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EXHIBIT S
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TESTIMONY OF CHARLES PERRY, PRESIDENT and CEO, OF THE NEVADA HEALTH CARE ASSOCIATION TO THE LEGISLATIVE COMMITTEE ON SENIOR CITIZENS, VETERANS AND ADULTS WITH SPECIAL NEEDS.

Good morning Chairwoman McClain and Committee members. I am Charles Perry, President and CEO of the Nevada Health Care Association (NHCA), the Trade Association representing primarily Nevada's Skilled, Intermediate Care and Rehabilitation Nursing Facilities. NHCA is a Statewide Organization with members throughout Nevada. Its purpose, and objectives, is; "to promote the public health and welfare for better long term care through development of closer communication and relationships among the health care facilities in the State of Nevada; to consider the problems common to all health care facilities in the State of Nevada; to improve the ability of the individual institutions to meet the long term care needs of their area; to consider the long term care needs of the entire State of Nevada as an overall responsibility whether or not related to individual institutions; to sponsor such educational and research projects as are deemed necessary to further these objectives; and to engage in any other lawful activities".

My task today, as I understand it, is to give you information on the over-all status of Long Term Care in Nevada, including Work Force and Training issues, etc and general information regarding the various entities that make up what is commonly referred to "Long Term Care". To assist me my Associate, Daniel Mathis, is here to help answer questions you may have regarding service delivery of comparable facilities in some of the surrounding states. I will be as brief as possible.

In my opinion, and the experience of my forty plus (40+) years in the profession, it's important for Legislators, regulators, the media, and the public at large to understand what comprises "long term care". Too often the terminology is used to identify only Skilled Nursing Facilities, otherwise referred to as Nursing Homes. The reality is that

every facility NOT offering acute hospital and or acute rehabilitation services is a facility for “long term care”. The distinction needs to be made between Skilled Nursing Facilities, which offer post acute medical and rehabilitation care, and Residential Facilities for Groups and the so-called “Assisted Living Facilities”. I say “so-called Assisted Living Facilities” as the State of Nevada recognizes only one Residential Facilities for Groups licensed facility as qualified to use Assisted Living Facility in its marketing or public signage. But, when you open your newspaper or turn on the radio or television news and there’s an article or story about some perceived or real problem in a Group Care of Assisted Living Facility, the facility is almost invariably referred to as a “nursing home”.

I think it’s also important to understand the reason for having the distinct license classifications for Skilled Nursing and Rehabilitation Facilities and the Residential Facilities for Groups (including Assisted Living Facilities). Skilled Nursing and Rehabilitation Facilities missions are to provide post acute Medical Care which requires the services of **physician directed professional personnel** such as Registered and Licensed Nurses, Occupational, Physical, and Speech Therapists, Registered Dietitians and trained Dietary Managers and contracts with Registered Pharmacists. The Administrators of these facilities must be Licensed Administrators possessing, at a minimum, a Bachelor Degree in Health Care Administration. The majority of initial admissions to these facilities are from Acute Care. Understandably, the cost of these services is much more expensive than the lower level of care Residential Facilities for Groups and Assisted Living Facilities.

Residential and Assisted Living came about to provide a safe and secure environment for people not requiring post acute Medical care but who, due to advancing age or frailty, cannot continue to live independently in their own homes or with family. Most of you are likely familiar with the terminology “Extended Care Facility” that came into use when Medicare coverage was extended to Skilled Nursing Facilities in the 1960’s.. The purpose was to denote facilities providing lower cost, post acute care to patients discharged from Acute Hospital Care in order to transition them back into independent living. The mission of Residential and Assisted Living is to provide a less expensive and restrictive level of care between Skilled Nursing and independent living. Putting this all in context, the purpose of having these very distinct categories of care options is to provide a continuum of care with cost factors appropriate to each. As too many put off taking advantage of the lower cost options I believe there are far too many residents in Residential and Assisted Living facilities whose care requirements exceed the ability, and licensing authority, of these facilities.

Workforce issues, coupled with inadequate reimbursement, in my opinion are the biggest obstacles facing all providers of Long Term Care Services in our State. To be brutally candid our Profession is not “popular” in any jurisdiction in the state or nation. It’s not held up to be essential to providing health care in the same way that hospitals, physicians, etc are considered and those of us who work in this segment of the health care delivery system are generally held in low esteem.

As I believe all of you know Nevada is second only to California in shortages of all categories of qualified, trained personnel. While the shortage attracting the most attention is Registered and Licensed nurses, there are also deficits in the availability of Certified Nursing Assistants (CNAs), Licensed Social Workers (LSWs), Therapists of all disciplines, Dietary and Housekeeping, etc. The transient nature of our population exacerbates these shortages. It requires a tremendous amount of dedication to work in Skilled Nursing Facilities and other areas of “Long Term Care”. There is nothing “high tech” or glamorous associated with this Profession; it is emotionally and physically challenging providing person to person attention to our patients/residents, many of whom are not able to assist in their care. Facilities struggle with having the resources to simultaneously provide services to their clientele and on-going Staff training. Revenue to adequately compensate employees and provide them benefits is a constant challenge considering that fully 80% of revenue derives from Public Programs; i.e. Medicare and Medicaid. As Legislators you all know of the constant pressure to reduce costs in Medicaid and other Social Service Programs. It will be remiss of me **NOT** to remind you that Nevada’s General Fund contribution to its Medicaid budget has not been increased since the 2001 Session and that Staffing in Skilled Nursing Facilities is strictly regulated. I would also be remiss by not pointing out that although much attention is being directed on lowering payments to all providers of care there appears to be virtually no concern to lowering the COSTS of these services. In my opinion, since so much of the increased costs in our profession are directly related to regulatory compliance, it’s imperative we work collaboratively to focus attention on reducing costs as well as payment of services.

In the 2007 and 2009 Legislative Sessions the Association presented legislation to create and train Certified Medication Assistants. CMAs are recognized in at least 36 of the states, including several of our neighboring states. While there is no data so far available that CMAs reduce the number of medication errors, there is ample data that the incidents of medication errors has not increased, and there is significant anecdotal evidence that utilization of these personnel actually decrease the incidences of

medication errors. Our efforts to even provide a mechanism for training CMAs have so far been unsuccessful.

To the best of my knowledge ALL personnel in ANY facility providing services directly to its residents/clients MUST pass a FBI background check before being hired and periodically throughout their tenure of employment. This is just one of numerous regulatory requirements with which facilities must comply, ALL of which adds to the cost of doing business. I do not know why this appears to be a problem with some providers of Residential Care or “Assisted Living or why it is permitted to persist. It’s also difficult for me to understand where Government gets the authority to require providers to provide service to non-paying residents.

Thank you for giving me the opportunity of addressing the Committee. I will be happy to attempt to answer questions.