Nursing Facility Task Force

Clarification letter-January 10th Meeting

1/31/20

Dear Secretary Sudders:

I would like to provide additional clarification and information related to questions posed during my presentation at the January 10th Nursing Facility Task Force meeting:

* In response to the question posed by Mr. Bane regarding the source of the annual cost of nursing facilities:
  + The source of the information, Dibbern.com, was contacted and said that their information, regarding the Cost of Long Term Care in Massachusetts, was from Met Life Reports.
* In response to Secretary Chen’s question about the use of the survey prepared by Mary Bronski in 2015 as compared to the DPH survey conducted in 2018:
  + The Survey cited in my presentation was offered to all Rest Homes in in 2015. The response rate was 47% response rate.  In total, 41 homes were surveyed and medical records were reviewed. A total of 1,217 residents were interviewed.  My limited understanding of the DPH 2018 survey was that it was offered to 22 specific homes, and 17 agreed to participate.  In total, 119 residents were interviewed.  This is a much smaller statistical sample and I believe the DPH survey was targeting homes with a high level of Medicaid.  My home was not asked to participate in that survey, so I cannot speak to the details of it.
* In response to the comment regarding the increase in number of nursing hours:
  + MARCH submitted a request to CHIA for them to provide the hours by home. MARCH has received from CHIA 2017 aggregate Rest Home information that is being analyzed. We will provide updated nursing hour information when it is available.
* In response to the question by Rep. Balser about why more people receiving antipsychotic medication (38%) than the percent of individuals reported to have mental health issues (29%), I contacted Mary Bronski, the survey author, for clarification. She replied with:
  + “The questions as they appeared in the survey sent to RCF representatives. The questions are as follows:
    - As far as you know how many current residents have been diagnosed with serious mental health problems such as schizophrenia and psychosis?
    - As far as you know how many current residents receive antipsychotic medication?
  + In response to the observation that some residents who are on antipsychotics, do not carry a mental health diagnosis like schizophrenia or psychosis:
    - It is important to keep in mind that antipsychotic medications can be used "off-label" which means the drugs are given for other reasons. They may be on an antipsychotic for other reasons like depression, anxiety, ADHD, eating disorder. Antipsychotics can be prescribed for many reasons other than for schizophrenia or psychosis. My research team purposefully did not include other mental health diagnosis like depression in the survey question because the goal was to highlight more serious mental health problems.
    - An additional explanation is that the responding facility representatives were not aware that the resident on the antipsychotic had a diagnosis of schizophrenia or psychosis. When a resident with serious mental health problem such as schizophrenia and psychosis are well controlled on their medications over an extended period of time, it is difficult for staff to identify the problem or corresponding diagnoses as the clinical manifestations of the mental health problem is not present day to day. I believe this "out of sight out of mind" explains the omission of this information leading to the discrepancy between the data points.”
* Secretary Chen asked for clarification regarding the challenges of selling a privately owned Rest Home. Below is an example submitted to CHIA from MARCH for their review and comment.
  + “This is how the reimbursement works for a purchase of an existing facility with a new owner. The buyer (new owner) would inherit the adjusted cost basis of the previous owner or owners and would be reimbursed based upon their remaining available non depreciated adjusted basis.
    - Facility purchased originally in 1980 for $400,000.00. depreciation reimbursed through cost report is $300,000.00. Remaining non depreciated basis equals $100,000.00.
    - A new buyer purchases facility for $800,000.00 in 2020. The new buyer inherits the previous owner’s adjusted basis for reimbursement purposes of $100,000.00. He will not get reimbursed, in this example, of the difference of $700,000.00 for the fixed portion of reimbursement. Additionally, the debt service on this purchase would also be allocated for reimbursement to 1/8 of the debt service. The remaining 7/8 would not be reimbursed.
    - In summary, if the facility has been in existence for many years, and many have, the reimbursable basis to a new owner is minimal at best along with the debt service on this purchase. It can be virtually impossible to sustain a facility under these circumstances since much of the cost is non reimbursable" - It is not really comparable to stocks that have depreciated in value as was stated in the minutes.
* In response to the question regarding the split between private and public rates:
  + It is estimated that of the 2,900 Rest Home beds, 8% - 10% are private pay.
* In response to the question regarding the number of staff employed by Rest Homes:
  + MARCH surveyed its membership to determine staffing by facility.  As of 1/18/2020, 30 homes reporting 1,033 staff members or an average of 34 employees per home.

In addition, I would like to respond to your comment, Secretary Sudders, that people who leave rest homes for community living receive greater access to private funds.  I would like to request additional clarification on this comment. I believe that this is true for any person leaving a long-term care facility where they are subsidized by the state or federal government because of the limitations of the Personal Needs Allowance.

Finally, I would like to respectfully disagree with Representative Muratore’s comment that rest homes are more like assisted-living than nursing facilities. Rest homes are more like nursing facilities which is why they are part of this Task Force.

Thank you for allowing me to submit these clarifications into the record.

Sincerely,

Rebecca Annis