Interim Finance committee Public Comment

I am Dr Shawn McGivney. I am here representing the RCH industry-- including AHONN (Association of Home Owners of Northern Nevada) in the north and RCHCAN (The Residential Care Home Community Alliance of Nevada) in the south. RCH's represent Half of All LTC beds in Nevada. I have submitted a written statement for the record but would just like to make three points.

The FIRST POINT RELATES TO THE RAPID DECLINE IN THE NUMBER OF LONG TERM CARE BEDS.

Long term care beds are beds are typically used to care for those who need 24 hour supervision, assistance with personal care, ADLs, medication management and housing. The majority of these people are elderly with multiple chronic illnesses and disabilities. These people will **not** get better and will have *increased* care needs as time goes on.

It is important to distinguish chronically disabled seniors who need 24 hr long term care, from healthier seniors who go to the hospital and finish their care in a nursing home under short term rehab and are then able to return home.

There are **only two** settings that can practically provide care for those needing 24hr, long term care at any reasonable cost. SNF or a RCH. (see the attached table)

The first is a SNF or skilled nursing facility also known as a nursing home. There are currently about 5000 nursing home beds. Half of those 5000 beds that use to be allocated for long term care at the Medicaid rate of $200/ day are now reallocated to short term rehab which pays $600/ day by federal Medicare.

With insurance companies cutting their costs by reducing lengths of stay in hospitals and continuing care in SNF's there will continue to be a steady stream of these higher pay, short term rehab cases for SNF at $600/day. Thus further displacing the more difficult and labor intensive long term care cases that only pay $200/day. Talk or plans for any new nursing home construction is predominantly for the benefit provided by 600/day short term rehab.

The second place you can get 24 hr care is in Licensed RCH's. These are small private homes of 10 or less. There are currently 3000 RCH beds in Nevada but these beds are quickly decreasing as well due to continued legislative and regulatory changes that have had a direct negative impact on the RCH industry. Examples are the unannounced changes in interpretation of fire codes by the fire marshall, the loss of NRS 278 which mirrored the federal law and protected the rights of the disabled to live in the same communities as the non-disabled, the inability to adopt state laws that mirror federal labor laws in regard to domestic live in workers to name a few.

As nursing home beds and RCH beds continue to dry up where will our most needy seniors and disabled go?

SECOND POINT I would like to make is that , RCH should be PART OF THE SOLUTION for providing safe, cost effective, community based, ltc beds. They are a tested and true example of cost effective "patient centered care".

Many on this committee may not know that Nevada's RCH industry ranks among the best in the Nation which is shown on this state by state comparison) or that 90% of residents who reside in RCH's , pay privately, from their modest personal incomes of $1-3K mo. This private pay option provides care for thousands of low to middle income Nevadans who require 24 hr care & supervision and saves state millions in Medicaid funds for the low to middle income Nevadans who would otherwise be forced into nursing homes and on to Medicaid.

There are only a small number of RCHs who rely on Medicaid funds compared to SNF and SLA's who are heavily funded by Medicaid. Medicaid's home & community based waivers for RCHs currently pay **only** $30-$60/day which is supposed to cover costs of 24 hr staffing, all the personal care, medication management, housing, utilities, food, licensing , insurance, sprinklers and many other expenses. A bare bones room at the Motel 6 costs $50 per night so one can see how RCH's that provide all of the care and services mentioned above have great difficulty staying in business being reimbursed only $30- 60/day. There have been no increases in reimbursements for RCH's for over a decade.

On the other hand, the state has arguably over funded SLA's (supported living arrangements)

Sla's get reimbursed at $6,000 per month, per person, from Medicaid to provide arguably less care and service to more functional residents while RCH's, get only $1,000 - $1,800 /month to provide far more care and supervision for residents who have more chronic care needs, like those with dementia and are far less functional?

In addition, to the $6000/mo. that goes to SLA's for housing, personal care, and medication management many people in SLA's who are on Medicaid are receiving BST Basic skills training or PST Psychologic skills training training at a rate of $38/hr from Medicaid. In fact, I recently observed 2 seniors with cognitive impairment receiving BST in the form of coloring in a coloring book to reportedly reduce stress and blood pressure. Surely, there are more cost effective ways to reduce stress and blood pressure than by billing $38/hr per person on the states tab for coloring sessions. (See attached EX of BST and questions of where coloring and games fit in)

RCH's on the other hand are required under NRS 449 to provide actives such as coloring included in the $30- $60/day reimbursement rate. Nevada families and tax payers can see that an inefficient use of $95 million in state funds for SLA and a push toward a Managed Medicaid is contributing greatly to the decline in LTC beds and choices in long term care options for Nevadans.

LASTLY WE REQUEST the finance Committee reevaluate current practices and funding & DEVELOP and implement a FAIR, RELATIVE VALUE, PAYMENT SYSTEM BASED ON THE AMOUNT and type of care PROVIDED in specific settings to more efficiently balance the use state Medicaid funds.

Home & community based waivers are designed to promote community based options like RCH's, PCA care and adult day cares as an alternative to more expensive institutional care.

CMS & federal Medicaid guidelines allow **the states to choose** which types of waivers they offer their Medicaid consumers and specifically state that Medicaid type waivers are designed to limit people's choice of providers for the sake of cost reduction and also allow state to waive other safety protections.

To date the initial efforts with SLA, show that there has been little savings. The over funding of SLA's at 6000/mo. with added questionable BST services at 38/hr. demonstrates that reducing choice in this way does not save the state money, does not promote patient centered care and will cost many small business jobs, including doctors & other health care professionals.

We ask the committee to implement small business impact studies for all health care industries and to include all industries and community groups in all stages of planning and development before moving ahead with any plans to change Medicaid to a managed system of care. Thank you for your time.

Shawn McGivney MD,RFA

Representing Ahonn and Rchcan

Enclosures

Ex of BST on web site.

http://www.lifequestnv.com/basic-skills-training/

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Basic Skills Training

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Basic Skills Training

Basic Skills Training (BST) services are rehabilitative mental health services interventions designed to reduce cognitive and behavioral impairments and restore recipients to their highest level of functioning. BST services are provided to recipients with age and developmentally inappropriate cognitive and behavioral skills. BST services help recipients acquire (learn) constructive cognitive and behavioral skills.

- If the goal of BST services are to help recipients "Learn" and then apply what they have learned to various life situations for purposes of rehabilitation than the recipient must have enough cognitive awareness or ability to understand the therapy they are receiving.

- Clearly seniors with long standing mental illness and or varying levels of dementia lack the insight, judgment to understand the therapy or gain any benefit.

- the 38/hr paid for activities like Coloring & playing simple games might be more effectively used to pay for more protective supervision in RCH's with national leading regulation and protective supervision where activities are included.

- BST is a needed service but there need to be clearer definitions on the types of residnets allowed and the expected time table one can take to obtain maximum benetfit of BST

Basic Skills Training Services

Basic Living and Self-Care Skills

Recipients learn how to manage their interpersonal, emotional, cognitive and behavioral responses to various situations. They learn how to positively reflect anger, manage conflicts and express their frustrations verbally. They learn the dynamic relationship between actions and consequences.

Social Skills +

Communication Skills +

Parental Training +

Organization and Time Management Skills +

Transitional Living Skills +