



## MEMORANDUM

**To:** Detroit Long Term Care System Change Task Force

**From:** Jerry Gumbleton and Betsy Rust, Co-Chairs

**Date:** November 26, 2008

**Re:** Nursing Home Management Subcommittee Report

### ITEMS FOR INFORMATION

The Nursing Home Management subcommittee met on October 31, 2008 and November 24, 2008. The subcommittee members include representatives from Plante & Moran, Advantage Management Group, Henry Ford Home Health Care, Fidelis Secure Care, Neighborhood Services Organization, Citizens for Better Care, Moroun Nursing Center, Barton Nursing Home, West Oaks Senior Care & Rehab Center, and Oak Pointe Senior Care & Rehab Center.

Betsy Rust explained the focus of the subcommittee which is to develop policy recommendations that enhance the quality of care and services delivered to residents residing in Detroit skilled nursing facilities. The subcommittee three key focus areas are the resident case mix and management issues, and facility operations.

- **RESIDENT CASE MIX** - The subcommittee discussed nursing facilities having complex resident populations that have an effect on operations. Facilities are receiving patients who are alcoholics, drug addicts, homeless, and/or have cognitive and aggressive behavioral problems. Nursing facilities are not set-up to care for residents under the age of 45 and senior citizens. A point was made there is no assistance from the State to transition the younger patients back to the community.
- **MANAGEMENT** - Due to the complex resident case mix, facilities can not afford to provide labor intensive one-on-one care. Administrators take residents who do not require skilled nursing care to increase their census which cause surveys to be jeopardized and it increases the facility liability.
- **REIMBURSEMENT** - The subcommittee discussed that nursing homes are faced with low Medicaid reimbursement rates; slow eligibility determination process (case workers lose

application or paperwork); slow claim processing and long delays in receiving reimbursement. The facilities have difficulty in assisting residents who need to apply for Medicaid because they do not have a state I.D., social security card or birth certificate. Other issues identified are lack of ownership on the resident’s designated representative when it comes to signing the facility admission contract and collecting patient pay amounts. Also, the use of Guardian companies has been a huge issue for some nursing home Administrators. These agencies are not properly representing the resident’s financial interest.

Other areas identified under reimbursement were problems nursing facilities are having with residents who are enrolled in HMO Medicaid plans. The HMO plan does not cover basic nursing home care and as a result, the resident would have to be disenrolled from the HMO and re-enrolled under a straight Medicaid plan. This process takes 45 days which causes a delay in reimbursement for the facility.

**DATA COLLECTION**

The subcommittee would like to review the current demographic patterns in Detroit nursing homes specifically looking at how many residents are under the age of 65, and compare the stats to data collected a few years ago.

**NEXT STEPS**

The subcommittee next steps to develop policy recommendations that can support system change is to (1) complete the list of key barriers and gaps the effect nursing home management and facility operation. (2) Identify regulations, laws and/or administrative rules that impact the barriers/gaps identified.

Following is a table of issues and possible policy recommendations the subcommittee has identified:

<b>Issue</b>	<b>Impact</b>	<b>Policy Recommendations</b>
<p>Detroit SNFs have difficulty in obtaining referrals for traditional Medicare eligible Seniors</p>	<ul style="list-style-type: none"> <li>• Lower occupancy levels creating potential 85% occupancy issues for reimbursement</li> <li>• Cash flow generated by Medicare operations not available to offset financial losses associated with Medicaid and private pay residents</li> </ul>	<ul style="list-style-type: none"> <li>• Consider options to increase involvement of LTCC to ensure that residents are aware of Detroit facilities and that Hospital Discharge planners are not directing residents</li> <li>• Consider a policy that reduces Medicaid payments for facilities that discharge residents once Medicare benefits are exhausted</li> </ul>
<p>Significant non-geriatric patient population, including individuals with AIDs, Hepatitis, Mental Health and Substance Abuse issues</p>	<ul style="list-style-type: none"> <li>• Difficult to integrate this population with traditional SNF patients</li> <li>• Significant risk of elopement, abuse of other residents and other regulator noncompliance issues</li> </ul>	<ul style="list-style-type: none"> <li>• Consider separate designation of facilities or beds/units within facilities – ICF, etc. for this population and provide reimbursement incentives for appropriate activity and social services</li> </ul>

<p>Many residents are determined to be clinically ineligible for SNF services after admission to SNF</p>	<ul style="list-style-type: none"> <li>• Facility not paid for Services rendered</li> <li>• Difficulty in finding alternative placement</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a process to provide some type of payment to the SNF for services rendered, particularly when patients admitted from Hospitals</li> <li>• Increase/Require involvement of LTCC in identifying placement for these individuals</li> </ul>
<p>Establishing clinical eligibility is slower for non-geriatric patients, particularly those covered by Medicaid HMOs</p>	<p>Facility can not bill for services rendered creating cash flow issues</p>	<ul style="list-style-type: none"> <li>• Need to improve process of transferring individuals from Medicaid HMOs to traditional Medicaid (coding, etc)</li> <li>• Need to improve the Medical Record Team approval that is required before a Level of Care Determination can be completed</li> </ul>
<p>Establishing financial eligibility is difficult and often takes several months due to lack of FIA workers, lack of family cooperation, and inadequate support of Guardians</p>	<p>Facility can't bill for services rendered creating cash flow issues</p>	<ul style="list-style-type: none"> <li>• Consider requiring Guardians to be registered with the State</li> <li>• Consider reimbursement program for bad debts associated with patient pay amounts</li> <li>• Increase staff dedicated to eligibility in high Medicaid areas</li> <li>• Consider having LTCC handle this process</li> </ul>

**NEXT SUBCOMMITTEE MEETING**

The next Nursing Home Management subcommittee meeting is scheduled for January 13, 2009 at West Oaks Senior Care & Rehab Center.

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