Long Term Care Funding - Present and Future

Dan Fosness, Director of Operations
Illinois/South Dakota Network

Tom Syverson, Vice President of Operations
Northern Territory
Dan Fosness, Director of Operations
Illinois/South Dakota Network

Dan Fosness assumed his current position in April 2010. Dan graduated from USD-Springfield in 1977 and began his career with the Society as an intern. After completing his internship at the Good Samaritan Society of Arthur, North Dakota he served as administrator of the Good Samaritan Society in Parshall, North Dakota from 1978 to 1980. He then transferred to Tripp, South Dakota served as administrator from 1980 to 1996. In 1996, Dan joined the National Campus staff and began serving as a regional director for South Dakota. Dan has served as the Chair of the South Dakota Health Care Association and as a Good Samaritan Society National Board Member.
Tom Syverson assumed his current position in April 2010. Tom graduated from Augustana College in 1987 and began his career with the Society as an intern. After completing his internship at the Sioux Falls Center, he served as administrator of the Good Samaritan Society in Syracuse, Nebraska from 1988 to 1996. He then transferred to Windom, Minnesota and served as administrator from 1996 to 2001. In 2001, Tom joined the National Campus staff and began serving as an associate regional director, and in 2002, he began serving as the regional director for Southern Minnesota. He later earned a masters degree in Applied Gerontology at the University of North Texas in conjunction with Luther Seminary. Tom also currently serves as the Chairman of the National Board of Examiners of Long Term Care Administrators.
The Good Samaritan Society

• The largest not-for-profit provider of senior housing, care and services in the United States
• 240+ locations across 24 states with a senior continuum of care
• Christian, mission-based organization founded in North Dakota in 1922
• We serve more than 27,000 people in senior living, rehabilitation/skilled care and home and community-based services

• 22,000+ staff members in a variety of care and service environments
• Strong commitment to transformation and new value options for seniors
States with Good Samaritan Society Locations
Mission Statement

The mission of The Evangelical Lutheran Good Samaritan Society is to share God’s love in word and deed by providing shelter and supportive services to older persons and others in need, believing that, “In Christ’s Love, Everyone Is Someone.”
Vision Statement

Our vision is to create an environment where people are loved, valued and at peace.
Hallmark Values and related Core Principals

- Christ-centered (compassion)
- Resident-centered (hospitality)
- Staff-centered (vocation)
- Community-centered (service)
Our Strategic Direction

To lead the way in supporting well-being...
... at your place or ours.
Long Term Care (LTC) Service Lines

Rehab/Skilled Services—Short Term and Long Term
Senior Living Services—Assisted Living, Independent Housing, and Affordable Housing
Home and Community Based Services—Home Health Care, Hospice, and Services@Home (Private Duty)
National LTC Data

- Labor comprises close to 70% of a nursing facility's operating costs.
- Long term care directly employs more than 3 million people & contributes to another 2.3 million jobs nationwide.
- A major economic driver, long term care represents 1.3% of the U.S. GDP.
Payment for Long Term Care

- Medicare
- Medicaid
- Private Pay
- Managed Care
- Insurance
Medicare Funding Key Facts

• 3.2 million Americans – including 1.9 million Medicare beneficiaries – received skilled nursing & rehab care in 2008. 14% of Skilled Nursing Facility residents rely on Medicare Funding.

• More than 50% of all Medicare beneficiaries who need post-acute care are discharged from a hospital to one of nearly 16,000 skilled nursing facilities (SNFs) nationwide.

• On average, Medicare beneficiaries require short, rehabilitative stays of 36 ½ days before returning home.
Medicare Funding Concerns

- Affordable Care Act: -$14.6 Billion Reduction
- FY2012 Medicare Cuts: -$3.9 Billion Reduction
- Potential 2% Cut: -$551 Million Reduction
Medicaid Funding Key Facts

• 64% of nursing home patients & 13% of assisted living residents rely on Medicaid for each day for their care.

• Medicaid is the largest payor of long term care services.

• Eljay, LCC study estimates that the national Medicaid shortfall for skilled nursing care was $17.33 per patient per day which is a 22% increase from 2009 and a 92% increase over 1999.

Source—Eljay, LLC Report—Dec. 2010
Medicaid Funding Concerns

• State Medicaid Underpayments  -$5.6 Billion

• The Medicaid reimbursement outlook for 2011 is bleak. It is worse than any other year in which this annual report has been compiled due to unprecedented state budget deficits and expiration of federal stimulus funds as of July 1, 2011.

Source—Eljay, LLC Report Highlights—Dec. 2010
Aging in South Dakota

• Ranked 6th in the Nation for the percentage of those over the age of 85 years of age
• Currently there are 108,000 South Dakotans over the age of 65
• In 2030 it is estimated that South Dakota will have over 185,000 people age 65+
• There are 5 counties in South Dakota were half the population is over 65
Who Pays for LTC in South Dakota

- Medicare 11% of Census, 25% of Revenue
- Medicaid 52% of Census, 37% of Revenue
- Private Pay 34% of Census, 33% of Revenue
- Other 3% of Census, 5% of Revenue

(These percentages are current Good Samaritan utilization for SD and IL.)
Medicaid in South Dakota

• 60/40 match with the federal government
• South Dakota has 111 skilled nursing facilities
• South Dakota has over 200 assisted living facilities
• 1 in 7 SD citizens are Medicaid recipients (FY 2010-139,666—31% are adults)
2010 SD Medicaid Expenditures

- $185.3 M to hospitals
- $155.6 M to skilled nursing facilities/assisted living facilities
- $98.7 M to DHS/DD community providers
- $83.5 M to physicians/practitioners/clinics
- $63.7 M to Indian Health Services (100% Federal)
- $37.4 M to pharmacies

- Only $4.9 M to in-home service providers of the elderly/skilled home health
Medicaid Spending Comparisons

• 30 other states spend more per Medicaid enrollee than South Dakota
• South Dakota spends:
  4% less than Iowa
  14% less than Wyoming
  22% less than Nebraska
  28% less than Montana
  47% less than North Dakota
  55% less than Minnesota
SD Medicaid Rate vs. Cost of Care

- Average daily cost of care is currently $144.15
- Average SD Medicaid rates is currently $128.76

**Shortfall** ($15.39)

Source—Eljay, LLC Report—Dec. 2010

- Private Pay rates have to compensate for this loss
SD 2011 Medicaid Rate Reductions

- Originally the Governor’s budget called for a 10% Medicaid reduction which would have cut $15 M
- Final budget reduction included a 2.9% reduction which ranged from 1.8 to 4% at each location based on percentage of Medicaid recipients that resulted in a $4.5 M reduction to LTC
Future LTC Funding

• Continued Federal and State funding challenges as the first of the 77 million “baby boomers” begin to turn 65 years of age.
• Bundled Payment through Accountable Care Organizations for Post-Acute Skilled Nursing Care
• Redirection of Medicaid funding from Skilled Nursing Care to Home and Community Based Services through Medicaid Waivers (ex. Assisted Living Medicaid Waivers and Money Follows the Person Waivers)
Good Samaritan’s Strategic Direction

• Active engagement in Post Acute Care working with hospitals, clinics, physicians, and other providers
• Increased focus on Affordable Housing and Home and Community Based Services
• Intentional focus on technology solutions to create new cost effective support services
Strategic Direction: Post Acute Skilled Care

- Building improvements to better provide care and privacy for Rehab short term residents
- New focused disease management programs and training for staff to better serve residents with more complex medical needs
- Use of technology (ex. Electronic Medical Record and eLTC for rural locations)
Strategic Direction: Affordable Housing

• HUD Senior Housing
• Tax Credit Housing
• Assisted Living Services within Affordable Housing
• Service Coordinators
Strategic Direction: A Continuum of Care

• Expand our Home and Community Based Services to meet the rising needs and desires of those we serve
  – HealthCare@Home: Medicare-certified home health care
  – ComfortCare@Home: Hospice care
  – Services@Home: Non-medical home care
  – LivingWell@Home: Technology enhanced wellness and care management program
Strategic Direction: LivingWell@Home

• Technology enhanced wellness and health management program
• Centralized remote monitoring of clinical data and activity patterns by nurse specialists
• Partnership between those we serve and their formal/informal caregivers to achieve their health and wellness goals
Technologies – value delivered success stories

Honeywell HomMed Genesis Telehealth Monitor

Philips Lifeline

WellAWARE Home Monitoring System
LivingWell@Home Research Study

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Questions

Thank you for allowing us to share our presentation with you today!

Please share the information regarding our LivingWell@Home Research Study with someone who might benefit from this new technology service to help them stay at home.