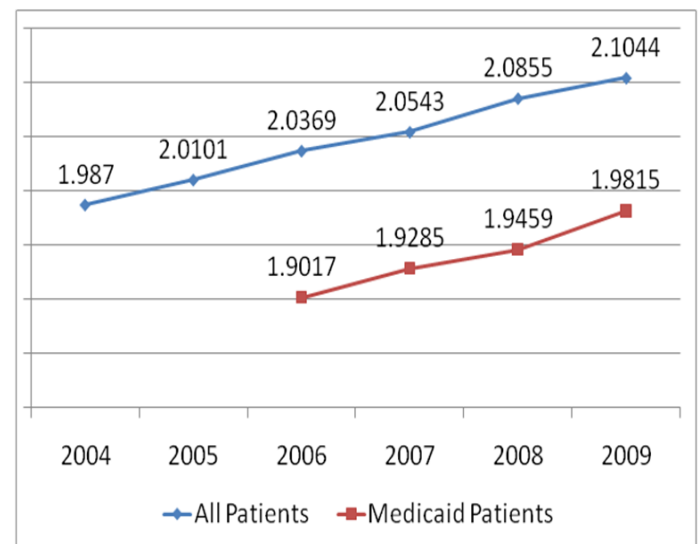
Fewer but Sicker Patients in Ohio's SNFs

SNF Medicaid Days and Ohio Population 65+
FY 2000-2009



Source: Ohio Departments of Job & Family Services and Development

SNF Patient Acuity



Source: Ohio Department of Job & Family Services

Increases in SNF Patient Acuity Measures

Patient Characteristic	Percentage Increase
Patients needing help from two or more persons to move in bed	13.09%
Patients receiving daily injections	26.64%
Patients receiving intravenous medications	25.97%
Patients with at least one sign of unstable health condition	11.59%
Patients receiving speech therapy	37.63%
Patients receiving occupational therapy	21.82%
Patients receiving physical therapy	19.96%

Ohio SNF Rates Already Do Not Cover Cost

Average Disparity Between Medicaid Rates and
Medicaid Allowable Per Patient Day Costs, 2010

\$15.23

Shortfall of Total Medicaid Revenue to
Total Allowable Medicaid Costs, 2010

\$267,771,515



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SNF Rate Changes Compared to Cost and Inflation Changes

Year	Rate Change	Cost Change	CPI Change
2005	1.8%	2.5%	3.4%
2006	0.5%	1.0%	3.2%
2007	-0.2%	1.7%	2.8%
2008	1.3%	3.3%	3.8%
2009	1.5%	5.4%	-0.4%
2010	0.5%		1.6%
2011	0.1%		
Average	0.8%	2.8%	2.4%

Kasich Administration Policy Rationales Do Not Justify Cutting SNF Rates

Bottom Line: The Cuts are Budget-Driven, Not Policy-Driven

1. The Administration says Ohio spends more for SNF care than all but 5 states.
 - This so-called "affordability" measure is not a measure of Medicaid SNF rates, it is a measure of per capita spending on SNF care regardless of pay source.
 - The measure is from 2004 - seven years ago.
 - According to a 2011 survey of all 50 states and the District of Columbia, Ohio's SNF rates are 22nd in the country.
 - Ohio's Medicaid rates are not high, but per capita spending is because more Ohioans use SNF care than in most other states. Cutting rates does not address utilization.

2. The Administration says its budget proposal promotes quality SNF services by increasing the quality component of the price.
 - The dollars moving to the quality component are generated by eliminating reimbursement for the bed tax, leaving SNFs with an \$11.38 per bed per day expense with no reimbursement.
 - The cuts to SNFs take away \$427 million in resources that support quality of care - which has been improving in recent year - making the increase in the quality component a token gesture.
 - Seventy percent of the cost of SNF care is for staff, so massive cuts in Medicaid reimbursement will result in large staff reductions, which will hurt quality.

3. The Administration says Ohio's Medicaid SNF rate is \$4.75 above the national average.
 - The proposed cut is \$13.03, not \$4.75.
 - Ohio's SNF bed tax of \$11.95 is also above the national average of \$7.76.
 - When adjusted for the bed tax, Ohio's SNF rate is nearly identical to the national average.
 - Ohio's rates are in the middle of surrounding states - higher than Michigan, Indiana, and Kentucky, but lower than Pennsylvania and West Virginia.

4. The Administration says Ohio needs to increase use of home and community-based care and reduce use of SNF care.

- Cutting SNF rates does nothing to increase utilization of home and community-based services.
- It merely means providing SNFs with fewer resources to care for the patients who are left, who are sicker on average because lighter care patients are served at home.
- The Governor's budget hurts home and community-base care by cutting rates for those providers as well (for example, PASSPORT and Assisted Living Waiver rates are cut 3%).

5. The Administration says Ohio has 15% vacant SNF beds.

- SNF rates are not affected by the number of vacant beds that a facility has - they are paid a set price for each day of care provided to a Medicaid patient.
- Cutting rates has no impact on bed capacity other than if SNFs are bankrupted and forced to close.
- Cutting rates hurts all providers, regardless of occupancy, particularly those with high Medicaid census. SNFs with an elevated percentage of Medicaid patients are typically located in high-poverty urban and rural areas.

Suggested Solutions on Saving Ohio's Medicaid Program for Skilled Nursing Care

Ohio Governor John Kasich has proposed cutting \$472 million in Medicaid payments for services provided in Ohio's skilled nursing care facilities. These cuts could have a devastating impact on the quality of care, availability of staff, and even whether this facility and home to its residents can continue to operate. While the Governor and General Assembly are struggling with balancing the state's budget in the face of a severe economic crisis, there are several actions that can be taken that will enable Ohio to continue to provide quality long-term care services to its most vulnerable citizens who depend on services they can only get at Ohio's skilled nursing care facilities.

The Ohio Health Care Association and the other skilled nursing facility organizations are working on solutions with the Health & Human Services Subcommittee:

1. Restructuring some of the cuts.
2. Retaining implementation of pricing, but raising the level of the price from what is in the Governor's budget.
3. Correcting for the overestimate of skilled nursing facility utilization in the Governor's budget.
4. Expanding the franchise permit fee where possible.
5. Utilizing revenue/expenditure estimates provided by the Legislative Service Commission.

Should you have questions, please contact
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