



## Rhode Island's Medicaid Nursing Home Budget Dilemma: "If you cut it they will bleed"!

With an \$860 billion dollar budget, looming over the state of Rhode Island to be resolved in a timely fashion, The Alliance for Safe Communities is concerned with the possible implications of proposed cuts to be made to Nursing Homes, and the negative impact on facilities, staff, and patients.

Apparently it is not just the Alliance for Safe Communities voicing concerns regarding budget cuts to the already financially strapped institutions.

Virginia Burke president and CEO of the Rhode Island Health Care Association which represents 65 Rhode Island Nursing Homes is quoted saying, "Raimondo said they want to pay for value, not volume and want quality outcomes – in our sector that is what they have got. We are low cost (nursing homes) doing exactly what she wants us to do. We are providing outstanding outcomes and we are doing it at a very low cost. We hope the budget recognizes that and protects the value we have in place, because we are financially stressed and are not in a position to take further stress"

As described in budget plans: the proposal is to eliminate the annual cost of living increases for nursing homes. It also cuts 3% from what nursing homes are being paid now to Medicaid patients.

In the Alliance opinion the Governor's redundant statement regarding "it's about value not volume" is an oxymoron. Without the inability to fully staff facilities in volume, the value of care consequentially declines.

Medicaid is quoted as a significant source of revenue for nursing homes. Seventy to 75% goes to staffing. With past budget cuts there is no "low hanging fruit" to cut, and as a result vital jobs will be lost.

Currently Burke estimates 9,000 Rhode Islanders work in nursing homes. The impact in proposed cuts add up to more than \$18 Million dollars for the 84 nursing homes. Two thirds of patients in nursing homes are covered by the Medicaid Program.

James Nyberg director of Leading Age RI, which represents businesses providing services to the elderly also voiced concerns. "Medicaid rate cuts totaling \$18 million to nursing homes are very severe, plus a potential additional \$5 million in other funding reductions.... It is also important to note that nursing homes provide hands-on care to the most frail in our state through nursing and other staff. Indeed the majority of funds that nursing homes receive, goes to direct care staffing. We are worried about the effects of these cuts on staffing in nursing homes, because we know that better staffing means better quality of care. "

Leading Age RI further highlights concerns with such devastating cuts to health care in “ Reactions to Raimondo’s budget mixed” Their representation with non profit nursing homes , assisted living facilities , senior housing providers and adult day health centers offers them in depth understanding of the ramifications of funding cuts. James Nymberg stated that,“ a cut of this magnitude could adversely affect the quality of care that all nursing home residents receive whether they are on Medicaid or not”. This statement is common sense as financial and staffing cuts to one area would consequentially affect other areas of service.

In “ laymens terms” what are some negative impacts one might expect with budget cuts made to a strapped system?

- 1) Short staff nursing. 2) multitasking of staff. 3) time restraints increased for services rendered due to less staff available. 4) services discontinued due to finance cuts. 5) less “ personal” in the term “ personal care” due to finance cuts and time restraints to deliver care. 6) Inevitable decrease in availability of a variety of services due to lack of finances and staff. 7) patients care and safety compromised. 8) care staff services stretched beyond their existing abilities.

An interesting explanation offered by our governor in regards to,“ cutting volume to increase value”, is that the out- come will somehow lead to our elders receiving less care in ER, hospitals, Assisted Living, and Nursing Homes, through transitioning funds to offer adjunctive care brought to elders in their own homes. This would in the best intentions keep elders in their own homes where they would prefer to be.

The problem the Alliance has with this theory is that it fails to recognize a point emphasized by Dr. Pablo Rodriguez in his interview on “Lively Experiment”. From his reasoning one would conclude that last year, 16,000 people (elder and disabled) were serviced in and out of nursing homes. Since Dr. Rodriguez recognizes this demographic as such a significant impact on Medicaid costs we must also consider the following conflict when attempting to keep this population at home to be served better.

When elder populations experience cancer, trauma, accidents, falls, hip and knee replacements, etc. they often enter nursing and rehab centers with temporary stays intended. The reality is often that elders find their condition to decline for a variety of reasons. Now the billing fee for service is attached to ones assets, such as their homes. In this failing economy it has become common for these elders not to have a home to come back to, once the bills are paid. Call this the law of unintended consequences, but nevertheless it cannot be denied.

In summary , The Alliance for Safe Communities hopes that this “ Governors Reinventing Medicaid Group” which is recommending cutting millions of dollars in state spending on health care programs, will in fact take into consideration facts raised by various health professionals cautioning a negative impact.

References:

Reaction to governor’s first budget proposal varies Providence journal 4/11/15 quotes Virginia Burke and James Nymberg

Hospitals Nursing Homes Decry Proposed Budget Cuts/ Rhode Island public Radio Kristin Gourlay

Reactions to Raimondo’s budget mixed Providence Business News

Program “ A lively Experiment” guest Dr. Pablo Rodriguez also Program News Makers wpri Tim White, Ted Nesi, guest Elizabeth Roberts Health and Human Service Secretary

Hospitals , nursing homes would take biggest cuts under Medicaid groups recommendation Providence Journal Richard Salt April 30, 2015

