

WHCA NEWS CLIPS

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As part of our on-going efforts to promote the value of long-term care and to further the public's general awareness of our services on behalf of those we care for, I am sharing with you, an article that ran in today's *Olympian*.

How to finance nursing homes

Legislature: A fee on residents who pay would help balance Medicaid

BRAD SHANNON; Staff writer | • Published March 22, 2011

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One forkful at a time, Becky Wells slipped pieces of pancake into her husband's waiting mouth. She smiled warmly with the quiet air of someone who has stood up to difficulties and knows more are ahead.

Jerry Wells, a former heavy equipment operator, has Alzheimer's disease and can no longer stand or walk on his own. He lives at Roo-Lan Health Care Center in Lacey, where Becky visits regularly to feed him and spend time.

"I can't say enough about this facility," Becky Wells said last week, adding that she could not lift her husband to care for him at home. "I had to put him in a home, but it's left me in financial trouble."

The fees she pays Roo-Lan eat up all of Jerry's pension and Social Security checks, and Becky Wells said she is challenged to get by on her smaller pension.

But if families like Wells' are worried about paying bills for long-term care, so are nursing home operators in the state of Washington. They face \$7 million in cuts for Medicaid patients through June. They also stand to lose \$77 million more over the next two years, if lawmakers facing a \$5.3 billion budget shortfall follow through on promised cuts.

"It's terribly crippling," said Rich Miller, leader of the Washington Health Care Association.

The association formally supports a new fee of up to \$21 a day per patient in nursing homes to raise more money for Medicaid patients. A similar fee is used by



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37 other states to boost their contributions to Medicaid, which then raises additional federal matching dollars for care.

“It’s incredibly complex. I’ve been doing this for 30 years now. Thirty-seven states currently have provider fees for nursing home constituencies,” Miller said, adding that it is essential to get more money into the system. Without it, “it’s going to be an ugly, slow, downward spiral – everywhere across the state.”

The cuts alarm Miller and Roo-Lan owner Craig LeVee, but also lawmakers of both parties. And proposals are awaiting action in the House and Senate to impose the fees.

Miller said Senate Bill 5581 or House Bill 1722 each would generate enough federal matching dollars for the state-federal Medicaid program to make up the \$84 million in cuts. He said it would also generate an extra \$15 million a year for other long-term care services.

Washington hospitals won passage of a similar fee last year, and homes for the developmentally disabled have a similar proposal in the Legislature this year. The concept is to boost federal matching dollars and avoid cuts in the safety net that is fraying after years of reductions.

LeVee said there is nowhere else to turn for the state’s roughly 200 licensed homes.

But the “safety net” fee is controversial – and the not-for-profit Providence Health & Services is objecting strenuously. Providence runs hospitals and nursing homes across the Northwest, including in Olympia, and it sent representatives to testify against the fees at the Legislature.

The Catholic nonprofit Providence has argued for other changes first – to get rid of an excess number of nursing beds in the region and to reward facilities that provide good care.

“Providence Health & Services will not support a bill that creates a significant tax on private pay residents who reside in a nursing home in an attempt to prop up a long-term care system that has failed to evolve to meet the needs of people in our communities,” says a recent statement from Robert Hellrigel, chief executive of senior and community services for Providence’s Washington-Montana region.

Hellrigel said private payers already subsidize Medicaid, and Providence objects to taking about \$15 million a year of the extra federal money to use on other long-term care programs.

As the disagreement churns at the Legislature, House Republicans are now looking for an alternative, including a provider fee of \$4. House Republican Leader Richard DeBolt of Chehalis and Republican Rep. Gary Alexander of Thurston County agree with Providence and don’t want any portion of the new federal money going to other programs.

Under Democratic Sen. Karen Keiser's SB 5581, the state would get an extra \$15 million a year in federal money that could save targeted programs like home care or adult day-health centers.

Democratic Rep. Eileen Cody of Seattle opposed such patient fees in the past. But Cody said the money is needed immediately to head off cuts to nursing care that are worse than any effects of the fee. After last week's new revenue forecast widened the budget shortfall, almost nothing is going to be spared.

The prospect of further cuts worries LeVee. Roo-Lan is celebrating its 40th year on Carpenter Road in Lacey, and he is proud of the care his staff has delivered. If the cuts go through, LeVee said he won't close its doors, but clients in his facility might have to wait longer for nursing aides and other attention.

"Frankly, if you look at the last two or three years of budget cuts we have had, I've already reduced my housekeeping, laundry, dietary, maintenance, activities staff to the absolute bare minimum. There's no more cut I can make to staffing in those areas," LeVee said. One alternative he doesn't want is to cut workers' pay.

LeVee expects cuts would push some nursing homes out of business. He fears care will be degraded at other facilities trying to cope with low Medicaid reimbursements and having few private-pay clients to make up for it.

Miller and LeVee said nursing homes already get \$28 less per Medicaid patient each day than the \$165 it costs to care for the patients - a figure that is disputed by Cody, the top health care expert in the House.

In the Senate, Keiser is pushing to bring the fee issue to a vote in the budget committee and then on the floor. She sees it as a way not to harm for-profit or not-for-profit homes.

"If we can do this, all our nursing homes will be OK," Keiser said.

In the House, Rep. Tami Green, D-Lakewood, and Rep. Joel Kretz, R-Wauconda, have rival proposals. Green's HB 1722 is similar to the Senate bill crafted by the nursing industry.

Kretz is pushing for a smaller \$4 per patient increase in fees paid to the state, according to DeBolt and Alexander. They said Kretz's plan would generate less money but keep majority Democrats from shifting any new matching money to pay for other programs.

LeVee and the state association prefer the larger fee, but Miller said he appreciates the effort by Kretz to address the financial needs of nursing homes.

Miller said he thinks there are votes to pass the "safety net" fee. His only concern is timing, because some cuts are supposed to take effect April 1 - through House Bill 1249. The funding-

cuts bill is moving faster through the Legislature than the rescue bills, and the 105-day legislative session ends April 24.

As the fight goes on, people with relatives at Roo-Lan said they want to see their loved ones well cared for. They said that despite past cuts, LeVee's staff has kept up the quality by working hard.

"I go out to the nursing home about three or four times a week," said Louise Lee, who visited her 80-year-old husband Winford last week. Lee said care is not as good at other homes, and she had to move Winford, who has Alzheimer's, from another home. He fell and was hospitalized twice in one day, she explained.

"I just don't feel that slashing the money they are receiving right now is the right thing to do," Lee said. "If they could go out to these nursing homes, and sit for a day and see what goes on – how hard these people work ... they would think twice before they cut a penny. In fact they would give more."

"It's a situation that's cruel."

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