



# LEAGUE OF WOMEN VOTERS<sup>®</sup> OF ALBANY COUNTY

Long Term Care Study  
November 29, 2011

## **Background**

The League of Women Voters of Albany County has undertaken study of Long Term Care for the frail elderly in Albany County to better understand the County's plans to construct a new nursing home in the context of the County's overall plan for a long term care system. Our purpose was not to complete an extensive study, but provide a perspective that will enhance the dialogue among providers, government experts, volunteers and consumers and strengthen the system during a time when the County is facing some very challenging economic choices.

For the past six months the study group has spoken to experts about residential and community based services, including elected officials and county department staff; hospital discharge planners, community outreach workers, nursing home administrators in Albany County and elsewhere; as well as staff in the New York State Health Department. This report includes three parts:

1. Albany's Long Term Care System
2. Albany County Nursing Home
3. Recommendations

## **Summary of Recommendations**

The County should:

- Continue its commitment to programs that serve the frail elderly who do not have Medicaid.
- Delay plans to build a new facility. We believe that alternatives have not been adequately explored.
- Reconsider the wisdom of investing taxpayer's dollars in the most costly and least desired type of long term care, the nursing home. The frail elderly want to stay in their own homes as long as possible. The county should continue to make services available which support home-based care.
- Arrange for a public-private task force to explore the full range of options publically within six months. The task force should explore alternatives to negate the need for a County owned and administered nursing home.

- Explore incentives needed to encourage private sector nursing homes to accept Medicaid and other patients currently accepted only by the County nursing home.
- Investigate the impact and opportunities of New York State Medicaid Reform activities including managed long term plans, home and community based waiver consolidation and nursing home rate revisions.
- Study the size and scope of the problem concerning “hard to place” patients, and the best solutions to assuring patients access to appropriate services.
- Maintain the health and safety of the current residents of Albany County Nursing Home.
- Develop a local long term care measurement tool that will enable public officials and residents to speak a common language and understand how well Albany County is meeting its residents’ need for long term care.

See Part 3 for more specifics on the recommendations.

**Part 1**  
**Albany's Long Term Care System**

**What is Long Term Care and Who Needs It?**

Individuals with a chronic condition, trauma or illness need long term care when they can no longer independently carry out some or all of the activities of daily living (ADLs).<sup>i</sup>

At its core, long term care assists chronically disabled individuals with the activities of daily living (ADL). The primary goal of long term care is to maintain or improve an individual's ability to function independently. Unlike acute health care, long term care also addresses housing (including modifications to homes) and other non-medical factors that affect an individual's functioning and independence. Since chronic medical conditions, trauma or illnesses cause limitations in function, long term care patients can require skilled professionals to coordinate health and mental health services.

According to the 2010 Census, Albany County's total population was 304,204, with 42,314 or 14% of the residents 65 years and older. Of those residents older than 65, 49% were between 65 and 74 years; 34% were between 75 and 84 years; and 16% were 85 and older.

On Albany County's website on *The Need for Long Term Care*, the County shows that the need for nursing home care has declined and the need for home and community based care has and is projected to continue to increase. Specifically:

- The need for long term care increases with age and the need for home and community based care exceeds the demand for long term care in all age groups except for those older than 95.
- While the County's population ages 65 years and older is expected to increase nearly 40% from 2010 to 2030, the younger elderly population (ages 65-74) will grow by about one-third, the group age 85 and older (those who are those most likely to require long-term care services) is projected to decline from 7,001 to 6,767, a decline of 3.34%.
- Use of long term care services at home, specifically Extended In-Home Services for the Elderly Program (EISEP), personal care, and consumer directed personal assistance services, have increased 24% in the 25 months between January of 2007 and the end March of 2009. (See the table starting on page 5 for service descriptions.)
- From 2002 through the first nine months of 2008, the number of Albany County citizens residing in nursing homes declined by 216 (13.6%).<sup>ii</sup>

A 2006 AARP survey of New York State residents 50 years and older found:

- Most would prefer to receive long-term care for themselves or a family member at home with assistance from family, friends, and home care professionals, such as a nurse or personal care aide.
- Nearly nine in ten support the State Legislature increasing funding for home and community based services, such as in-home health care, that allows people to

remain in their own home as they age. More than seven in ten would still support an increase even if it means that state taxes would be raised.

- Six in ten are very or somewhat worried about their ability to afford long-term care services for themselves or family members. More than half with an income of about \$35,000 are not very or not at all confident they could afford to pay for assisted living for three years.
- Cost is the primary barrier for NY residents age 50 and older who say they have not purchased long-term care insurance. However, half of those who do not have long-term care insurance say they would be more likely to purchase a policy if the State offered larger tax incentives.<sup>iii</sup>

### ***Financing***

Long term care financing has been described as a patchwork of public and private dollars with the consumer paying for a significant portion of the costs.

- **Medicaid** is a public insurance program funded by federal, state and, in New York, county governments and is the major insurance program covering long-term care for individuals of all ages with low incomes and limited resources and and/or high medical costs. Medicaid covers 75% of the patient days in New York State.<sup>iv</sup>
- **Medicare** is the Social Security health insurance program administered by the federal government. It does not cover long term care, but covers acute care costs. Its skilled nursing facility and home health care benefits are intended as short-term coverage for post-acute care following hospitalizations.
- **Private long-term care insurance** pays only a small part of the costs. It is expensive and few consumers purchase insurance coverage.
- **The Older Americans Act and the Social Services Block Grant** pay for some nonmedical personal care services and other supportive services.

In addition, two programs help low income individuals with housing costs.

- **Supplemental Security Income (SSI)** is a federal program designed to help aged, blind and disabled people with little or no income with cash to meet basic needs for food, clothing and shelter. SSI could be used to pay for assisted living.
- **Section 8 housing** refers to the federal Housing Choice Voucher Program, which provides assistance to low-income families and individuals in need of a home. Under the program, individuals or families find a qualified residence and pay a portion of the rent based on their income. The remaining rent is then paid for by the Public Housing Agency up to the fair market rent determined by the United States Housing and Urban Development office. However, we have been told that **there is about a six year wait** for subsidized housing in Albany County.

**Informal Care**

A large number of Albany’s disabled and frail elderly probably receive all or part of their care from family, friends and neighbors. In New York State, it is estimated that at least 80 % of community based long term care for persons of all ages is provided by these informal caregivers. This voluntary assistance has an estimated annual economic value of \$25 billion in New York State.<sup>v</sup>

According to the *National Alliance for Caregiving*, 59% of caregivers work while providing care; and of those providing care 26% are ages 18-34, 32% ages 35-49, 30% ages 50-64, and 13% age 65 or older. Almost half of those are older than 50, making them more vulnerable to a decline in their own health, and one-third describe their own health as fair to poor. <sup>vi</sup> Research has shown that caregiving exacts a heavy emotional, physical and financial toll. Many caregivers who work and provide care experience conflicts between these responsibilities. Twenty two percent of caregivers are assisting two individuals, while eight percent are caring for three or more. <sup>vii</sup>

**Formal Long Term Care System**

The County has a mix of often confusing, long term care services that include medical and social models that are arranged for in private homes or other residential settings, and in the community.

<b>ALBANY COUNTY’S FORMAL LONG TERM CARE SYSTEM</b>	
<b>Assistance, Information, Referral, and Case Management Programs</b>	<b>Payer</b>
<b>The NY Connects</b> offers a single point of entry by phone to a range of Medicaid, and other long-term care services. It is staffed by trained case managers who help consumers, family members and professionals, with information, referrals and assistance. For a limited number of high need cases it provides, through a contract with Rehabilitative Support Services, case management home visits with short episodic coordination and assistance to set up a package of services in the patient home.	Albany County Departments of Aging (DOA) & Social Services (DSS)
<b>Town Seniors Case Workers.</b> Bethlehem, Colonie & Guilderland have case workers who help residents access long term care services by phone and in-home. In home services offers opportunities to do informal assessments of clients’ conditions.	State grant Town Taxes
<b>Private Care Management</b> Consumers can purchase geriatric care managers who are trained health and human services specialist (nurses, gerontologists, social workers, or psychologist), to help find services and manage the care. Frequently used by families who do not live near their elderly relative, There are 7 within 25 miles of the City of Albany, including St. Peter’s Hospital Choice program.	Private pay
<b>Community Supports Navigation Program</b> 20 volunteers call patients recently discharged from Albany Memorial and Samaritan Hospitals to assist with their post discharge health care instructions. Hospital nurses instruct and supervise volunteers.	DOA
<b>Care Giver Support</b> program provides information, assistance, training, and support groups including a telephone meeting for those care givers who could not attend a formal meeting. It also offered limited respite for caregivers and personal emergency response systems. In 2009 it helped more than 945 Albany care givers,	DOA
<b>Neighborhood Naturally Occurring Retirement Communities (NNORC)</b> offers a variety of services to SW City of Albany residents 60 and older: case management, shopping assistance, friendly visiting, health screening etc. Volunteers provide many services that don’t require professional care. (mowing, shopping, & minor house repair)	DOA

<b>Community Based Programs</b>	<b>Payer</b>
<b>Two Long Term Home Health Care programs</b> can serve up to 470 Medicaid patients. An alternative to nursing home care for nursing home eligible individuals. Offers home based skilled nursing, case management, assistance with ADLs and other services such as nutrition counseling and home modifications.	Medicaid
<b>Nursing Home Transition and Diversion Waiver</b> assist nursing home eligible individuals 18 and older to live at home. "We Can Help You Live at Home" provides independent living skills training, congregate and home-delivered meals, assistive and adaptive, equipment, day services, home visits by medical personnel, home and community support services, and assistance with housing, moving, furnishings.	Medicaid
<b>Licensed Home Care Service Agencies</b> provide supervised personal care home aides (non-medical assistance with ADLs and Instrumental activities of daily living Private pay and County contracts with 14 agencies provide personal care services to Medicaid eligible individuals. County also has Medicaid consumer directed personal care program for competent consumers to direct their care and hire friends or relatives as caregivers.	Medicaid Private pay LTC insurance
<b>Expanded In- Home Services for the Elderly (EISEP)</b> provides home care aides for patients requiring ADLs. In 2009, the program served 384 individuals. The County recently offered an EISEP consumer-directed program that can serve up to 40 patients.	DOA
<b>Adult Day Care</b> assists caregivers by providing out-of-home daytime supervision, socialization, and in some models health care services in a day care setting. The 4 social model offer therapeutic recreational activities and the 2 medical model offers nursing Alzheimer and dementia care.	Medicaid pays for Medical model Private pay
<b>Transportation</b> to medical necessary services for individuals with Medicaid coverage	DOA
<b>Meals on Wheels</b> with over 250,000 meals delivered to seniors in their homes; congregate dining to 3,360 seniors and the services of a certified nutritionist.	DOA
<b>Telephone Reassurance, Shopping Assistance, Friendly home visiting, weatherization, legal counseling and assistance, and Health Insurance information</b> counseling. The County also participates in the "United We Ride" program that offers rides to medical appointments and shopping, etc.	DOA
<b>Home and Community Based Programs Under Development</b>	<b>Payer</b>
<b>Programs of All-Inclusive Care for Elderly (PACE)</b> is an adult day care program designed to deter hospital and nursing home admissions by offering primary care, physical and occupational therapy, adult day, and care management. It is expected to serve 150 adult day care patients and 15 nursing home eligible patients	Medicaid Medicare
<b>Medicaid Managed long-term care (MLTC) plans</b> provide, manage, and pay for long-term care services (home health and nursing home ) and ancillary services (dentistry, and medical equipment). Members get medical services from their primary care physicians and inpatient hospital services outside the plan. Members must be eligible for nursing home admission. Most managed long-term care plan enrollees must be at least age 65. Two Albany plans have applied to become MLTC plans.	Medicaid Medicare
<b>Residential Programs</b>	<b>Payer</b>
<b>Independent Living.</b> There are at least five apartment buildings that are non-age-specific, but have a concentration of senior residents. The 560 units rent for the market rate and have no services.	Private Pay
<b>Retirement Living Communities</b> Albany County also has three retirement living communities with 354 units for the independent elderly.	Private Pay
<b>Subsidized Housing</b> offer independent living apartments for individuals with low to moderate incomes/ Albany has 36 sites with 3,086 units.	Private pay SSI or Section 8
<b>Adult Care Facilities (ACF)</b> are residences that serve individuals who are medically stable and do not need continuous nursing care. There are 14 in the County with a total capacity of 921 units. They all provide 24-hour supervision, ADLs medication supervision, 3 congregate meals a day, housekeeping and transportation. There are two types of ACFs: <b>Adult Homes</b> 2 people to a room with no kitchens; and <b>Enriched Housing Programs</b> offering more independent setting with more apartment-like units plus kitchens.	Private Pay SSI

<p><b>Assisted Living Programs</b> are adult care facilities licensed to provide for specialized needs and some skilled nursing, but unlike nursing homes, they do not provide 24-hour medical care. Monthly rates range from \$2,600 to \$5,695. A declining number of facilities accept SSI payments and the County has only one Medicaid Assisted Living Program with 48 Medicaid beds</p>	<p>Private Pay SSI &amp; 1 accepts Medicaid</p>
<p><b>Family-Type Home for Adults</b> is a private home offering family living for aged or disabled adults, (older than 18) unable to live on their own. They offer supervision or assistance with personal care, but no skilled medical services. The one in the area has a capacity for 2 adults.</p>	<p>Private SSI</p>
<p><b>Eleven Nursing Homes</b> provide 24 hour seven day a week care in a facility. Services include skilled nursing, rehabilitation, medical care, complete assistance with activities of daily living, and other services required to care for nursing home eligible individuals. Albany has ten private nursing homes (1,541 beds); one public nursing home (250 beds)</p>	<p>Medicaid Medicare Private Insurance Private Pay</p>

**Albany County’s Formal Long Term Care System has many important elements of a strong long term care system.**

In addition to the formal long term care system outlined above, the County has an active **Long Term Care Council** chaired by the Commissioners of Social Services and Department of Aging with representatives from Albany’s long term care provider, advocacy, and consumer community. The Council provides ongoing planning and development for the long-term care service system. The Council produced *Recommendations for Rebalancing the Long Term Care System* (January 2008) and action plans with progress updates.<sup>viii</sup> **NY Connects** is a single entry point that enables Albany residents and long term care professionals to obtain information and access to the broad range of services. In 2010, *NY Connects* program had more than 7,800 calls -- making *NY Connects* the single most used long term care service in the County. It has an experienced professional Long Term Care Coordinator who supervises *NY Connects* and acts as a liaison for the County Office for Aging and Medicaid long term care programs

- As the table above suggests, there is a broad mix of long term care services and providers that include both residential and community based options.
- There are **several volunteer** programs that support consumers and caregivers with items, such as transportation, home visiting, and assistance with post hospital discharge health care instructions.
- There are also programs that reimburse informal care givers with Medicaid, such as EISEP and **Consumer directed personal care** (where competent individuals can hire a family member or friend to assist them and direct their own care.)

**Systemic Challenges**

Like all local governments, Albany County faces systemic economic and public policy challenges, outside local control.

- Other than Medicaid, there are **no significant insurance programs** to cover the cost of long term care. Medicaid covers low or moderate income individuals who spend enough of their income and assets on health or long term care services to become Medicaid eligible. Often those with moderate incomes and assets who

require nursing home care for rehabilitation “spend down” to become Medicaid eligible and become permanent nursing home residents.

- With increased expenditures as a result of State mandates (including Medicaid) and decreased revenues resulting from recession and reduction in State aid, **the county is facing budget cuts and increased property taxes.**
- In developing their State Scorecard on Long Term Care, AARP recognized the big impact that Medicaid policy has on consumer long care choices and affordability.<sup>ix</sup> However, the County has **limited control over the New York State Medicaid long term care policy.**
- In our discussions, the following were mentioned:
  - Medicaid payments for nursing homes are inadequate and the long term picture is unpredictable which makes planning difficult for facilities and counties.
  - The rates are inadequate and discourage admissions for patients requiring more hours of care (such as those with behavioral health and Medicaid as the only payer); and rates are especially inadequate for county public nursing homes that must cover pension costs.
  - The mix of Medicaid **covered home and community based services for the frail elderly and disabled is confusing**, inflexible, and piecemeal with programs restricted to specific Medicaid population and services. While NYS Medicaid Reform initiatives are underway to address this problem, at this time, there is no coordinated care approach at the state level.
  - The state has historically paid a **higher Medicaid rate to out-of-state nursing homes** for certain patients, creating an incentive to place patients out of State. The SDOH is modifying this policy to repatriate NYS residents to nursing homes within NY.
  - Within the next few years, NYS plans to move many of the Medicaid individuals receiving long term care services into **Medicaid Managed Care or coordinated long term care plans.** These programs will negotiate payments for services and are expected to include incentives to reduce long term care costs, especially nursing home care.
  - Despite the expansion of community based alternatives and preferences of individuals, **New York State Medicaid eligibility and program policy appears to favor institutional care** compared to some other states, such as Oregon.
  - **SSI payments** do not adequately cover assisted living costs, thereby eliminating this alternative for low and moderate income individuals; many of whom then go into nursing homes.

### Albany County Challenges

- **The number of residential alternatives to nursing home care for low or moderate income populations is inadequate.** The number of assisted living facilities accepting SSI payments is decreasing.<sup>x</sup> Most of the beds in the current facilities are for private pay patients at rates that most moderate income individuals and families cannot afford. These facilities can potentially provide an alternative to, or delay, nursing home admission for some patients. Albany needs adult care facilities, assisted living

residences, and assisted living programs and family type home beds as well as more specialized beds that offer greater assistance with ADL as well as access to home health care. Albany's Long Term Care Council has consistently identified housing as an area of significant unmet need.<sup>xi</sup> The County Executive's 2012 Budget calls for 100 more Medicaid assisted living beds.

- **Informal caregivers in low moderate income families need more support to prevent burnout and delay or avoid nursing home admissions.** Albany's demographics suggest that the number who need long term care services may exceed current capacity. At twenty dollars an hour for home aide services, home care services are probably beyond the means of many who need these services. While Albany's non-Medicaid programs (*NY Connects* and EISEP) are vital, the programs appear small compared to the potential need. The Albany Long Term Care Council's action plans have included recommendations for policies and practices friendly to aging or disabled persons such as Neighborhood Naturally Occurring Retirement Communities (NNORC), expansion of all home care alternatives including consumer directed models, supportive services such as adult day care, support for caregivers, and transportation.
- **Access to Medicaid community based home care programs is confusing and it can be difficult to put together a satisfactory home care plan.** Individuals with complex care needs or with no informal supports **need skilled case management services** to assure coordination of long term, health, and mental health care services. The Albany Long Term Care Council has included development of care coordination and case management as an action item.
- In the course of our interviews we heard confusing and contradictory use of data. The County's Website, the *2009 Comprehensive Long Term Plan* and the Long Term Care Council's plan provide the most comprehensive look at Albany's long term care system. This comprehensive look should be periodically updated and consideration given to some type of measurement of how well the system is functioning. The recent AARP score card which promotes a multidimensional approach to measure state level performance of long term care and supports provides a possible model.
- Albany County's **aging public nursing home currently costs Albany taxpayers more than other public and comparable private nursing homes** in Northeastern New York and consumes a significant portion of the county property tax levy. Whether or not we should build a new County nursing home requires further discussion in light of the County's need for more community based alternatives which the public prefers.

## Part 2 Albany County Nursing Home

### **Albany County Nursing Home in 2011**

The Albany County Nursing Home (ACNH) is a County owned and operated nursing facility located on Albany Shaker Road. As a result of recommendations by the 2006 New York State Commission on Health Care Facilities in the 21<sup>st</sup> Century, the Ann Lee Home and the Albany County Nursing Home were consolidated into one facility. The Ann Lee Home was closed in January 2008 and the Albany County Nursing Home downsized from 420 beds to

a total capacity of 250 beds. ACNH has a self-reported occupancy rate of 90%.<sup>xii</sup> The County has described the current facility as old and “deteriorated to a point that it can longer service its residents in an atmosphere conducive to the current standards of care.”<sup>xiii</sup> Like most public nursing homes, the ACNH expenses have exceeded revenues and ACHN has required subsidies from County property taxes. The official web site of Albany County reported that the County 2008 subsidy was nearly \$19 million, or almost 30 percent of taxpayer dollars, to care for fewer than 250 nursing home residents. For the past few years, the deficit for the nursing home was significantly lower, due to temporary federal funds which are projected to end in 2011. The web site indicated operating costs for the County Nursing Home will continue to skyrocket over the next several years if the County continues business as usual.<sup>xiv</sup>

The County Executive Michael Breslin recommended closing ACNH in 2009 as part of a comprehensive long term care plan that argued that the County residents would be better served by a combined investment in community based services and incentives to private nursing home to take “hard to place” patients. He argued that the County cannot build and operate a nursing home and commit resources to home and community based services without massive cuts to services or tax increases.<sup>xv</sup> In the 2012 Budget, the Executive is recommending closing the nursing home and reducing the burden on Albany County real property taxpayers.

According to a County consultant, ACNH had losses in 2008 and 2009 that exceeded losses of other public nursing homes in the region while the nonprofit and proprietary peer groups experienced operating gains on average. Leading factors for ACNH’s losses were: staffing levels, employee wages, benefits and pensions, mix of revenues and allocated overhead. The consultant also found in 2008 that ACNH had a higher percent of Medicaid revenue, younger patients, longer length of stays, a higher percentage admitted from other nursing homes, and a greater percent discharged to hospitals.<sup>xvi</sup>

### **County Plans to Build a New Nursing Home**

As a result of 2011 budget negotiations, the executive and the legislative leaders agreed that the current nursing home would stay open and a new one built to replace it. In accordance with State requirements, the County submitted in November 2010 a Certificate of Need (CON) application to the State Department of Health (SDOH) to construct a new facility, and then revised the CON to construct a 200 bed facility with 30 adult day slots at a cost of \$71 million. The new 200 bed facility will be “state of the art” with a three forty bed units, one thirty bed dementia unit, and one twenty bed multi-purpose unit for residents who require, for example, bariatric vent or hospice services. The application has had technical revisions and at a November 17, 2011 hearing on the CON application, the decisions concerning a new ACNH were deferred.

Although 100% financed by the County over a 30 year period, the county is projecting that 80% of construction costs will be passed on to the NYS Medicaid program. The Albany county taxpayer will be expected to subsidize the deficits with property tax revenues. According to projections on the County website, by 2012, over 25% of property tax levy

will be spent on residents at the Albany County Nursing Home.<sup>xvii</sup> While several experts who we interviewed hoped that the new facility will generate higher revenues, the Albany County CON application projects even higher deficits than the current facility with \$36.8, \$36.7, and \$36.6 million dollar losses annually for the first three years of operations.<sup>xviii</sup> (We have been told that about \$7.4 million of this loss is fixed retiree costs that would remain even if the nursing home is not rebuilt.)

#### **Arguments we heard for building the nursing home:**

- **A new facility will have much lower operating losses than the current facility than those projected in the CON application.** The new 200 bed facility will be “state of the art” and may attract private pay residents who would pay more than Medicaid reimburses. Also by serving rehabilitation and other more medically complex patients, the facility will generate higher payments from Medicaid and other third party payers.
- **The County nursing home will accept “hard to place” patients that no other facility will accept** (e.g., patients with behavior health problems, dementia or Alzheimer, bariatric or those who are Medicaid when they enter the facility).
- **Private nursing homes cannot afford to take many (or any) “hard to place” patients.** Many of those we interviewed stated that NYS Medicaid nursing home reimbursement rates for in state nursing homes do not adequately cover the cost of care for these patients. Supported by County tax payers, the County nursing home can afford operating losses and admit patients that no other facility will. The County facility can pass unreimbursed costs to the local taxpayers.
- **With higher wages, better benefits including a pension, county nursing homes have less staff turnover, offer continuity of care and have staff that is more experienced, more motivated and know how to work with difficult patients, especially the mentally ill.** The Albany County Nursing Home Family Council also argues that ACHN is more responsive to families. When there are complaints, legislators and other public officials will respond.
- **By the third year, the new County Nursing Home will employ more than 400 people who will receive good wages and benefits, including a pension.**
- The New York Department of Health projects a need for nursing home beds of 1,844 by 2016. With the new county 200 bed facility, Albany will have 1,796 beds. If all the County home’s beds were eliminated, the County would be well below SDOH projected need. It is unclear if the private homes and the community infrastructure are sufficient, prepared or willing to address elimination of these 200 beds.
- **The County Comptroller argues that more than 100 patients are sent out of county each year because the County has too few beds.** These patients include traumatic brain injury and patients with severe behavioral health problems. He also argues that the current nursing home can be operated more efficiently. The Comptroller also claims that the County nursing home can operate with a \$9 million subsidy well below the \$36 million projected in the CON application.

#### **Arguments we heard for Closing the County Nursing Home and considering private sector nursing home and community based alternatives:**

- **The high cost of operating nursing home and the burden it places on taxpayers.** The Certificate of Need application projects \$36.8, \$36.7, and \$36.6 million dollar losses annually for the first three year of operation which will require taxpayer subsidy. In addition, the temporary federal funds that have reduced the county nursing home tax burden in the past may end in 2011.
- **New Medicaid nursing home rates will likely increase ACNH losses.** At the recent Department of Public Health and Health Planning Council hearing the Director of the Office of Health Systems Management noted that they will be issuing new nursing home reimbursement rates in mid-November 2011 and the new rates will apply to all facilities in the region. Government sponsored nursing homes, which are typically the most expensive, are expected to suffer the most under the new rates, and Albany's losses would be even larger.
- **The costs of a new nursing home and subsequent deficit represent a lost opportunity to:**
  - **expand the County's community based system** --an investment in home and community based services would serve many more residents than another nursing home and would provide the services that people prefer at lower public and private costs.
  - **expand the number of assisted living beds for low and moderate income individuals.** New York's policy allows skilled nursing beds to be traded in for assisted living beds if a comparable number of nursing home beds are closed. Assisted Living Residences (ALRs) are a viable alternative to nursing home care for patients who have completed rehabilitation in the hospital and do not need skilled institutional care. ALRs offer some services for those who cannot or do not want to remain at home, and need help with activities of daily living in a home-like setting, assisted living can also potentially allow "aging in place," with the facility providing or arranging for medical care and other additional services residents need. However, with only 48 beds that accept Medicaid and a declining number of facilities that will accept SSI payments, costs of ALRs range from \$2,600 to \$5,695 and are inaccessible to low and moderate income individuals.
- **Building the nursing home will force residents,** some of whom could be maintained at home if community services were available, **to be institutionalized.** With appropriate community based alternatives, more disabled elderly will have the choice of remaining in the community. In addition, the current stock of nursing home beds would be available to those who truly require skilled nursing institutional care.
- **Several states, notably Oregon, recognize that nursing homes are a "last resort" and have invested in community based services and reduced the number of nursing home beds.** In Oregon the ratio declined from 47 beds per 1,000 elderly in 1982 to 35 per 1,000 elderly in 1995. Having had an aggressive home and community based care policy since the early 1980s; Oregon has successfully placed many elders and younger people with serious disabilities in assisted living facilities and adult foster homes. Oregon also supports a strong case management program that allows many beneficiaries with disabilities to remain in their own homes.
- **The demand for nursing home beds will continue to decline** and Albany County does not need the 200 public nursing home beds. On the County's website, *The Need for*

*Long Term Care*, the County argues that the need for nursing home care has declined and the need for home and community based care will continue to increase. Specifically, as noted earlier, the need for home and community based care exceeds the need for long term care in all age groups except for those older than 95 and the use of community based care has increased.<sup>xix</sup> The 2006 state AARP survey suggests that most residents would prefer to receive long term care and want their communities to invest in home and community based care.

- **It is not clear that rebuilding the nursing home will significantly address the problems of finding a nursing home placement for “hard to place” patients,** especially those with behavioral health problems. Current reimbursement for this population may make it difficult for *any* nursing home to admit significant numbers of these patients and survive financially.
- **Even the best run county nursing homes are more expensive than privately run nursing homes** because of pension costs. However, as noted above, Albany County’s nursing home is more expensive than comparable NYS public nursing homes.
- It is **not clear that rebuilding the nursing home will avoid the problems that the county nursing home had in the past and operate more efficiently.** While the new design presented in the most recent CON has some efficiencies, (e.g., increased ability to provide rehabilitation, bariatric patients, vent patients), the CON application still projects \$36 million dollars in operating losses.
- New York State Medicaid Reform is promoting enrollment in health plans and programs which will coordinate long term care services. With two local health plans applying to become managed long term care plans that will serve Albany County, many of the Albany Medicaid long term patients may be enrolled in long term plans or other managed programs that will alter the demand and reimbursement for nursing home care and likely create additional challenges of expensive county run nursing homes.

**Once a County nursing home is built, the taxpayers must pay for operating losses with no limit on the level of loss,** plus the County portion of the 30 year debt associated with building the nursing home. These costs do not include the growing pension costs for County nursing home employees as they retire.

### **Part 3** **Recommendations**

The New York State League of Women Voters supports measures to assure a basic level of quality physical and mental health care for all state residents. The League also supports positions on both equitable access to health care as well as cost containment where necessary.

Consistent with these positions, the League of Women Voters of Albany County concludes that Albany County continue its commitment to providing services to the frail elderly in need of long term care and, to the extent possible, assure residents access to the full range of the most cost effective, quality long term care options in the least restrictive setting.

We recommend that the County continue its commitment to programs that serve the frail elderly who do not have Medicaid with programs such as NY Connect, EISEP, home delivered meals, case management, and caregiver support. These programs are critical to the populations who are in the community and have been shown to delay or prevent institutionalization and reduce Medicaid long-term care costs.

We recognize that the County needs an adequate supply of residential options including nursing homes. However, we are not convinced that building a public nursing home is the best option and are concerned that both the costs of operating a public nursing home subsidized by property taxes and the limitations on the growth of home and community based services would not adequately serve the County residents. Demands for long term care are changing and the County needs to look forward.

The frail elderly want to stay in their own homes as long as possible. The county should continue to make services available which support home-based care. We recommend that the County reconsider the wisdom of investing taxpayer's dollars in the most costly and least desired type of long term care, the nursing home.

We recommend that the County continue operation of the current facility and delay plans to build a new facility. We believe that alternatives have not been adequately explored.

**The County should immediately put together a public-private task force that will explore the full range of options publically within a six month period of time.** The task force should explore what alternatives are needed to negate the need for a County owned and administered nursing home. Consideration should be given to:

- Further expansion of assisted living residences, family type homes, case management programs, Neighborhood Naturally Occurring Retirement Communities (NNORC), and other alternatives to nursing homes
- Incentives that are needed to encourage private sector nursing homes to accept Medicaid and other patients currently accepted only by the County nursing home, including the County incentive payments recommended in the County's 2009 Long Term Care plan
- The impact and opportunities of New York State Medicaid Reform activities including managed long term plans, home and community based waiver consolidation and nursing home rate revisions
- The size and scope of the problem concerning "hard to place" patients, and the best solutions to assuring patients access to appropriate services
- Preserving the health and safety of the current residents of Albany County Nursing Home.

Consideration should also be given to developing a local long term care score card or some other measurement option that will allow both public officials and the public to speak a common language and understand how well we are meeting Albany County's residents need for long term care.

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- i : ADL limitations refer to the inability to perform for health reasons bathing ,dressing , eating , getting in/out of chair, walking or toileting. Long Term care policy documents also discuss another set of functions critical to function in the community: Instrumental Activities of Daily Living (IADL) which refers to the inability to perform for health reasons : meal preparation, shopping, transportation, housekeeping, money management , socialization, and using the telephone
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- iii Cassandra Burton and Katherine Bridges, “Long Term Care: An AARP Survey of New York Residents Age 50+.” (March 2007).
- iv Office of Albany County Executive “ Exploring Long Term Care,” Albany County.com, <http://www.albanycounty.com/ltc/ExploringLTC.asp> ( November 2011)
- v Houser, A. and Gibson M.J. (June 2007). Valuing the Invaluable: A New Look at State Estimates of the Economic Value of Family Caregiving (Data Update). Data Digest. AARP Public Policy Institute. Washington, D.C
- vi Metropolitan Life Insurance Company, 2007 New York, NY <http://www.metlife.com/assets/cao/mmi/publications/since-you-care-guides/mmi-family-caregiving.pdf> downloaded June 19, 2011
- vii Department of Health and Human Services, Administration on Aging [http://www.aoa.gov/aoaroot/aoa\\_programs/hcltc/caregiver/index.aspx](http://www.aoa.gov/aoaroot/aoa_programs/hcltc/caregiver/index.aspx) downloaded June 19, 2011
- viii Albany County Long Term Care Council, Recommendations for Rebalancing The Long Term Care System, Albany NY January 2008. The Council’s annual action plan addresses a comprehensive community needs.: care coordination and case management , safe affordable housing; availability of home care services ;support for care givers, use of technology to support cost effective delivery to the elderly; and advocacy for public policy funding and regulatory changes to support functioning of a long term care system.
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- x Albany Guardian Society, “ Housing Options for Senior Adults in the Capitola Region Albany New York January 2010 , page 6.
- xi Albany County Long Term Care Council, Recommendations for Rebalancing The Long Term Care System, Albany NY January 2008
- xii New York State Department of Health, “Facility Characteristics: Albany County Nursing Home,” New York State Department of Health, [http://nursinghomes.nyhealth.gov/nursing\\_homes/overview/16](http://nursinghomes.nyhealth.gov/nursing_homes/overview/16) ( November 2011).
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- xvii Office of Albany County Executive , “Long Term Care and County Taxpayers:\_ Impact of Operating Costs on County Property Taxpayers.,” AlbanyCounty.com, <http://www.albanycounty.com/ltc/Taxpayers.asp>(November 2011)
- xviii Albany County, CON Application, “Albany County Nursing Home Unaudited Forecasts,” Albany County, CON Application, May 31, 2011.
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