



418 Washington Street • Quincy, IL 62301 • (217) 223-2636

REPORT FROM ADMINISTRATION

Status of Long-Term Care:

The Long-Term Care profession has been pushed to its limit over the past 18 – 24 months, due primarily to the COVID-19 Pandemic and all of the consequences from it. Obviously the devastating effects of the virus and resulting illness and deaths of so many of our seniors tops the list. However, the financial consequences cannot be minimized as we look to the future.

As facilities struggle to regain our pre-pandemic level of occupancy and begin to recoup some of the lost revenue over the past several months, Policy makers on both the State and Federal level are playing the blame game and pointing fingers at providers. They are implying that we didn't do enough to keep our seniors safe and therefore they must apply more stringent regulations on staffing levels and specifically better Infection Control Protocols. This is called the "Golden Rule," as in he who holds the gold makes the rules. Since 70% of long-term care is financed by either Medicaid or Medicare, the federal government controls how we are funded and thus also set the rules and regulations we are required to comply with.

A catch 22: Is staffing tied to reimbursement or is reimbursement tied to staffing?

The workforce shortage in our profession is well known and has been long before COVID-19. The pandemic, however, has exasperated the problem to a crisis level. Nurses and CNAs are at a premium, if you can get them at all. It is a tough and challenging job and our people do need higher wages for what they do.

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We hear all the time that Wendy's or HY-VEE is hiring at a higher rate than what we are paying, and I get that. What I have to tell them is that Wendy's can raise the price of their hamburgers and Frosty's and HY-VEE can raise their price on milk and bread to cover the cost of paying those higher wages, and in addition, most of those jobs are part-time only. Our rates are set by the State and Federal Government and currently are not sufficient to allow significant wage increases. We have not received an increase in Medicaid in two years now, and Illinois has one of the lowest Medicaid rates in the country.

Thankfully, both the State and Federal government is recognizing the enormity of the staffing crises we are facing and are at least talking about what can be done. On the Federal level, there is the "Care for our Seniors Act," that ties any funding to a pass through to higher wages for staff and for Infection Prevention. It is still too early to tell if this bill will go anywhere as the gridlock on Capitol Hill continues. But they are also beginning to talk out of both sides of their mouth. Just as they recognize that more funding is needed, they are also discussing lowering our payment rates under PDPM. (Without getting too far into the weeds, PDPM is Patient Driven Payment Model, a payment methodology that replaced the RUGS IV Case Mix system.) They thought that this new replacement from the RUGS IV system, which was driven solely by the number of Therapy minutes of care provided, would be budget neutral, but in fact has seen an increase of 5.3% or \$1.7 B since the transition from the RUGS IV system.

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The assumption was the PDPM model would eliminate the financial incentive to deliver unnecessary therapy, but instead seemed to create the financial incentive to ration therapy. While I don't feel that is the case, at least for us, I don't think they thought through the fact that the skilled nursing and non-therapy ancillary components were vastly under-valued and under paid with the previous RUGS IV methodology. At any rate, I think we can expect to see a reduction in rates down the line, but thankfully will not happen until FY 2023 at the earliest.

Another way that CMS is hinting at reduced budgets for nursing home funding is through "The Choose Home" bill that was introduced by a bi-partisan group of legislators. This would give patients more choice on where to recover after a hospital stay. It is estimated that 35% of nursing home patients could be diverted to home health care if The Choose Home Care Act is approved. The fear is that to "re-balance" the Medicare budget, money would also be diverted from the traditional fee for service reimbursement to nursing homes and given to home health.

Bottom line, CMS is continuing to expect more and more from us while paying us less and less for the services we provide. Higher reimbursement is key to our ability to recruit and keep a quality workforce.

On the Medicaid side, the State of Illinois as mentioned previously is one of the lowest reimbursement states in the country for Medicaid payments. It seems over the years that other priorities have eaten up much of the State budget and our seniors in nursing homes come close to the bottom of the list for funding. The good news is the State is being forced to implement a new system that will coincide with the federal Medicare PDPM payment system. The Medicaid Taskforce, made up of HFS and other policy makers and the various advocacy trade associations, just presented their report to the General Assembly and are recommending that more funding be made available to nursing homes, but also tying this additional funding to staffing. This is welcome news and can't come quick enough for the providers of long-term care. If wage is the biggest factor for nurses and CNAs to stay in the workforce, then this will obviously be a tremendous help. The task force also made recommendations regarding physical plant and ventilation systems in nursing homes. It seems the pandemic has taught us some very important lessons.

It does seem, however, that both those who fund Medicare and those who fund Medicaid want to tie any increase in reimbursement to increased staffing levels and higher wages while holding us accountable for any shortages. We could not agree more with this premise, but must emphasize that as providers we also have other costs besides staffing that are escalating as well and we have to have sufficient resources to cover those costs. Even as a non-profit, we have to maintain a sufficient margin for repairs and maintenance plus all of our fixed costs of operation.

At the end of the day, any increase in reimbursement we receive will allow us to attract more staff, pay them higher wages, and then we can continue to provide the quality level of care our seniors deserve.

Jerry Neal,
Administrator



NEW BUILDING UPDATE

Now that we have our construction budget, we can concentrate on getting the permanent financing in place and work on our CON application. The cost per square foot has increased tremendously since the beginning of the project, due to supply chain and labor problems that has plagued all industries. This has caused us to pause a little to see how it all fits into our projected operational budget and HUD requirements. We hope to have these answers in the next few days or weeks.

Relative to the staffing issue I described above, it is interesting to note that if we were in the

new building, we would be fully staffed with our current number of licensed nurses and only down 8 positions in CNAs. This is due to the layout of the new building with smaller nursing units, centralized nursing station and all private rooms. It will be such a blessing to get into this new facility.



EMPLOYEE BIRTHDAYS & ANNIVERSARIES

Employee Birthdays

Richelle Bias 11/2

Tasha Rothweiler 11/4

Kecia Watt 11/6

Mariana Vahlkamp 11/9

Mary Barry 11/15

Audrey Strub 11/15

Makenzy Barnes 11/17

Ann Scott 11/18

Ruth Daniels 11/20

Lexis Hoener 11/22

Jody Vaughn 11/23

Isabella Green 11/24

Employee Anniversary

Cathy Gallaher – 5yrs – 11/30

REPORT FROM SOCIAL SERVICES

Admissions:

Carroll Harms

Truman Tournear

Mary Schaffer

Robert Duesterhaus

Marilyn Hockman

Donald Fessler

Lois Fessler

Mary McClaskey

Barbara Willing

Discharges:

Norris Otten

Boyd Hatfield

Patricia Hinton

Carroll Harms

Wit & Wisdom

“Give thanks not just on Thanksgiving Day, but every day of your life. Appreciate and never take for granted all that you have.”

—Catherine Pulsifer

“The heart that gives thanks is a happy one, for we cannot feel thankful and unhappy at the same time.”

—Douglas Wood

“Say thanks every night with a full heart. Each day is a precious gift to be savored and used, not left unopened and hoarded for a future that may never come.”

—Regina Brett

“When you rise in the morning, give thanks for the light, for your life, for your strength. Give thanks for your food and for the joy of living.”

—Tecumseh

“You want to become a better person? Just give thanks. Give thanks for all of it.”

—Kamand Kojouri

“Some days are better than others, but every day can be the best day of your life by giving thanks.”

—Richie Norton

“There is no therapy like thoughts of thanks.”

—Lailah Gifty Akita



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