Iowa Health Care Association
Iowa Center for Assisted Living
Iowa Center for Home Care

Serving Iowa's seniors and those caring for them

presented by

Iowa Health Care Association

and its divisions

Iowa Center for Assisted Living
Iowa Center for Home Care
Iowa Society of Post-Acute and Long Term Care Medicine

HHS Appropriations Subcommittee

IHCA | ICAL | ICHC




About IHCA

IHCA, ICAL, ICHC and IPALTC represent

- **763 long term services and support organizations** providing post-acute care, rehabilitation and support services for frail and elderly Iowans, including:
  - **373** skilled nursing facilities and nursing centers
  - **318** assisted living programs, residential care facilities and independent living communities
  - **72** home health agencies
  - Newly launched IPALTC – recruiting **107** potential medical director members




Iowa Customer Satisfaction High in Nursing Facilities

A recent NQF endorsed data survey shows:

- 91% of all short stay facility residents indicate a high level of satisfaction with their stay*
- 90% would recommend the facility to others*

* CORE Q Survey 133 Iowa Facilities (National Quality Forum endorsed Quality Measure) – BCG Data December 2017)




SNF Short-Stay/Post-Acute Care Goals

SNF's partnering with hospitals and home health agencies to provide cost-effective rehabilitation services

- Improve discharge of residents back to the community
- Safely reduce hospital readmissions

Iowa out-performs peers in readmission efforts:*

Iowa	US	CMS Region 7
15.2%	17.0%	17.0%

*Source – CMS MDS Data via LTC Trend Tracker – December 2016




Rehab efforts = Cost reduction

57.4% of all residents admitted to SNF's for short-stay rehab returned to their homes*

	2013	2016
Average Medicare Skilled Stay**	33 days	26.9 days
Average Cost Per Skilled Stay**	$13,230	$11,490

Estimated cost savings to the healthcare system

$20.8M**

*Source – AHCA Long Term Care Trend Tracker and CMS, December 2015
** Estimates by BCG Data based on information from CMS, Telligen and Iowa Medicare cost reports




Long-Stay/Dementia Care Goals

- Safely reduce unnecessary hospitalizations

Iowa providers have low hospital admissions rates:*

Iowa	US	CMS Region 7
12.7%	14.2%	14.6%

- Safely reduce off-label use of antipsychotic drugs

*Source – CMS MDS Data via LTC Trend Tracker - December 2016




Dementia Care Focus = Results

Iowa met and exceeded the CMS goal of 30% reduction of antipsychotic use by December 2016!

	Iowa	US	CMS Region 7
2011	22.3%	23.9%	24.8%
2016	**14.7%**	16.1%	19.1%

Iowa leads the region in reducing antipsychotic use:

Iowa	Nebraska	Kansas	Missouri
-31.8%	-18.0%	-22.3%	-28.2%

* Data Source – CMS Partnership to Improve Dementia Care – September 2016




CMS Five-Star Rating Program

Iowa SNFs performing above national average*

- Over half (**52.6%**) of Iowa SNFs are Four and Five Star rated
- Iowa has **5.6% fewer** One Star facilities than national average

Overall Star Rating	% of Iowa SNFs	% of US SNFs	% of CMS Region 7 SNFs
Five Star	**26.1%**	23.3%	22.3%
Four Star	**26.5%**	23.0%	26.3%
Three Star	16.7	18.8%	18.3%
Two Star	19.9	18.6%	17.4%
One Star	**10.8%**	16.4%	15.8%

*CMS Nursing Home Compare and AHCA Long Term Care Trend Tracker – December 2016




Effect of Medicaid Underfunding




LTSS Cost Drivers

Medicaid reimbursement lagging behind cost of care

- Skilled nursing/nursing, Elderly Waiver, Home Health Agencies

Uncompensated care

- Family hiding/transferring assets making resident T19 ineligible
- Family stealing Social Security checks

New federal rules

- Nursing Facility Requirements of Participation
- Home Health Agency Conditions of Participation

Competition for labor direct and non-direct care

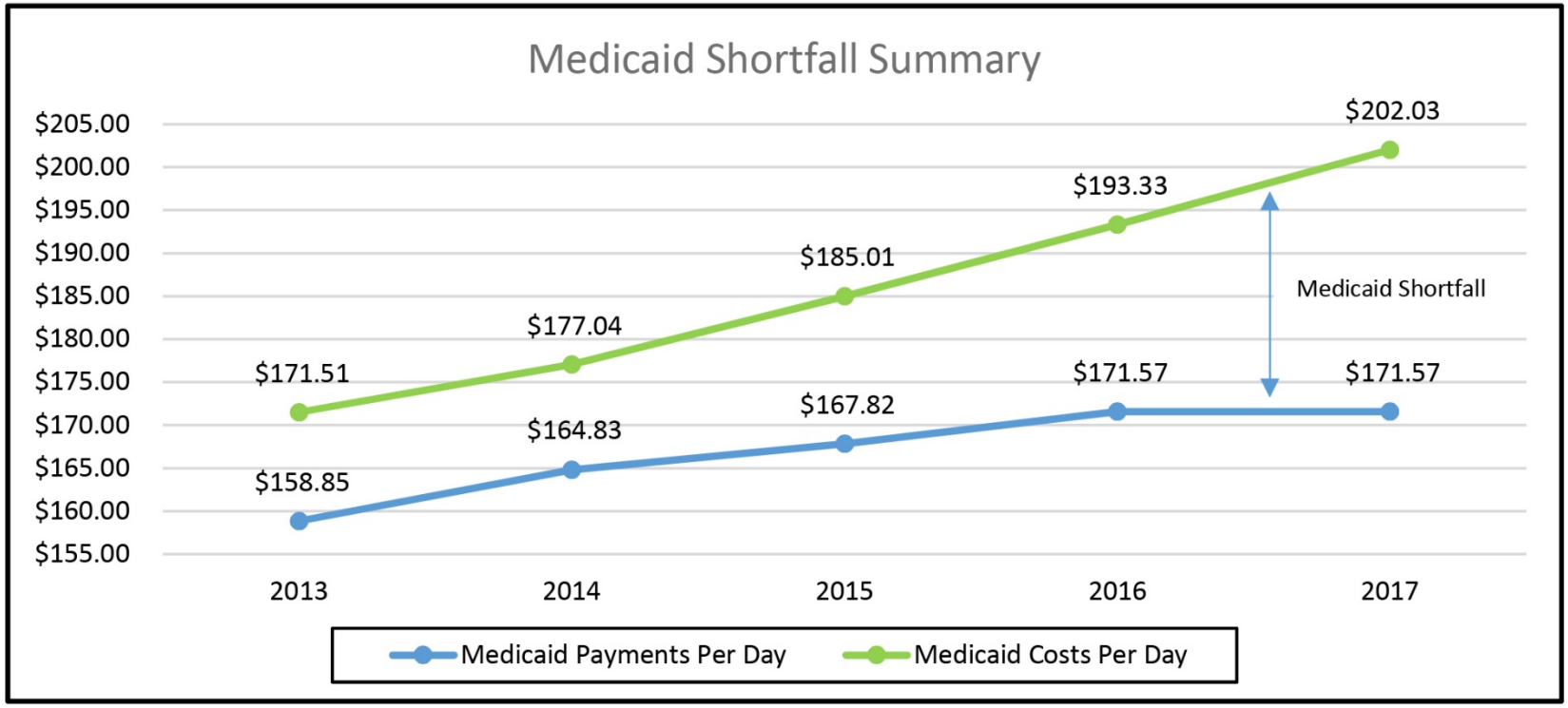
- Temporary agency staff Medicaid costs

CMS strict liability interpretation, other survey issues




Medicaid Underfunding-Skilled Nursing

Lagging Iowa Medicaid SNF reimbursement






Medicaid Underfunding – Skilled Nursing Facilities

- If no SNF rebase $30 per bed/day loss*
- The new federal SNF Requirements of Participation implemented November 28 2016 (Phase 1) will increase provider costs by $3.62 per bed/per day*

*Cost estimates prepared by BCG Data using DHS Medicaid Cost Report Data




Family Exploitation of Medicaid System

1. **Family members become Social Security payee for resident then refuse to pay the facility funds owed for care**

2. **Family members hide or transfer assets to protect “inheritance”**
   - Facility does due diligence; but assets diversion is discovered after admission causing loss of Medicaid
   - Cannot discharge resident unless to safe environment
   - Losses of $50,000 + annually per building



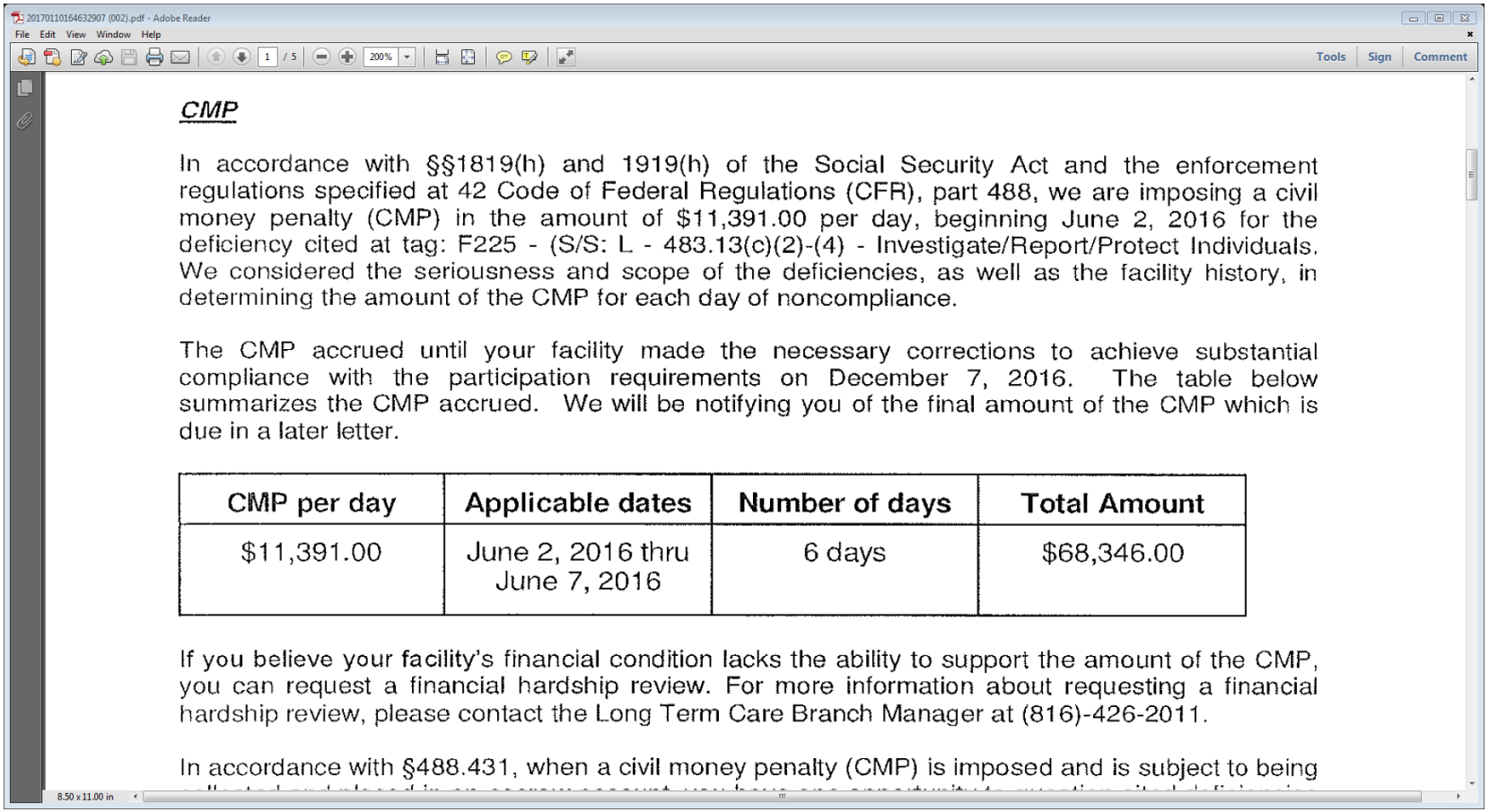

Cheating the Medicaid System

One true life example:

- Husband transferred resources (home, farm) to wife, children and stepchildren within the Medicaid-eligibility five-year lookback period, thus delaying Medicaid eligibility for a year
- During the gap, wife files for divorce (married 4 times) and is awarded all assets. Ex-stepdaughter keeps Social Security checks.
- Facility is owed $85,000 plus $30,000 in legal fees: **$115,000**




Strict Liability Drains Facility Resources



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CMP

In accordance with §§1819(h) and 1919(h) of the Social Security Act and the enforcement regulations specified at 42 Code of Federal Regulations (CFR), part 488, we are imposing a civil money penalty (CMP) in the amount of $11,391.00 per day, beginning June 2, 2016 for the deficiency cited at tag: F225 - (S/S: L - 483.13(c)(2)-(4) - Investigate/Report/Protect Individuals. We considered the seriousness and scope of the deficiencies, as well as the facility history, in determining the amount of the CMP for each day of noncompliance.

The CMP accrued until your facility made the necessary corrections to achieve substantial compliance with the participation requirements on December 7, 2016. The table below summarizes the CMP accrued. We will be notifying you of the final amount of the CMP which is due in a later letter.

CMP per day	Applicable dates	Number of days	Total Amount
$11,391.00	June 2, 2016 thru June 7, 2016	6 days	$68,346.00

If you believe your facility's financial condition lacks the ability to support the amount of the CMP, you can request a financial hardship review. For more information about requesting a financial hardship review, please contact the Long Term Care Branch Manager at (816)-426-2011.

In accordance with §488.431, when a civil money penalty (CMP) is imposed and is subject to being

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Appeal Process Equity for Providers

- IHCA thanks the General Assembly for the Independent Review process; but seeks to level the playing field by requiring DIA and CMS to include providers in all discussions related to contested regulatory citations

- IHCA seeks a regulatory process that is fair and consistent, transparent and assists providers to maintain regulatory compliance and quality outcomes for all residents.




HHA's Also Face Challenges

Home Health Agencies also under siege:

- 500 + pages of new regulations from CMS
- Final rule published 1/13/2017
- Effective date 7/13/2017
- $234 million annual cost to healthcare system; but no funding




Pre Admission Screening & Resident Review (PASRR)




Overview of Federal Regulation

- All nursing facilities must screen residents prior to admission for mental illness and intellectual disabilities to ensure that the specialized needs of the resident can be met and that residents are not unnecessarily institutionalized

- Providers who do not properly screen all residents, regardless of pay source prior to admission risk denial of Medicare or Medicaid payment for those residents




Overview of Federal Regulation

- PASRR compliance was formerly determined by audits with the QIO (Telligen)

- Now DHS contracts with Ascend to ensure that nursing facilities perform appropriate Level I and II screenings, incorporate specialized services into the resident's care plan and ensure that same services are provided as required




Changing Oversight Issues

- Poor communication from state agencies left providers unprepared for responding to new audit methods
- Complex and lengthy care plan requirements for Level II determinations developed by DHS and Ascend did not align with other federal regulations providers must meet created paperwork overload for facilities already facing workforce shortages
- New ICD 10 diagnosis coding requirements by CMS led to numerous incidents of residents with mild depression now being classified as having a major mental illness and subject to Level II PASRR specialized service requirements




Changed Oversight Issues

- Residents who suffer from mental illness, who now also have dementia, are determined to be ineligible for mental health services in specialized facilities leaving facilities unable to cope with challenging behavioral issues
- Simultaneously, CMS issued new unrealistic resident to resident abuse reporting guidelines and stiff compliance penalty requirements
- Many providers now make multiple reports of resident to resident contact each week, draining facilities of precious workforce time




Changed Oversight Issues

- Authorized admissions to the 3 Iowa nursing facilities (ICF/PMI) licensed to provide mental health services decreased, leaving providers no where to transfer resident with problematic behaviors
- With no transfer options, nursing facilities are sometimes forced to provide 1:1 care for residents who exhibit challenging behavior and present a danger to themselves or others




Cost of 1:1 Supervision

With limited options for discharge of residents who are aggressive to self and/or others facilities are faced with these costs:

24-hour, one-on-one care

A 8-hour CNA shift at $13.84* per hour = **$360 per day**
(not including overtime or FICA cost)

Average Medicaid reimbursement = **$172 per day**

Typical impact is **$5-$8** per bed per day

*Source of wage data = First six month wage comparison, BCG Research




Demands for Service & Related Costs

New federal regulatory compliance and PASRR burdens and threats are making it impossible for many providers to admit the following types of residents:

1. Residents with mental illness triggering Level II services
2. Those suffering from dementia who have or may exhibit aggressive or difficult behaviors
3. Residents who have histories of falls or other injuries that are difficult to manage




Access to Care Implications

- One multi-facility provider in Iowa has already closed 90 dementia unit beds and is considering closing another 44 related to regulatory oversight risk.

- A recent IHCA survey of members showed that respondents were on average turning away 1 out of every 3 admission requests due to the same issues.




Working with State Agencies

- IHCA has worked with DHS and Ascend as well as with DIA and the Ombudsman to help improve communication within complicated PASRR audit process

- IHCA has expressed concerns pertaining to expanding federal regulations regarding behavioral health issues and dementia care and how those regulations are creating access to care issues for residents and families