

An Overview of the Capacity and Condition of the Nursing Home Sector

Mag Morelli, President, LeadingAge Connecticut
Matt Barrett, President & CEO, CAHCF/CCAL

November 25, 2020

Historically, nursing home care was one of the only long-term care services covered under the Medicaid program. We now have many other options of covered long-term services and supports provided in the home & community.

Nursing Home Status in Connecticut as of January 2020

213 Nursing Homes (10 of which do not take Medicaid) – 3 home scheduled to close

- 24,861 licensed beds - Statewide census of 87.6% (Up from 85% in 2019) – more beds scheduled to be removed
- Long standing moratorium on new nursing homes
- Current oversupply of approximately 3,000 beds
- Between 1995-2020: 73 homes (7,174 beds) have closed, 19 homes have closed in the last four years, 1 will be converted from Chronic Disease to Skilled Nursing Facility (125 beds)

Workforce of approximately 30,000 people

Medicaid is the Source of Payment for 74% of Nursing Home Residents

Cost based reimbursement system, moving to an acuity rating system in the 2020 (System is currently being designed)

The statewide average nursing home Medicaid rate is approximately **\$245.69, inclusive of room, board and care**

- **50% of that rate** is paid for by the federal government
- **The nursing home pays the state back \$21.01 a day** in the form of a nursing home user fee or provider tax
- Average private pay rate is \$444 a day due to a need to shift the cost, 9% pay privately
- Medicare pays for 13% of resident care – for short term, post-acute stays

In SFY 2017, Medicaid expenditures for nursing home services totaled approximately \$1.2 billion.

Rigorous Medicaid eligibility process with a 5 year look back of the applicant's finances

Opportunity for Innovation

Rightsizing and diversification of nursing home buildings and campuses

- Location, staff, expertise, experience
- A program to reduce or reconfigure beds and to update the nursing home physical plant to create modern nursing home environments for consumers who will need this high level of care

Current Physical Plant Needs

- **Overall Physical Plant Needs**
 - CAHCF and LeadingAge CT do not have an overall assessment
 - CON Requirements
- **Rate System**
 - Inclusive of “fair rent” component
 - Under funding of the current system
 - Transition to acuity case-mix rate system

Current Pandemic Experience

- **Current Census is 74%**
 - Unprecedented challenge
 - Recovery and capacity
- **Financial Impact, Resources and Considerations**
 - Impact on revenue and finances
 - Federal and State relief funding
- **DPH and Infection Control Requirements**
 - Cohorting and Quarantining
 - Staff break areas, PPE storage, visitation areas
 - Impact on rate structure