



Detroit
Long
Term
Care
System
Change
Task
Force

Detroit Long Term Care System Change Task Force
Business and Economic Development Subcommittee
Wednesday, November 5, 2008
Eastern Michigan University Student Center
2:00 p.m. – 4:30 p.m.

In Attendance:

Faiz Esshaki	DAAA
Richard Douglass	EMU, Chair
Marc Johnson	Strather & Associates
Rob Long	Plante & Moran
Rick Scherrer	NexCare Health
Rashmi Roy	EMU graduate assistant to Richard Douglass

Points Discussed in Meeting

Thanks to Rob Long for producing an excellent summary of Michigan's SNF Industry Reimbursement situation. This will provide a valuable reference document as our discussions proceed. There were several issues discussed in the meeting:

1- Subcommittee Mission

It was decided that the Subcommittee should focus on operations and revenue stream issues within the Detroit-based facilities in order to avoid unnecessary duplication of effort and to take advantage of the experience and insights of the committee members;

- 2- The significant issue of a disadvantageous payer mix in Detroit is not a new issue, but one that needs to be addressed with a high level of priority. It was decided that efforts that would increase Medicare Utilization within Long-Term Care facilities in Detroit is an essential objective. An increase in Medicare revenues will be critical for the survival of some facilities. The issue, however, is that patients seem to be discharged from Detroit hospitals to suburban long term care environments under Medicare and then they return to Detroit as Medicaid-dependent patients. There was a lively discussion about how to make Detroit facilities more familiar and acceptable within the discharge planning process. It was decided that this should be a key objective of this subcommittee. Towards that end, it was decided that the next subcommittee meeting would focus on this issue with the aim of determining how to inform or education discharge planners and hospital executives about the issue of Medicare bed underutilization within Detroit and to improve the image of nursing homes in Detroit.

3- Other issues that were discussed include:

Quality of care as a measurable function of the level of care - We have significantly more information about Medicare patients' experiences than we do about Medicaid experiences. This biases our understanding of the full implications of Case-Mix, and limits our ability to establish either marketing or quality of care improvement recommendations.

Delays in Medicaid certification, subsequent to admissions - is a continuing problem that reduces cash flow, predictability of finances, and diminishes a facility's ability to maintain standards for the physical plant or for patient care.

Delays in reimbursement rate increase cause disincentives for facilities that would be inclined to improve the physical plant or amenities for patients. Converting rooms from multiple occupancy to single occupancy is a desirable change; however, the costs for such conversion will not be recognized by the State for up to two years after the expense to the facility.

There is a need for a Single Point of Entry into the Long-Term Care system in Detroit that would also facilitate full utilization of beds of both Medicaid and Medicare certification. This is associated with the problem of over-bedded situations in some facilities and the absence of patients to maintain occupancy standards that affect reimbursement by Michigan. It was decided that the subcommittee should recommend the elimination of percentage occupancy standards because these rules have the effect of decreasing average quality of care.

The group decided to pursue three specific tasks within our mission:

Task #1

-Track Discharge planning decisions: Gather information from senior discharge planners from the hospitals and gain a detailed understanding of the process and how such discharge decisions affect Detroit facilities;

-Develop targeted information and education for hospital CEO's and the discharge planning staff of Detroit hospitals;

-Develop information suitable for public dissemination that would have the effect of increasing Detroit Medicare placements by discharge planners;

-Measure the mileage radius surrounding Detroit hospitals from the Medicare discharge planning process to determine the burden on familial visitation and patient distances from home residence that result from such decisions;

-Develop strategies to reduce dependence on Medicaid reimbursement within Detroit nursing homes by increasing both Medicare and private pay revenues;

-Increase the speed with which the operators get recognized and paid for what they do, be it compensation for the care of newly admitted patients, improving the quality of building stock, or improving the room environments within facilities.

Task #2

The subcommittee should attempt to identify investment opportunities for modification or expansion of long-term care options in Detroit. The effort should emphasize Operations & Revenue issues as the basis for such investment.

Task #3

The subcommittee should explore the possibilities of promoting joint ventures with the financial and investment communities in Detroit, including an effort that explores how to integrate the nursing home industry into the larger health care systems, such as the Detroit Medical Center. Part of this discussion should also include the development of specialized facilities that would eliminate the case mixtures of geriatric, mentally-ill, and other adults within the same facilities; an issue that reduces a facility's ability to attract private pay patients and may discourage utilization by discharge planners.

Future Meeting Schedule:

Meeting #2

Date & Day: 11.19.2008, Wednesday

Place: DAAA office

Time: 3:00 P.M.

Agenda: Discussion about the role and capacity of the banking system in Detroit to support initiatives by the nursing home facilities in Detroit.

Meeting#3

Date & Day: 12.17.2008, Wednesday

Place: TBA

Time: 2:00 P.M.

Agenda: Meet with discharge planning specialists and experts to fully understand the discharge planning process as it affects decisions to place Medicare patients from Detroit hospitals into Detroit-based nursing homes.

Respectfully Submitted by:

Rashmi Roy

FE/rr/RD/lp

Moving Towards Enhancing the Quality of Care
