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**DECODING AN ENIGMA:  
THE IMPORTANT ROLE REST  
HOMES PLAY IN THE  
MASSACHUSETTS  
HEALTHCARE CONTINUUM**

# PRESENTATION OBJECTIVES

- Define Residential Care Home (Rest Home) , the care provided, their cost effectiveness and how they differ from Rest Home to Rest Home
- Identify the population Rest Homes serve
- Discuss the Agency, Regulatory and Financial Challenges the Industry faces and the impact
- Reference Rest home utilization and current collaboration with Massachusetts Health and Hospital Association (MHA), State Ombudsman Office and Department of Correction
- Provide Practical Insights including placement, best practices in securing an admission and ensuring a match between resident needs and Rest Home capabilities (staffing variation)
- Question and Answer Session

# REST HOME- AN OPERATIONAL DEFINITION



- **Definition:** Residential Care Facilities, licensed\* as Rest Homes in the Commonwealth, provide cost effective, individualized healthcare including medication management, address resident psych/social needs and provide room and board to an aged, infirm and at times indigent population. This suite of services is provided by licensed staff in a community- based setting. Rest Homes combine elements of a medical and housing model.
- *\*Note: 105 CMR 150.00 Standards for Long Term Care Facilities. Religious order homes do not require a license from DPH to operate. These homes must meet all local health and safety requirements.*

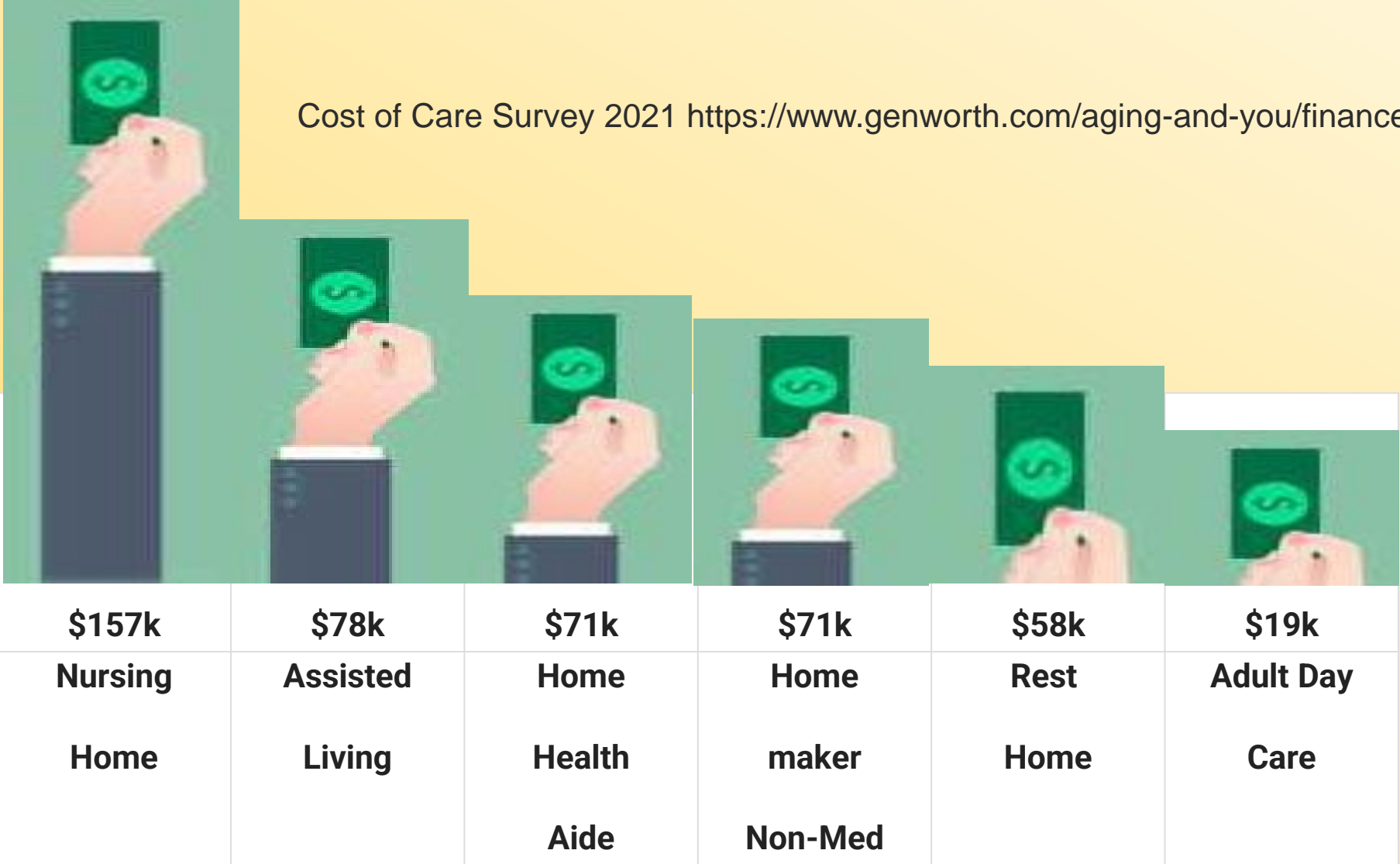
# CURRENT INDUSTRY PROFILE

- **Number of Homes:** 76 Rest Homes employing over 2,800 healthcare professionals. Homes located in 12 MA counties
- **Number of Residents:** Over 2,800 aged, infirm and indigent residents, many of whom were previously homeless
- **Daily Rates:** Average rate for Free Standing Homes = \$158.00
- **Funding Sources:** Department of Transitional Assistance w/EAEDC Program and SSA, SSDI, SSP and SSI resident contributions, private pay, VA A&A, & LTC insurance. Note: **No Federal Match, 100% state funded.**
- **MARCH:** Massachusetts Association of Residential Care Homes is the trade association for Rest Homes representing for profit, private, not for profit charitable homes, and religious order homes.
- [www.maresidentialcarehomes.org](http://www.maresidentialcarehomes.org)

Estimated Annual Cost (median rates as of 2021) At \$158.00/day or \$58k per year, Rest Homes are one of the most affordable LTC options.

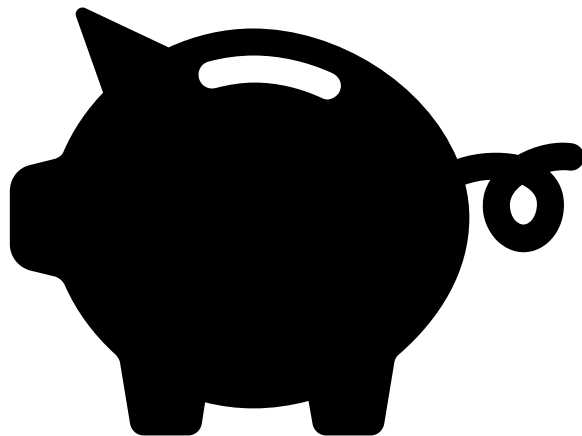
# REST HOMES, A COST-EFFECTIVE OPTION

Cost of Care Survey 2021 <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>



# REST HOME SERVICES PROVIDED FOR DAILY RATE

(AVERAGE RATE =\$158.00)



- Comprehensive medical oversight, medication management, address psycho/social needs;
- Provide nursing, pharmacy, dietary and social service consultation;
- **Licensed nursing coverage** has increased on average to 2.0 FTE's to care for those who are aging in place with multiple ADL needs. **Majority of homes have licensed RN/LPN staff.**
- 24-hour oversight for assistance, first aid and emergencies;
- Medication administration & maintenance of medical records;
- 3 meals and snacks each day;
- Personal care as needed;
- 5+day a week activity program; majority with daily
- Housekeeping and laundry services.

## REST HOME POPULATION BREAKDOWN

- 29% of residents have never had a visitor and come **from homeless backgrounds**
- 52% of the population require assistance with bathing
- 45% of the population required the assistance of a cane, walker or wheelchair
- 31% need assistance using the bathroom
- 80% live with some form of cognitive challenge
- 21% are diagnosed with Alzheimer's disease and early onset dementia
- 75% of the population is 65 or older with over 35% being 85+ years of age
- 8% of the population is between the ages of 22 and 54 which highlights the need for care and housing for an at-risk demographic
- **Rest Homes support an ever-growing aging in place population**

# STATE AGENCY AND REGULATORY CHALLENGES

- Rest Homes subjected to balkanized approach to Agency Management as Rest Homes required to interface with EOHHS, DPH, DTA, CHIA, MassHealth, Maximus (MassHealth contractor) DMH, UMass Medical, Elder Affairs, Ombudsman Program, Attorney General's Office.
  - Impact is lack of coordinated efforts , No one agency with oversight, no long- term strategy development and no formal response to Frail Elderly or 1115 waiver requests. Not a MassHealth provider but are required to comply as one.
- Rest Home Licensure regulations should be separated from SNF as there is confusion on applicability and interpretation
- Reimbursement regulations are outdated and are not well understood by owners, executive directors, and cost accountants Current regulations need to be updated, simplified and ample training provided to aid in understanding of how to best receive reimbursement based on costs
- Allowable costs vs denied costs is a critical analysis that MARCH has repeatedly requested but has not received.
- Amount of time for State to process cost reports is excessive as 2023 costs have already been submitted
- No Rest Home recommendations made at the NF Task Force have been enacted
- Recommend Clifton Larsen Allen or other independent entity be retained by Task Force to conduct comprehensive rate analyses and cost report audit



# RCC-Q

## A REGULATION WITH NO HISTORY OR DIRECT CONNECTION TO QUALITY OF CARE

- Regulation has been imposed on Rest Homes without approval or consent- see Public Comment
- Purported to be aligned with quality of care improvement but there is no history associated with this program in other states and DPH was not consulted where a rating system would have been a better avenue to pursue. Myriad of questions and concerns voiced to EOHHS about reporting criteria that went unheeded
- Issues with implementation associated with 80% compliance level compared to 75% compliance with SNF's. Private pay and Rest Home beds in SNF's were waived, items like energy costs, mortgage payments, debt ratios not factored. Poor training and roll out with no appeal rights. No Rest Home had or has now quality of care issues that warrant action.
- Present day 9 RH's received rate decreases that have created instability in these homes operations as they are functioning with less money than previous years but are expected to keep all quality standards. Homes involved are five (5) not for profit, two (2) religious order and two (2) for profit. NOT Realistic approach to improving quality.
- Administrator Cost/RP Costs (Rest of the Story) \$1.3M of \$1.5 M was result of Employee Retention Credits (ERC) from Federal monies that should not even been reported per RCC-Q. Of the \$1.5M \$900K was allocated to purchase Mill Pond Rest Home, preventing closure. Support from Senate President Spilka and Representative Lewis. \$600K allocate to purchase of Havenwood Rest Home. All homes have invested in staff retention and made capital improvements with no quality existing quality issues.
- Current regulatory changes are only designed to add more teeth into audit provisions looking to penalize homes- punitive rather than helpful measures to improve quality of care Rest Home industry wants RCC-Q to be eliminated as a punitive regulation.

# FINANCIAL CHALLENGES FACING THE INDUSTRY

- Public Assistance Rate is based on 2022 costs with greater than 95% population receiving public assistance. Rates trail actual costs by approximately \$17 per day/per bed.
- Retroactive payments place undue financial burdens on Rest Homes as energy costs, food costs state compliance keep rising. In 2004 rates were prospective with process being closer to actual costs.
- Ability to recruit and retain direct care professionals in a highly competitive environment
- DPH Licensure Surveys translate into Rest Homes required to address operational expenses and capital expenditures to remain in compliance
- Inability to secure low interest loans to address operating and capital improvement and address aging in place population staffing needs. Rest Homes viewed as a bad credit risk.
- Inability of future purchasers of Rest Homes to be reimbursed for their purchase price as opposed to being subject to reimbursement for the historically adjusted basis, is having a negative impact on the industry.

# REST HOME CLOSURES- THE HUMAN IMPACT



- Since 1998, 106 Rest Homes have closed (62%) primarily due to financial reasons resulting in over 4,000 long term residents losing their HOMES
- Residents subjected to trauma associated with involuntary transfer resulting in increased morbidity and mortality- "Stealing of Years"
- Over 35% of residents transferred to nursing facilities, some became homeless reverting to previous living arrangement
- Loss of jobs with the local economy impacted
- An important community- based resource lost

# REST HOME UTILIZATION AND REFERRAL PARTNERS

- Utilization numbers continue to climb close to 90% as homes have recovered from the impact of Covid restrictions and infectious disease control requirements
- MARCH working with Mass Health and Hospital Association as a referral source for Discharge Planners and Case Managers in helping find placement for the 2,000+ patients awaiting placements. Developed joint referral form that has aided in placement searches.
- MARCH working in collaboration with Marylouise Gamache, State Ombudsman and Case Management staff on difficult placements and Rest Home awareness programs.
- MARCH working with Department of Correction and Adult Criminal Committee for Public Counsel Services on Rest Home placements for incarcerated inmates
- Monthly census of available beds is provided to MHA and agencies to facilitate placement and increase utilization

# PRACTICAL INSIGHTS TO FINDING A REST HOME PLACEMENT

- Complete a clinical assessment that includes Activities of Daily Living (ADL) , Psycho-Social evaluations and COVID status. ADL's include bathing/grooming, dressing, eating, ambulation, and toilet hygiene, Critical piece in finding the best match in considering resident needs and Rest Home capabilities. Assessment form can be found on the MARCH website.
- Complete a PRELIMINARY financial review based on information you have- SSA/SSI benefits, MassHealth eligibility, DTA eligibility. Rest Home will complete a detailed financial review and complete application processes.
- Consult the MARCH website [www.maresidentialcarehomes.org](http://www.maresidentialcarehomes.org) to review geographic placement preferences and listing of homes with vacancies
- Contact homes to discuss placement opportunities and admission procedures Discuss the needs of the person, your clinical assessments and address why the person was incarcerated. Each Rest Home is different with multi-level SNF/RH providing greater range of care options.
- Where possible visit the Rest Home prior to placement
- Continue to follow-up with Rest Home during adjustment period

# PRACTICAL INSIGHTS CONTINUED

- General Guideline to follow in seeking placement

Based on the range of services provided that vary from Rest Home to Rest Home, referrals for patients who might otherwise be referred to assisted living or custodial level nursing facility care and individuals with medical and ADL issues who cannot safely return to living independently in the community have the best opportunity for admission. Active substance abuse, major psychotic diagnosis or behavioral issues and bariatric patients are challenges for most Rest Homes

- Rest Homes are an available resource to consider but not a panacea

MASSACHUSETTS		
	<b><u>COMPARISON OF 3 LEVELS OF CARE</u></b>	
<b><i>ASSISTED LIVING</i></b>	<b><i>RESIDENTIAL CARE (rest home)</i></b>	<b><i>SKILLED NURSING (nursing home)</i></b>
Regulated by MA Executive Office of Elder Affairs - Tenant Landlord Agreement	Licensed & Regulated by MA Department of Public Health	Licensed & Regulated by MA Department of Public Health
Provide up to 3 meals daily, social activities, & events	Provide 3 meals daily, snacks, social activities & events	Provide 3 meals daily, snacks, social activities & events
Housekeeping & laundry services (may require an extra fee)	Housekeeping & laundry included	Housekeeping & laundry included
Offer 24 hour security	24 hour supervision & security	24 hour skilled nursing, IV drugs, oxygen, injections, mechanical lift transfers
Onsite staff responds to emergencies call 911	Onsite staff respond to emergencies; gives first aid & calls 911 when appropriate	Onsite staff responds to emergencies; gives first aid & calls 911 when appropriate
May provide oversight of a resident's self-administration of medication (extra fee)	Administers medications; maintains medical record, takes MD orders; coordinates medical care needs incl. x-rays, lab, & other services on site	Administers medications; maintains medical record, takes MD orders; coordinates medical care needs incl. x-rays, lab, & other services on site
Supervision of bathing/dressing for a set number of hours. Additional hours by fee.	Provides assistance with ADL	Provides assistance with ADL to total care
Minor nursing services	RN or LPN available; medical director available for consultation	RN & LPN coverage 24/7; medical director available for consultation
Resident provides furniture	Encourage personal belongings; furniture provided if desired by resident	Furniture provided; may have special units for rehab, dementia etc.
Primarily private pay; limited Medicaid slots; VA A& A eligible	Mostly subsidized by Medicaid, SSI, long term care insurance, & private pay VA A&A eligible	Medicare, Medicaid, long term care insurance & private pay
<i>Reproduced with permission from M.A.R.C.H.</i>	Does Not Reflect New Assisted Living regulations at this time	

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Our Mission- MARCH ( Massachusetts Association of Residential Care Homes (MARCH) is the only organization solely representing Rest Homes and the Residential Care community. The mission of the organization is to encourage financial viability, support and advocacy and increased visibility and recognition of the cost -effective quality of care offered residents in a home-like setting within the long- term care continuum. MARCH Is a 501 (c) (6)



THANK YOU