Massachusetts Rest Home Task Force

Established by Section 27 of Chapter 197 of the Acts of 2024

Submitted:
April 1, 2025

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Task Force Overview

- The Rest Home Task Force was established in 2024 with the enactment of Section 27 of Chapter 197 of the Acts of 2024, *An Act to Improve Quality and Oversight of Long-term Care,* and was charged with evaluating the governance and regulatory structure of rest homes in the Commonwealth.
- The Task Force was chaired by Executive Office of Health and Human Services Undersecretary for Health, Kiame Mahaniah, acting as the designee of the Secretary of Health and Human Services, and was comprised of a diverse panel of lawmakers, public health professionals, industry stakeholders, rest home administrators, and experts in health care administration and finance (see full list in Appendix B).
- The Task Force met five times from January to March 2025 and was required to submit its recommendations to the Clerks of the House of Representatives and Senate and the House and Senate Committees on Ways and Means, not later than April 1, 2025.
- All meetings were subject to the Open Meeting Law and minutes were taken and approved for each meeting. Appendix C outlines the meetings and input provided, including the individuals who presented. All materials considered by the Task Force as well as minutes of the Task Force's meetings were posted on a publicly-available webpage: https://www.mass.gov/rest-home-task-force

Note: With the new federal administration and rapidly changing landscape for federal funding, it remains uncertain the extent to which policies and funding from the U.S. Department of Health and Human Services (HHS) and Centers for Medicare and Medicaid Services (CMS) will change and, if so, how those changes may impact rest home services.

Background – Key Definitions

- Rest Home: a residential care facility that provides 24-hour supervision and supportive services for aged, infirm, and at times indigent populations, who may have difficulty in caring for themselves, but do not routinely require nursing care. Rest homes provide housing, meals, activities, and arrange and coordinate medical services for individuals who need a supportive living arrangement. Rest homes are licensed by the Massachusetts Department of Public Health (DPH).
  - Some rest home beds, classified as "Level IV" beds, are located within skilled nursing facilities (SNFs), which are considered "multi-level" or "hybrid" facilities (see map and table on Slide 18).
  - Per 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.
- Nursing Facility: alternatively known as "skilled nursing facilities" (SNFs), nursing facilities are supportive living environments for aged or infirm residents that provides a wide range of health and personal care services. Services at nursing facilities focus more on medical care than most rest home or assisted living facilities, and may include rehabilitation services, such as physical, occupational, and speech therapy. Similar to rest homes, nursing facilities are licensed by DPH.
- Assisted Living Residence: private residences that offer housing, meals, and personal care services to aging adults who live independently. Assisted living residences (ALRs) are certified by the Executive Office of Aging & Independence (AGE) and are designed for adults who can live independently in a home-like environment but may need help with daily activities such as housekeeping, meal preparation, bathing, dressing, and/or medication assistance. ALRs do not provide medical or nursing services and are not designed for people who need serious medical care. Most assisted living residents pay fees privately, and the cost for each ALR can vary depending on the size, services, and location of the residence.

Background – Key Definitions (cont.)

- RCC-Q: the Resident Care Cost Quotient (RCC-Q) is a methodology for tracking spending across rest homes, including investments in direct care staff, infection control, and other resident care related expenditures that have a direct and meaningful impact on overall resident quality of life, health, and well-being. The RCC-Q serves as a mechanism to strengthen resident quality of care by holding rest homes financially accountable for managing their revenue and investing in resident care related costs, including direct care staffing.
  - To increase and incentivize greater expenditure in these areas, EOHHS required residential care facilities to begin reporting resident care expenditures and revenue in September 2023 for the purposes of calculating the RCC-Q.
  - EOHHS conducts audits of RCC-Q reports for five rest homes each year, selected based on their RCC-Q score (>80%), size of the facility (to represent a distribution across the industry), and whether the facility was audited in the prior year.
  - Please refer to the detailed overview included in the Rest Home Payment and Rate Overview presentation from the Task Force's 1/24/2025 meeting for additional information.
- DCC-Q: similar to the RCC-Q for rest homes, the Direct Care Cost Quotient (DCC-Q) is a methodology for tracking spending at nursing facilities, the key difference being that nursing facilities are not permitted to include the salaries for administrators, executive directors, and responsible parties (RPs) in their reporting as direct care staff.
  - Since October 2023, all nursing facilities participating in the Massachusetts Medicaid ("MassHealth") program are required to complete the DCC-Q, as part of a series of reforms to promote a higher standard of care and improved infection control.

Background – Oversight of Rest Home Quality / Resident Experience

EOHHS provides oversight of rest homes and ensures the quality of residents' experience through the following:

1. Long-Term Care (LTC) Ombudsperson Program – *rest home-specific activities*

- The LTC Ombudsperson acts as an advocate and independent mediator to resolve problems between residents and rest homes as they relate to the health, welfare, and rights of those they serve.
- Independently investigates any issues that are reported by residents, family members, or resident advocates, visiting facilities on a regular basis and allowing residents to voice their complaints and work toward resolutions with staff before issues can escalate.
- In 2024, the three largest categories of complaints included: 1) Residents' Autonomy, Choice, Rights; 2) Admissions, Transfers, Discharges, Evictions; and 3) Environment.

2. DPH Bureau of Health Care Safety and Quality (BHCSQ)

- The DPH BHCSQ conducts unannounced visits to all DPH-licensed facilities on a bi-annual basis, or ad-hoc when specific licensure complaints are raised. The BHCSQ team consults with the local LTC Ombudsperson prior to visits, as appropriate.
- Surveys are conducted by BHCSQ licensure surveyors who survey all types of licensed healthcare facilities. The full list of the relevant regulations are reviewed with administrators, including census, capacity, prior incident reports, any medical records, personnel files, vaccination reporting, and all policies and procedures.
- When onsite, surveyors ask whether any residents wish to speak with them, offering to converse with them privately out of earshot of staff. Surveyors also make efforts to seek out residents who may have submitted a complaint or been involved in a reported incident.

Background – Oversight of Rest Home Quality / Resident Experience (cont.)

3. DPH Complaint Unit

- The DPH Complaint Unit follows up on resident complaints and consults with the appropriate LTC Ombudsperson as part of its investigation/review. Complaints are sorted into two distinct categories: facility-reported incidents and resident complaints.

  1. Facility-reported incidents

     – Current regulations require that facility administrators notify the DPH Complaint Unit directly when certain incidents of a serious nature occur. These incidents may include allegations of abuse, falls with injury, elopements, death, criminal acts, resident rights, medication incidents, etc.

     – In 2024, DPH received 300 facility reports. None of these reports resulted in the facility being deemed in immediate jeopardy, but were instead indications of facility owners' adherence to their regulatory requirements and diligent oversight of their operations.

  2. Resident complaints

     – As with the LTC Ombudsperson Program, resident complaints may be submitted directly to the DPH Complaint Unit. These complaints are triaged by the DPH Complaint Unit and investigated.

     – Examples of resident complaints may include falls/injuries, elopements, resident rights, quality of care, environment, billing, etc.

     – In 2024, DPH received 115 resident complaint reports. In many cases, these reports were duplicative of self-reported incidents also reported by facilities.

Task Force's Findings by Charge

Task Force's Findings by Charge

Charge

- The Task Force was charged with evaluating the governance and regulatory structure of rest homes in the Commonwealth, including an examination of the following:
  - (i) the licensing, regulatory and reporting structure for rest homes;
  - (ii) an inventory of licensed rest homes and licensed rest home beds;
  - (iii) the location and service areas of existing rest homes;
  - (iv) a review of rest home closures since 2015;
  - (v) a review of the recommendations implemented from the Nursing Facility Task Force report issued pursuant to Section 91 of Chapter 41 of the Acts of 2019;
  - (vi) the feasibility of receiving federal reimbursement for rest home expenses; and
  - (vii) a review of the current rate structure for rest homes compared to the actual cost of care to residents.
- The Task Force was required to submit its findings, including any recommendations, or proposed legislation necessary to carry out its recommendations, to the Clerks of the House of Representatives and the Senate and to the House and Senate Committees on Ways and Means, not later than April 1, 2025.
- The full text of the legislation establishing the Task Force is available: Chapter 197, Section 27 of the Acts of 2024
- On the following slides are the Task Force's overall findings, as well as individual findings based on each aspect of the Task Force's charge.

Task Force's Findings by Charge

Overall Findings

- Over the course of its deliberations, the Task Force considered each aspect of its charge, dedicating specific meetings to discussing payment and rate structures, regulatory oversight of rest homes, past efforts at reform, as well as the real-world experiences of administrators of both small and large rest homes.
- From its earliest meetings, members noted that for various reasons, rest homes appear to be less well-understood than other residential services for the aging community, such as assisted living residences or skilled nursing facilities.
- Presentations and testimony provided to the Task Force during these meetings illustrated the variety of settings and types of services offered across the rest home industry, the complexities of the licensing and regulatory structure surrounding rest homes, and the desire of the industry for a renewed commitment to reform.
- What emerged in the Task Force's discussions was an appreciation for the critical role that these residences play in ensuring that aging populations across the Commonwealth have access to housing and supportive services in environments which foster dignity and respect.

Task Force's Findings – Charge (i)

Charge

i. Examine the licensing, regulatory and reporting structure for rest homes

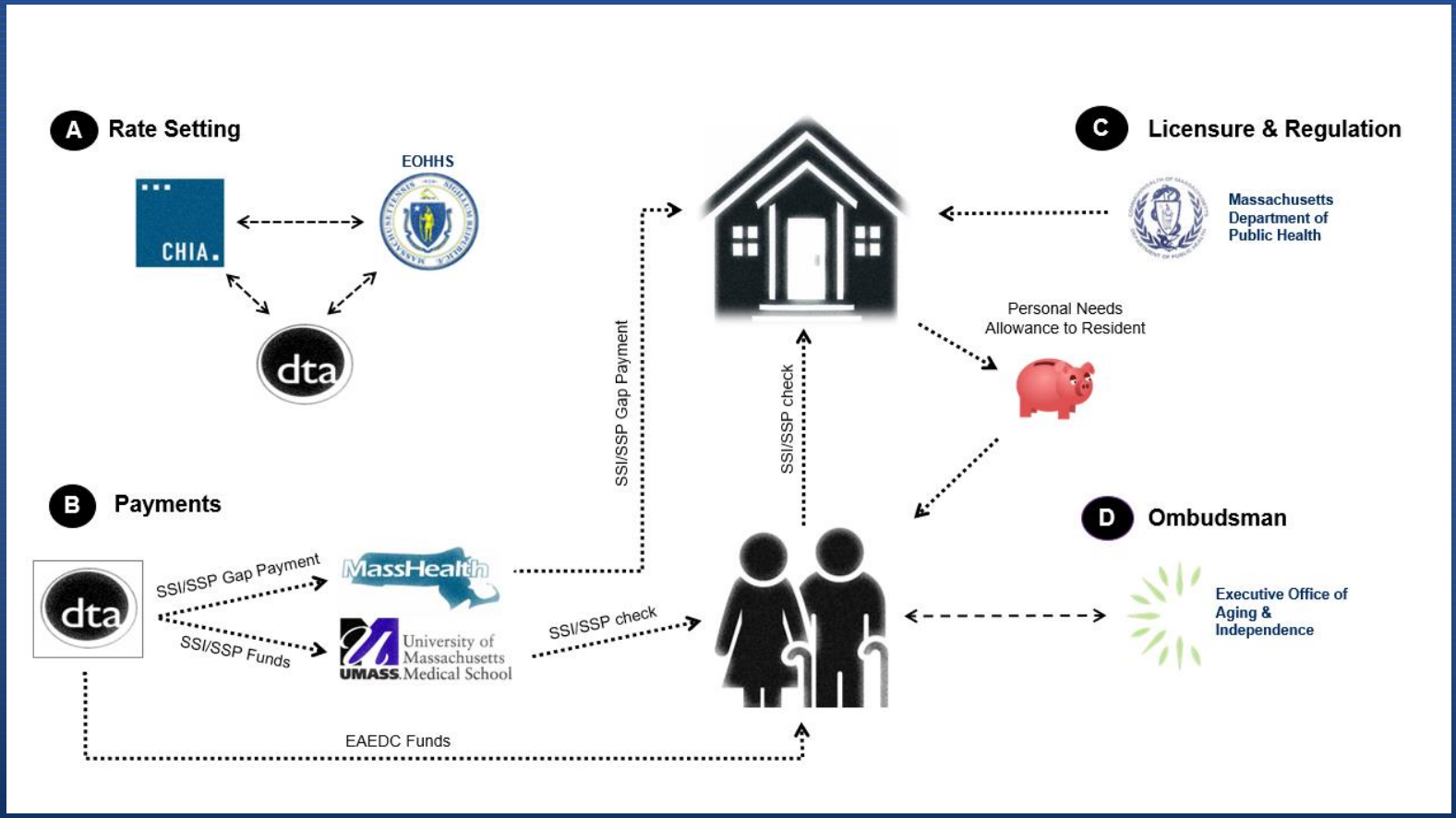
Findings

- Several state agencies support rate setting, payment, licensure and patient care responsibilities, including:
  1. The Center for Health Information and Analysis (CHIA) – Reviews cost reports and develops rate methodology options to present to EOHHS.
  2. MassHealth / Office of Long-Term Services and Supports (OLTSS) – Makes direct payments to rest homes with funds from DTA to make up the difference between the combined federal and state SSI/SSP benefits and the actual cost of rest home care.
  3. The Department of Transitional Assistance (DTA) – Serves as payer using State Supplemental Program (SSP) and Emergency Aid to Elderly, Disabled, and Children (EAEDC).
  4. The Department of Public Health (DPH) – Oversees licensing, regulates, inspects, and quality assurance (complaint unit and inspections) for rest homes.
  5. UMass Medical School – Oversees submission of SSI/SSP and RCC-Q data and administers the SSP payments under agreements with OLTSS and DTA.
  6. EOHHS Ombudsman Program – Works to resolve problems between residents and rest homes, as they relate to the health, welfare, and rights of those served.
- The following slides outline the licensing, regulatory and reporting structure for rest homes in more detail.

Task Force's Findings – Charge (i) (cont.)

Findings (cont.)

- Several state agencies support rate setting, payment, licensure and patient care responsibilities.



Task Force's Findings – Charge (i) (cont.)

Charge

i. Examine the licensing, regulatory and reporting structure for rest homes

Findings – Licensing

- DPH holds licensing authority over rest homes in the Commonwealth, requiring licensure renewal every two years.
- Initial licensure of rest homes and any renovations afterwards require completion of a Plan Review for Health Care Facilities. Plan Review includes the architectural review of the physical plant to determine compliance with Facility Guidelines Institute (FGI) guidelines.
- Initial licensure/Change of Ownership (CHOW) requires Health care facility initial licensure and change of ownership | Mass.gov as a LTC facility for the provision of Level IV services.
  - This includes an initial licensure application, suitability (the review of information to determine acceptable or right for ownership), and CORI checks, along with other application documentation such as local municipality approval, and a fee.
  - For a brand-new rest home, "Determination of Need" approval may also be required, which supports the development of innovative health delivery methods and population health strategies within the health care delivery system; and to ensure that resources will be made reasonably and equitably.
- For licensure renewals, DPH mails applications to facilities approximately 90 days prior to expiration, along with a letter detailing the required documentation for submitting the application.

Task Force's Findings – Charge (i) (cont.)

Charge

i. Examine the licensing, regulatory and reporting structure for rest homes

Findings – Regulatory and Reporting Structure

- The Bureau of Health Care Safety and Quality (BHCSQ) at DPH oversees regulatory requirements for the operation of rest homes (Level IV Long Term Care Facilities), outlined in the following standards:
  - 105 CMR 150.00: Standards for long-term care facilities | Mass.gov
  - 105 CMR 153.00: Licensure procedure and suitability requirements for long-term care facilities | Mass.gov
  - 105 CMR 155.00: Patient and resident abuse prevention, reporting, investigation, penalties and registry | Mass.gov
- The Health Care Facility Reporting System (HCFRS) is a web-based system overseen by BHCSQ that health care facilities must use to report incidents and allegations of abuse, neglect, and misappropriation.
- Complaints can be submitted via the Consumer/Resident/Patient Complaint Form available on the webpage of the Division of Health Care Facility Licensure and Certification Complaint Unit, which investigates each complaint.
- Massachusetts rest homes must also report annually aggregate Health Care Personnel COVID-19 and influenza data through the HCFRS: Health Care Personnel COVID & Influenza Vaccination References and Resources

Task Force's Findings – Charges (ii) & (iii)

Charge

ii. Examine an inventory of licensed rest homes and licensed rest home beds

iii. Examine the location and service areas of existing rest homes

Findings – Inventory of Rest Homes and Rest Home Beds

- There are currently 74 DPH-licensed rest homes operating in the Commonwealth:
  - 58 freestanding rest homes with a total of 2,002 beds *(see map and table on Slide 17)*.
  - 16 skilled nursing facilities (SNFs) have rest home (Level IV) beds and are known as multi-level or hybrid facilities, with a total of 624 Level IV beds *(see map and table on Slide 18)*.
- In addition, there are a handful of religious rest homes that are not licensed and tracked by DPH. Per 105 CMR 150.00 Standards for Long Term Care Facilities, religious order homes do not require a license from DPH to operate and are not included in the count. However, these homes must meet all local health and safety requirements.
- Of the 58 freestanding rest homes referenced above, 31 are private/for-profit, 21 are non-profit. The financial status of the remaining 6 rest homes is not tracked by DPH, as these facilities do not admit public residents and are therefore not required to submit annual cost reports.

Task Force's Findings – Charges (ii) & (iii) (cont.)

Charge

ii. Examine an inventory of licensed rest homes and licensed rest home beds

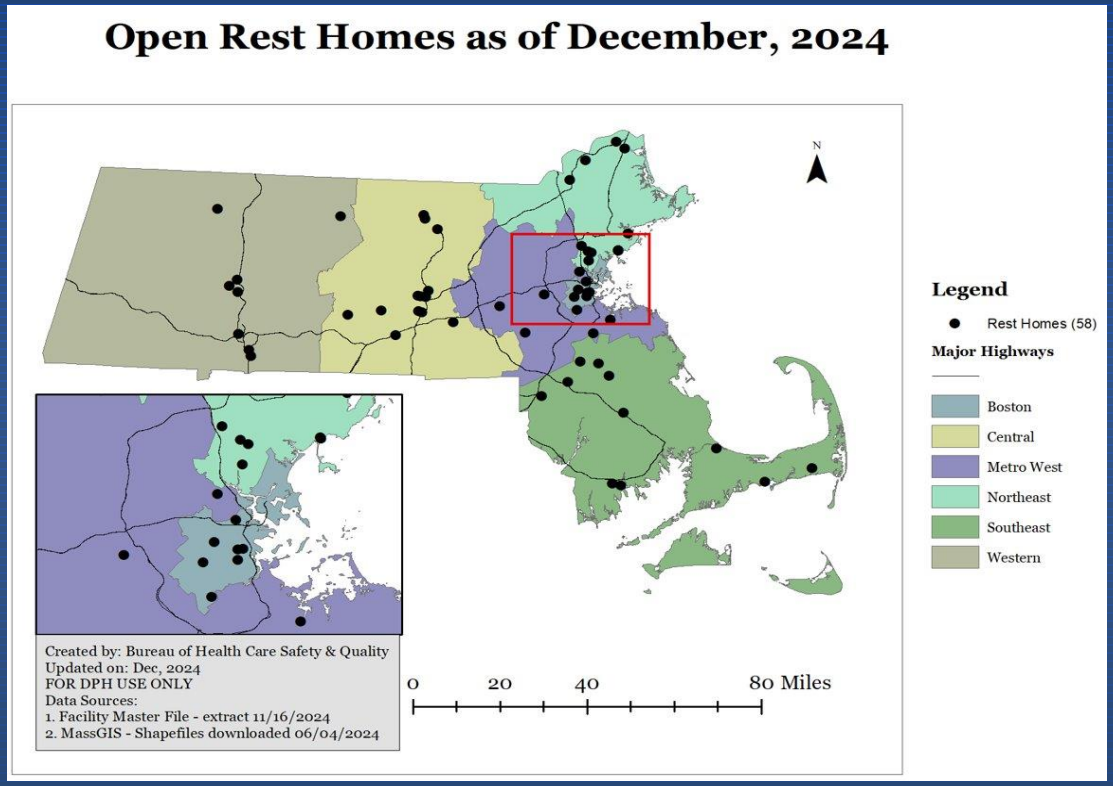
iii. Examine the location and service areas of existing rest homes

Findings – Service Areas

- Typically, the term "service area," when used in the context of the health care system, is defined by the home address of a patient for a given health care facility or service or based on the hospital location where a patient is treated. By definition, a rest home is the home address for its residents, therefore, this definition cannot be applied to patients or residents occupying a rest home. DPH does not have or collect home addresses for residents prior to their admission to a rest home. Moreover, selection of a rest home location may be influenced by the home address of family members rather than the prior address of the resident.
- For the purposes of this report, DPH has applied the six EOHHS regional definitions as a proxy for "service areas" of existing rest homes: Boston, Central, Metro West, Northeast, Southeast, and Western Massachusetts *(see map and table on the following slide)*.

Task Force's Findings – Charges (ii) & (iii) (cont.)

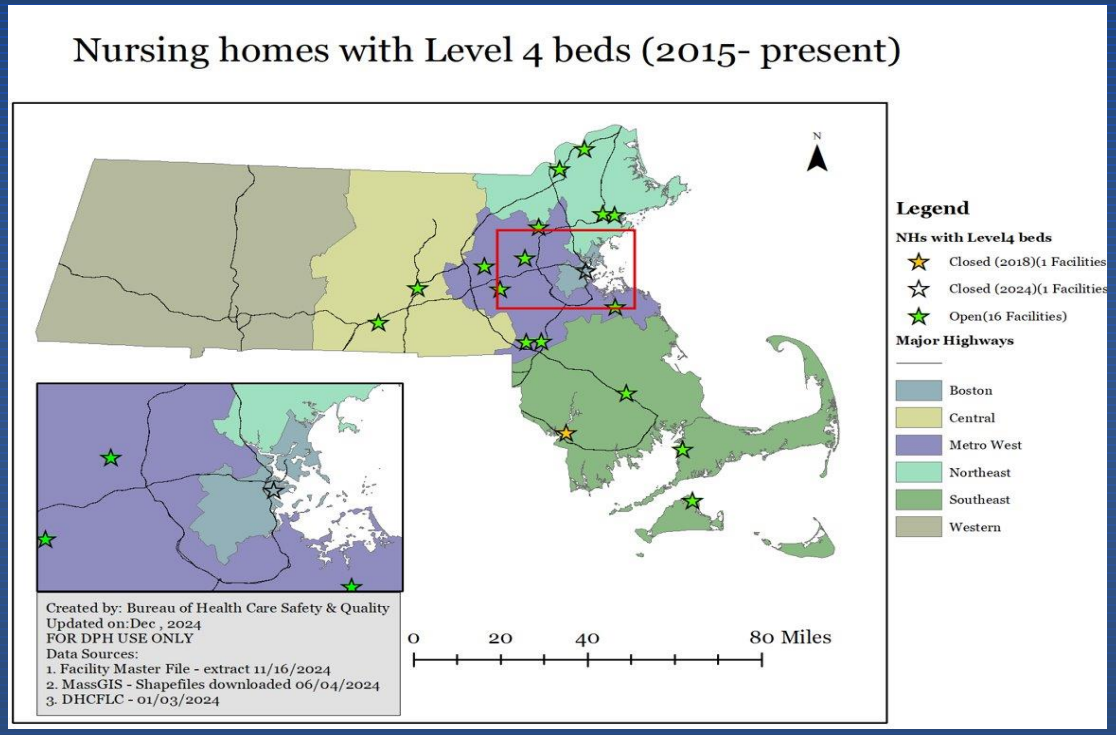
EOHHS Region	Free-standing RHs	Total Beds
Boston	7	248
Central	14	530
Metro West	7	278
Northeast	11	287
Southeast	11	320
Western	8	339
Total	**58**	**2,002**



Please refer to the Bureau of Health Care Safety & Quality Data Summary presentation from the Task Force's 1/10/2025 meeting for additional information.

Task Force's Findings – Charges (ii) & (iii) (cont.)

EOHHS Region	SNFs with Level IV beds	Total Beds
Boston	0	0
Central	2	85
Metro West	7	282
Northeast	4	185
Southeast	3	72
Western	0	0
Total	**16**	**624**



Please refer to the Bureau of Health Care Safety & Quality Data Summary presentation from the Task Force's 1/10/2025 meeting for additional information.

Task Force's Findings – Charge (iv)

Charge

iv. Review rest home closures since 2015

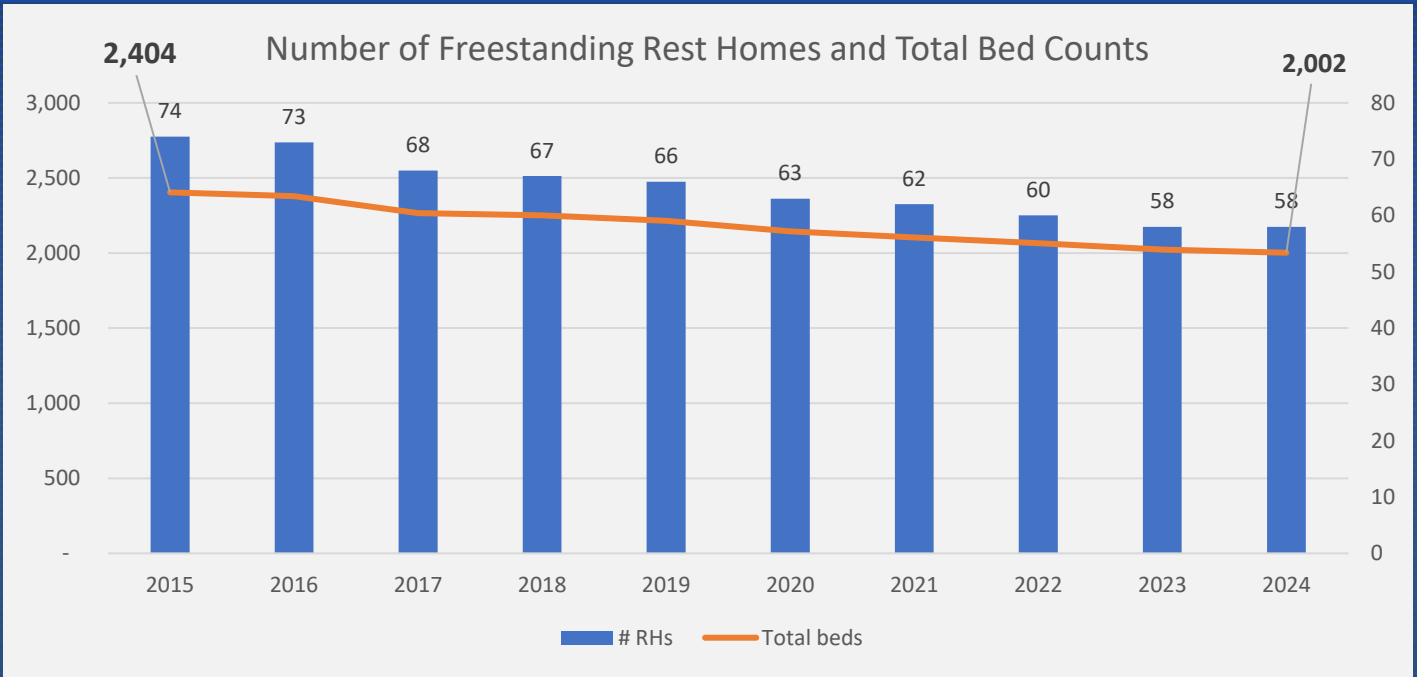
Findings

- Since 2015, a total of 16 of 74 (22%) DPH-licensed rest homes operating in the Commonwealth have closed. Of these 16 facilities, 11 closed between 2015-2019 and 5 closed between 2020-2022. No rest home closures were observed in 2023 or 2024.
- Closures of these facilities resulted in a 17% reduction in beds from 2,404 beds in 2015 to 2,002 beds in 2024 (last available data).
- The Task Force discussed that while outside the scope of their specific charge, the period from 1998 to 2015 saw a larger number of facility closures.
- Testimony provided to the Task Force during its meetings touched on some of the reasons why facilities such as rest homes close, which include financial challenges and the retirement or passing of the owner or administrator of a private/for-profit rest home.

Region	RH Closures (since 2015)	Total Beds
Central	5	112
Metro West	6	145
Northeast	3	93
Southeast	2	52
TOTAL	**16**	**402**

Please refer to the Bureau of Health Care Safety & Quality Data Summary presentation from the Task Force's 1/10/2025 meeting for additional information.

Task Force's Findings – Charge (iv) (cont.)



Please refer to the Bureau of Health Care Safety & Quality Data Summary presentation from the Task Force's 1/10/2025 meeting for additional information.

Task Force's Findings – Charge (v)

Charge

v. Review the recommendations implemented from the Nursing Facility Task Force report issued pursuant to Section 91 of Chapter 41 of the Acts of 2019

Findings

- The Nursing Facility Task Force was established through the Acts of 2019 and convened six times from September 2019 through January 2020, charged with evaluating ways to ensure the financial stability of skilled nursing facilities, considering the role of skilled nursing facilities within the continuum of elder care services, and addressing current workforce challenges.
- While there was some discussion of rest homes, the majority of the Nursing Facility Task Force's work focused on the nursing facility industry.
- Through its deliberations, the Task Force reached consensus on 19 "points of agreement," summarized in the group's final report submitted to the Legislature on 1/31/2020. As referenced by the MARCH representative during the Rest Home Task Force's deliberations, during the 1/10/2020 meeting of the Nursing Facility Task Force, MARCH proposed a number of recommendations related to rest homes that were not ultimately adopted.
- These 19 points of agreement were distilled by the Nursing Facility Task Force into four "policy goals," each with their own "policy proposals" *(see following slides for additional details)*.
- The full Nursing Facility Task Force report is available at: https://www.mass.gov/doc/nursing-facility-task-force-final-report/download

Task Force's Findings – Charge (v) (cont.)

Policy Area 1: Right size the Nursing Home industry in response to current and future demand	
Recommendation	**Status/Notes**
Establish incentives for high occupancy and high quality facilities that result in the closure or repurposing of chronically low occupancy and low quality nursing facilities	Not applicable
Provide DPH with more explicit statutory authority to revoke the licenses of chronic underperformers in quality and occupancy	Not applicable
Establish clear standards for defining "chronic underperformers" and "occupancy"	Not applicable
Establish comprehensive projection of future demand across the long term care continuum as well as the estimated costs associated with this demand	Not applicable
Rate investments should support structural change rather than funding broad based rate increases alone	Not applicable
Support and facilitate structural changes to the nursing and rest homes industry that promote sustainability across the long term care continuum, through initiatives including: • Low-interest, capital programs to incentivize conversions or colocation of other services • Voluntary reconfiguration program • Technical assistance for NFs interested in conversion or closure • Development of affordable assisted living	Not applicable
Build on age-friendly efforts within cities and towns and improve the availability of affordable, supportive housing for older adults	Not applicable
Support the workforce impacted by nursing facility closures and reconfiguration to ensure appropriate employment transitions	Not applicable

Task Force's Findings – Charge (v) (cont.)

Policy Area 2: Establish a Reasonable and Sustainable Rate Structure for Nursing Homes and Rest Homes	
Recommendation:	**Status/Notes**
Establish one integrated rate structure based on building blocks of a sensible, sustainable rate structure. This includes: • Eliminating the MMQ and basing reimbursement on the MDS assessment • Incentives for higher occupancy and facilities with a high percentage of Medicaid residents • A rate structure and payments linked to quality achievement and improvement • Support for geographically isolated areas	Not applicable – focused on nursing facilities – see below.
Review rest home rate structure and how best to apply these principles to rest home rates	• Rest home rates cannot be tied to resident acuity or complexity because these facilities do not complete MDS assessments. • Incentives for high occupancy rest homes have not been implemented, as this would require the submission of occupancy data to EOHHS. • This incentive is provided for facilities with a high percentage of public (MassHealth) residents through the DTA & EAEDC Add-on. • Rates linked to quality have not been implemented since rest homes do not report any quality measures to the state. • Incentives for rest homes in geographically isolated areas have not been introduced, as the majority of rest homes are located in urban areas.
Update base year costs regularly so that rates are reflective of actual costs	• EOHHS annually rebases rest home rates, applying a reasonable inflation adjustment to reflect current costs. • Updating rates based on the 2022 cost report data and adjusting them for inflation from 2022 to now—without further modifications—would lower rates for 51 of 52 rest homes, resulting in savings of $15 million.

Task Force's Findings – Charge (v) (cont.)

Policy Area 2: Establish a Reasonable and Sustainable Rate Structure for Nursing Homes and Rest Homes	
Recommendation:	**Status/Notes**
Structure rates to incentivize higher occupancy while maintaining quality, to invest in staff and not empty beds	EOHHS has implemented a downward rate adjustment for SNFs with low occupancy; however, this approach has not been applied to rest homes due to lack of occupancy data. The only consistently collected data comes from the RCC-Q requirements, which monitor expenditures on staff and essential supplies—key indicators of quality care.
Increase compliance of the user fee assessment through additional payment and licensing enforcement tools	Not applicable
Ensure capital component of the rate reflects ability of providers to invest in capital projects and improvements	Some rest homes do require capital improvements. In FY23 and FY24, $30 million was distributed in supplemental lump-sum payments.

Policy Area 3: Promote High Quality Care in Nursing Home and Rest Homes	
Recommendation:	**Status/Notes**
Strengthen and or expand targeted quality programs such as the DPH Supportive Planning and Operations Team (SPOT) program	Not applicable
Enhance quality resident care by sharing best practices with the nursing facilities and rest homes industries to address identified resident and safety concerns	During COVID, DPH did provide technical assistance on infection control to facilities.
Promote and incorporate the resident and family experience by implementing a resident quality of life and family experience survey into quality metrics	There are currently no quality metrics for rest homes.
Strengthen and streamline suitability review standards for nursing homes and rest homes	To date, the suitability review standards have not changed. However, the 2024 LTC Bill granted DPH additional authority to enhance these standards.

Task Force's Findings – Charge (v) (cont.)

Policy Area 3: Promote High Quality Care in Nursing Home and Rest Homes	
Recommendation:	**Status/Notes**
Incorporate resident and family survey results as a measured component when determining quality incentives	There are currently no quality metrics for rest homes.
Mitigate the negative impact of involuntary transfers when a home is closed by developing a resident, family, and staff transition support program in addition to current communication standards	The rate of closures has slowed / stopped in recent years but when a facility closed in the past, MassHealth did help with transitions.
Prioritize the DPH Nursing Home Survey Performance Tool over the CMS Nursing Home Compare 5-Star Quality Rating Tool as a measure of quality	Not applicable
Quality measures should be considered over time; nursing facilities should have opportunities to implement quality performance improvement projects over a period of three years and/or survey cycles	Not applicable

Policy Area 4: Ensure a Sustainable Workforce Serving the Care Needs of Individuals Across the Long-Term Care Continuum	
Recommendation:	**Status/Notes**
Strengthen the quality of resident care by requiring that a certain percentage of facility expenditures are directed towards staff wages and other direct care costs	Developed DCC-Q for Nursing Facilities and RCC-Q for Rest Homes in response to this recommendation.
Provide adequate wages to recruit, train and retain direct care staff across the continuum	DCC-Q and RCC-Q requirements were put in place to encourage SNFs and rest homes to spend additional funding on direct care staff.
Support and provide resources to increase recruitment and retention initiatives, including: ▪ Career ladder grants ▪ Loan/tuition forgiveness programs ▪ Increased availability of affordable classes and training opportunities	MassReconnect, Community College Nursing Scholarship, and MassEducate programs cover community college tuition for individuals who may be part of the Rest Home workforce.

Task Force's Findings – Charge (v) (cont.)

Policy Area 4: Ensure a Sustainable Workforce Serving the Care Needs of Individuals Across the Long-Term Care Continuum	
Recommendation:	**Status/Notes**
Evaluate and identify opportunities to improve the CNA certification process such as reducing delays in certification	There is no longer a waitlist for CNA testing due to the presence of a new vendor. CNA tests have been translated into 3 languages (Spanish, Haitian Creole, and Chinese). Testing fees waived for 1st time test takers (ends 6/30/25).
Examine the utilization rate and impact of per diem wages on direct care staff	This has not been implemented.
Establish best practices relative to workforce and workplace standards that promote high quality, safe patient care	This has not been implemented.
Improve HPC/CHIA reporting from the nursing home industry on employers' ongoing efforts that demonstrate planning and investment in worker readiness such as education and best practice training	Not applicable

Task Force's Findings – Charge (vi)

Charge

vi. Examine the feasibility of receiving federal reimbursement for rest home expenses

Findings

- With the new federal administration and rapidly changing landscape for federal funding, it remains uncertain the extent to which policies and funding from the U.S. Department of Health and Human Services (HHS) and Centers for Medicare and Medicaid Services (CMS) will change and, if so, how those changes may impact rest home services.
- Rest home services are currently ineligible for federal reimbursement through Federal Medical Assistance Percentage (FMAP), as they are not included in the list of Medicaid services approved by CMS.
- Public rest home residents often have MassHealth coverage, but they are not required to be on MassHealth to access rest home services. However, some residents with MassHealth coverage, such as those on MassHealth Standard, may qualify for certain Long-Term Services and Supports (LTSS) services. Many residents already receive LTSS services, including Adult Day Health (ADH), Day Habilitation, and Home Health, for which MassHealth receives federal matching funds.
- Given that rest homes are institutional settings, under the current CMS rules, obtaining a waiver to cover certain services provided by rest homes would be challenging. Furthermore, even if CMS were to approve such a waiver, rest homes would then be subject to specific Medicaid requirements for service provision. Additionally, all residents receiving these services would need to be MassHealth members.

Task Force's Findings – Charge (vii)

Charge

vii. Review the current rate structure for rest homes compared to the actual cost of care to residents

Findings

- Several state agencies support rate setting and payments: EOHHS, CHIA, and DTA evaluate costs, revenues and budget constraints yearly to determine rates. These rates are required to be promulgated annually.
- The following information is compiled and analyzed to determine rest home rates:

Cost Reports	• Submitted to CHIA annually by rest homes (due by June). • Analysis typically completed by CHIA in a 6-8 month timeframe. • Required data includes assets, liabilities, revenues, expenses, bed counts, resident days, and mortgage/loan information.
Resident Care Cost Quotient (RCC-Q) Filings	• Submitted twice a year to EOHHS by rest homes (due on March 1st and September 1st). • Required data includes resident care expenses on direct care staff and revenues.
Budget Appropriation	• Additional funding earmarked by the Legislature.

- Please refer to the detailed overview included in the Rest Home Payment and Rate Overview presentation from the Task Force's 1/24/2025 meeting for additional information.

Task Force's Recommendations

Task Force's Recommendations

Recommendations:

- Based on the information, resources, and testimony presented to the Task Force, a set of long-term strategies were developed that fall under the following five broad categories:
  1. Update regulatory requirements to ensure standard expectations of care and distribution of funding across rest homes.
  2. Enhance financial reporting requirements to increase transparency and best identify impacts of costs on rest homes.
  3. Increases in data collection to improve access to data related to quality of care, patient demographics, and geographic trends in occupancy.
  4. Increase engagement among regulatory and industry stakeholders.
  5. Increase rest home industry's access to capital funding.

- Under each category, various proposals were developed, prioritizing both the long-term sustainability of the rest home industry and the current realities of the federal landscape and specifically the priorities of the incoming federal administration.
- Members discussed the draft proposals during the 2/28/2025 and 3/14/2025 Task Force meetings.

Task Force's Recommendations (cont.)

I	**Update regulatory requirements to ensure standard expectations of care and distribution of funding across rest homes**
A	Collaborate with the rest home industry to review and propose updates to the rest home regulations to both streamline and modernize the current regulations for licensed rest homes and ensure high quality of care for rest home residents, including exploring establishing reasonable staffing requirements for rest homes. i. As part of considerations of staffing requirements, conduct an analysis of current staffing levels, standards of care. Components would include staffing levels, turnover rates and impact on quality of care. ii. Explore feasibility of client related quality measures such as survey responses on care, environment and experience, family communication (especially where they go when a rest home is closed) and autonomy of clients.
B	Conduct an analysis to report on the viability of receiving federal approval to receive Federal Medical Assistance Percentages (FMAP) for rest home services and identify any necessary changes to current law or regulatory requirements that would facilitate rest homes being eligible for FMAP.

Task Force's Recommendations (cont.)

I	**Update regulatory requirements to ensure standard expectations of care and distribution of funding across rest homes**
C	In the instance where additional funding is allocated to rest homes, consider the following rate adjustments: • Lower the occupancy standard from 90% and increase the cap on variable costs from 85% • Use alternative inflation forecasting data (e.g., Massachusetts CPI) for updating rates • Adjust the methodology for determining capital rates • Combine the two existing add-ons, the DTA/EAEDC and Resident Care add-ons, into a single DTA add-on, structured to benefit rest homes that have a larger percentage of residents receiving DTA benefits. • Provide staffing add-ons for rest homes with higher use of nursing staff, reflecting higher acuity needs of residents.
D	Increase the Personal Needs Allowance (PNA) for rest home residents that receive public subsidy, to enhance the dignity of residents and address the current PNA of $72.80.

Task Force's Recommendations (cont.)

2	**Enhance financial reporting requirements to increase transparency and best identify impacts of costs on rest homes**
A	Strengthen cost report data submissions by requiring rest homes to submit financial statements with cost reports and identifying any existing redundancies relative to reporting requirements in an effort to streamline those requirements.
B	Update the RCC-Q report submission process, allowing rest homes to petition EOHHS for a temporary "waiver" if a rest home was below the RCC-Q threshold because the costs incurred by the rest home to make physical plant improvements were more than 10% of the rest home's annual revenue in the reporting year.
C	Ensure transparency and accountability in the RCC-Q submissions by annually publishing the RCC-Q scores on the EOHHS website, in the manner it is currently done for the DCC-Q scores for nursing facilities.

Task Force's Recommendations (cont.)

3	**Increase data collection to improve access to data related to quality of care, patient demographics and geographic trends in occupancy**
A	Monitor the Commonwealth's needs for rest home services in all geographic areas by collecting staffing and occupancy data from rest homes on a regular basis in a manner which does not impose significant administrative burden on rest homes. i. Explore the feasibility of conducting a detailed analysis of geographic disparities in rest home services and occupancy rates with the goal of developing strategies to address these disparities.
B	Improve hospitals and other providers' awareness of rest homes by publishing a dedicated page containing information about rest home services, an interactive map of rest homes, and their contact information.

Task Force's Recommendations (cont.)

4	Increase engagement among regulatory and industry stakeholders
A	DPH holds annual meetings with rest home providers to share important information, including common survey findings and best practices, and to engage in Q&A with providers, with the aim of improving care for rest home residents.
B	Establish an internal EOHHS working group to explore the topics raised during the deliberations of the Rest Home Task Force, with regular engagement from the rest home industry.
C	EOHHS, DTA, DPH and MassHealth meet with the Joint Committee on Aging and Independence on a quarterly basis to discuss the implementation of recommendations included in the Rest Home Task Force report.

Task Force's Recommendations (cont.)

5	**Increase rest home industry's access to capital funding**
A	Spend the $10 million for capital projects at rest homes authorized by the Legislature in the 2024 Economic Development Bill (Chapter 238, Acts of 2024, An Act Relative to Strengthening Massachusetts' Economic Leadership). See note below.

Note: Task Force members discussed the need for additional capital funding for the rest home industry. However, for a capital earmark in a bond bill to be funded, it must be included in the Governor's annual capital investment plan (CIP), published in the spring each year. The Administration is aware of the authorization and will consider this program in the context of all other funding requests received, all capital needs across the Commonwealth, the amount of capital spending that the Commonwealth can prudently afford, and whether the request is eligible for tax-exempt bond financing per federal tax law.

Task Force's Recommendations (cont.)

Recommendations on Which the Task Force Was Unable to Reach Clear Agreement

- Establish a requirement for a 5-year Strategic Plan outlining agency and industry roles, timelines, as well as anticipated outcomes, to serve as a framework for this collaboration and allow the incorporation of any recommendations that may come from the other groups, such as the Viability and Sustainability of Long-Term Care Facilities Task Force, as well as the Senior Housing Commission.
- Change the use and methodology of the RCC-Q, including:
  - Align the current RCC-Q requirements for rest homes with the DCC-Q requirements for nursing facilities by lowering the RCC-Q threshold to 75% and prorating the self-reported costs related to the rest homes ED/CEO/owner(s) and staff not providing direct care services.
  - Eliminate the RCC-Q, establishing an alternative rating system focused on quality-of-care.
  - Allow Administrator and Responsible Person Cost
  - Conduct an independent analysis of the relevant allowable costs, goals, criteria and outcomes of the RCC-Q, and the impact of including private revenue and revenue from endowments.
- Conduct an independent analysis of rate adequacy and cost reporting that would inform any regulatory revision related to costs associated with minimum staffing levels and recommend any new or updated financial reporting requirements.

Task Force's Recommendations (cont.)

Recommendations on Which the Task Force Was Unable to Reach Clear Agreement (cont.)

- Address the capital needs of rest homes across the state through a number of possible mechanisms:
  - Conduct a capital needs assessment for all facilities;
  - Ensure that rest homes with Level IV Nursing Homes are eligible for funds from the Long-Term Care Workforce and Capital Fund in the 2024 Long Term Care bill (Chapter 197 of the Acts of 2024, An Act to Improve Quality And Oversight of Long-term Care);
  - Explore whether supportive housing funds in the 2024 Economic Development bond bill (Chapter 238, Acts of 2024, An Act Relative to Strengthening Massachusetts' Economic Leadership) could be used for rest homes; and
- Amend the construction standards for rest homes to allow rest homes to be renovated in accordance with residential building codes similar to those allowed for Assisted Living Residences. Current regulations require rest homes to comply with health care facility regulations, subject to plan review at DPH, and Determination of Need requirements. All of these requirements make it extremely challenging and costly to renovate and update rest homes.
- Explore whether DPH regulations and licensing applications could include questions regarding previous ownership of rest homes (as part of suitability criteria).

Appendices

Appendix A – Legislative Mandate

Full text of the legislation: https://malegislature.gov/Laws/SessionLaws/Acts/2024/Chapter197

Chapter 197, Section 27 of the Acts of 2024

(a) There shall be a task force to evaluate the governance and regulatory structure of rest homes in the commonwealth. The task force shall include, but shall not be limited to, an examination of the following: (i) the licensing, regulatory and reporting structure for rest homes; (ii) an inventory of licensed rest homes and licensed rest home beds; (iii) the location and service areas of existing rest homes; (iv) a review of rest home closures since 2015; (v) a review of the recommendations implemented from the nursing facility task force report issued pursuant to section 91 of chapter 41 of the acts of 2019; (vi) the feasibility of receiving federal reimbursement for rest home expenses; and (vii) a review of the current rate structure for rest homes compared to the actual cost of care to residents.

(b) The task force shall consist of the secretary of health and human services, or their designee, who shall serve as chair; the secretary of elder affairs, or their designee; the commissioner of public health, or their designee; the assistant secretary for MassHealth, or their designee; the commissioner of the department of mental health, or their designee; the commissioner of the department of transitional assistance, or their designee; the chairs of the joint committee on elder affairs, or their designees; 1 person to be appointed by the minority leader of the house of representatives; 1 person to be appointed by the minority leader of the senate; and 5 members to be appointed by the governor, 1 of whom shall be a representative from the Massachusetts Association of Residential Care Homes, Inc., 1 of whom shall be a representative of LeadingAge Massachusetts, Inc., 1 of whom shall be a representative of Massachusetts Senior Action Council, Inc., 1 of whom shall have direct care giver experience and 1 of whom shall have experience in health care administration and finance.

(c) The task force shall submit a report of its findings, including any recommendations or proposed legislation necessary to carry out its recommendations, to the clerks of the house of representatives and the senate and to the house and senate committees on ways and means, not later than April 1, 2025.

Appendix B – List of Task Force Members

Name / Affiliation	Task Force Seat
Kiame Mahaniah Executive Office of Health and Human Services *(chair)*	Designee of the Secretary of Health and Human Services *(who shall serve as chair)*
Judy Bernice Bureau of Health Care Safety and Quality, Department of Public Health (DPH)	Designee of the DPH Commissioner
Scune Carrington Private practitioner, BennuCare	Appointee of the Governor, representative with direct care giver experience
Kim Clougherty Department of Mental Health (DMH)	DMH Commissioner or their designee
Emily Cooper Executive Office of Aging & Independence (AGE)	AGE Secretary or their designee
Tracey Cravedi Hale House	Appointee of the Governor, representative of LeadingAge Massachusetts, Inc.

Appendix B – List of Task Force Members (cont.)

Name / Affiliation	Task Force Seat
Moses Dixon Senior Connection	Appointee of the Governor, representative with experience in health care administration and finance
Pamela Edwards Massachusetts Senior Action Council	Appointee of the Governor, representative of Massachusetts Senior Action Council
Patricia Jehlen Massachusetts Senate, Joint Committee on Aging and Independence	Co-chair of the Joint Committee on Aging and Independence or their designee
Mathew Muratore Former Member of the House of Representatives	Appointee of the Minority Leader of the House of Representatives
Megan Nicholls Department of Transitional Assistance (DTA)	Designee of the DTA Commissioner
Patrick O'Connor Massachusetts Senate	Appointee of the Minority Leader of the Senate

Appendix B – List of Task Force Members (cont.)

Name / Affiliation	Task Force Seat
Ron Pawelski Massachusetts Association of Residential Care Homes (MARCH)	Appointee of the Governor, representative from MARCH
Thomas Stanley Massachusetts House of Representatives, Joint Committee on Aging and Independence	Co-chair of the Joint Committee on Aging and Independence or their designee
Pavel Terpelets Office of Long-Term Services and Supports (OLTSS), MassHealth	Designee of the Assistant Secretary for MassHealth

Appendix C – Summary of Meetings and Input Provided to the Task Force

Presenters	Topics Discussed	Resources and Supporting Documents
January 10, 2025		
Kiame Mahaniah *(chair)* Undersecretary for Health Designee of the Executive Office of Health and Human Services Secretary	Discussion of the Task Force's charge and proposed meeting schedule	**Task Force Presentation**
Lauren Cleary Associate General Counsel Executive Office of Health and Human Services	Overview of the Open Meeting Law (OML)	**OML Guide**
David Giannotti Public Education and Communications Division Chief, State Ethics Commission	Overview of members' Ethics and Conflict of Interest requirements	**Ethics and Conflict of Interest Overview**
Judy Bernice Licensure Unit Manager Bureau of Health Care Safety and Quality, DPH **Kate Saunders** Director, Division of Quality Improvement Bureau of Health Care Safety and Quality, DPH	Overview of rest home licensing, reporting structures, and existing data collected for DPH-licensed rest homes in the Commonwealth	**Bureau of Health Care Safety & Quality Data Summary**

Appendix C – Summary of Meetings and Input Provided to the Task Force (cont.)

Presenters	Topics Discussed	Resources and Supporting Documents
January 10, 2025 (cont.)		
Ron Pawelski President, Massachusetts Association of Residential Care Homes (MARCH)	Expectations for the Task Force's work	**MARCH Statement**
January 24, 2025		
Pavel Terpelets Director of Institutional Programs Office of Long Term Services and Supports (OLTSS), MassHealth	Overview of the rate structure and payment mechanisms for rest home in the Commonwealth	**Rest Home Payment & Rate Overview**

Appendix C – Summary of Meetings and Input Provided to the Task Force (cont.)

Presenters	Topics Discussed	Resources and Supporting Documents
February 7, 2025		
Ron Pawelski President, MARCH	Overview of the role of rest homes in Massachusetts, including the financial and regulatory challenges their industry faces	**MARCH Presentation**
Condase Weekes-Best Owner and operator, Wellspring Homecare, Ann's Rest Home and Burgoyne's Rest Home	Overview of Ms. Weekes-Best's experience as an owner and administrator of two small rest homes	**Condase Weekes-Best Presentation**
Pavel Terpelets Director of Institutional Programs OLTSS, MassHealth	Summary of the recommendations from the Nursing Facility Task Force	**Nursing Facility Task Force Recommendations**

Appendix C – Summary of Meetings and Input Provided to the Task Force (cont.)

Presenters	Topics Discussed	Resources and Supporting Documents
February 28, 2025		
Micha Shalev Owner, Dodge Park	Overview of Mr. Shalev's experience as an owner and administrator of a large rest home	**Micha Shalev Presentation**
Dayva Briand Deputy Director, OLTSS, MassHealth	Discussion of the Task Force's proposed recommendations	**Proposed Recommendations**
March 14, 2025		
Kiame Mahaniah Undersecretary for Health, EOHHS	Discussion of the Task Force's draft report and proposed recommendations	**Draft Report**

Appendix D – Resources Reviewed by the Task Force

Copies of all meeting materials are available on the Task Force's Mass.gov webpage: https://www.mass.gov/info-details/rest-home-task-force-meeting-materials

January 10, 2025

1. Approved 1/10/2025 Meeting Minutes
2. Task Force Presentation
3. Task Force Statute
4. Bureau of Health Care Safety & Quality Data Summary
5. MARCH Statement

January 24, 2025

6. Approved 1/24/2025 Meeting Minutes
7. Rest Home Payment & Rate Overview
8. Rest Home Task Force Revised Calendar

Appendix D – Resources Reviewed by the Task Force (cont.)

February 7, 2025

9. Approved 2/7/2025 Meeting Minutes
10. MARCH Presentation
11. Condase Weekes-Best Presentation
12. Nursing Facility Task Force Recommendations

February 28, 2025

13. Approved 2/28/2025 Meeting Minutes
14. Proposed Recommendations

March 14, 2025

15. Approved 3/14/2025 Meeting Minutes
16. Draft Report

Appendix E – Written Comments Received from Members Regarding the Draft Report

Written Submission
Rest Home Task Force
March 19, 2025
Re: MARCH Final Comments on Proposed Recommendations
Submitted by:
Ronald J. Pawelski, President

After reviewing the proposed recommendations from the final draft, MARCH offers the following comments for inclusion in the final document.

Upon the convening of the Rest Home Task Force, MARCH clearly identified the following written anticipated outcomes:

MARCH's Anticipated Outcomes of the Rest Home Task Force

1. ***Implement a 5-year Strategic Plan for rest homes including a full regulatory revision.***
2. ***Complete an independent analysis of rate adequacy, cost-reporting and RCC-Q to determine most effective way to restructure the rate setting to improve quality-of-care and promote financial stability in the industry.***
3. ***Complete formal analysis to determine if rest homes can/should qualify for federal matching funds.***
4. ***Consider alternative rating system to RCC-Q that prioritizes established and verifiable quality-of-care indices.***
5. ***Modify cost-reporting process to ensure rates are based on the previous year's costs.***
6. ***Support authorization of $10M in bond funding for rest home capital improvement projects as contained in Ch. 238 of the Acts of 2024.***

Based on a review of these anticipated outcomes compared to the final recommendations, we find the final recommendations lacking in several key areas.

Item 1: Five-year strategic plan- As this item was committed for completion by the previous administration, it is disappointing to learn that this requires additional discussion to reach agreement.

Item 2. Complete independent analysis- This is the most glaring deficiency of the proposed recommendations as it was listed as one of the most important industry issues to be addressed. The Task Force failed to adequately address the charge of the Task Force (vii. a review of the current rate structure for rest homes compared to the actual cost of care to residents). While there was discussion of the current rate during the deliberations, there was no discussion how these costs compare to current costs. Additionally, there were several recommendations discussed that contemplate minimum staffing, standard levels of care, and rate formula changes. None of those recommendations would make sense without the associated financial analysis to understand the financial impacts to all parties, the residents, the Commonwealth, and the industry. The industry and the legislators attending were ALL in agreement with this point.

The fact that EOHHS is not in agreement further substantiates the point that it should be moved to an immediate recommendation as we are all in agreement that this is an issue. It raises the question of who is empowered to make these final recommendations as MARCH has not deferred to EOHHS in any of these final decisions and does not recognize EOHHS as the sole entity to make these final recommendations.

As was previously submitted here is the justification for immediate inclusion:

Rationale:

- Rate adequacy has always been the primary concern of MARCH due to the 108 closures in the industry since 1998
- MARCH made several recommendations to the Nursing Facilities Task Force in 2020 to address rate adequacy that received little or no consideration. Attachment 1 is included for official addition to the Rest Home Task Force record
- The Task Force was established in part to conduct "a review of the current rate structure for rest homes compared to the actual cost of care to residents"
- MARCH and its members presented information to the Task Force indicating some significant shortfalls between the reimbursement rate and current costs of care.

Item 3 Federal Matching Funds- We are pleased that an analysis will be conducted and would suggest that the deliverables and the timing of the deliverables be defined.

Item 4- Alternative the RCC-Q- We concur that additional discussion would be required with the stated and in particular DPH with the intent of eliminating the current process for a more accurate quality of care rating system

Item-6 - $10M Funding as part of the Economic Development Bill- Authorize the $10 million in grant program funding for capital projects at rest homes previously appropriated by the Legislature in the 2024 Economic Development Bill.

Based on the deliberations of the Task Force, it seemed clear that Senators Jehlen, O'Connor and Representatives Stanley, Muratore were clear in their recommendation to authorize the

Appendix E – Written Comments Received from Members Regarding the Draft Report

capital funding. Failure not to include this item for immediate action again raises the question as to how these recommendations were presented and ultimately decided.

In closing, rest homes play an important role on the Massachusetts healthcare continuum by caring for an aging, infirm and indigent population (many of whom were previously homeless) who don't have the financial means or ability to reside at an Assistance Living Residence (ALR) or meet the clinical and acuity level criteria for Skilled Nursing Facility (SNF) admission.

Employing a medical and low-cost housing model, rest homes provide medical management, medication management, address psycho/social needs and provide room and board for an average of $158.00 per day.

It is our hope that EOHHS and its sister agencies can embrace the rest home model in addressing the ever-increasing aging population in Massachusetts and support the continued need for incremental funding in order to stabilize this critical industry.

The final recommendations of the Rest Home Task Force will serve as a litmus test for EOHHS and its sister agencies in advancing the Rest Home model and in supporting the residents and staff we collectively service.

Appendix E – Written Comments Received from Members Regarding the Draft Report

LeadingAge Massachusetts

March 24, 2025

Kiame Mahaniah, Chair
Rest Home Task Force
Executive Office of Health and Human Services
One Ashburton Place
Boston, MA 02108

Dear Undersecretary Mahaniah:

LeadingAge Massachusetts was pleased to be named as a member of the Rest Home Task Force, established by Section 27 of Chapter 197 of the Acts of 2024, and through our representative, Tracey Cravedi, we have appreciated the opportunity to participate in the work of the Task Force over the past two months. As the only statewide association representing the full spectrum of not-for-profit providers of housing and services for older adults in the Commonwealth, LeadingAge Massachusetts is working to ensure that all older adults can live in age friendly communities where they have access to the services they need, when they need in them in the place they call home. Rest homes are a critically important component of our aging services system, offering affordable, supportive housing environments for older adults and others who are unable to live independently on their own but who do not need the intensive skilled services available in nursing facilities. A majority of rest home residents are unable to afford the cost of assisted living. Unfortunately, the closure of more than a dozen rest homes in the past 10 years mean a reduction in access to this valuable resource.

Task Force Recommendations Related to Regulatory Requirements

The Rest Home Task Force explored a number of issues during its deliberation and issued a report with recommendations aimed at strengthening the rest home sector. LeadingAge Massachusetts is pleased that many of our recommendations to strengthen the rest home

LeadingAge Massachusetts

sector were included in the final report, including recommendations to review, update, streamline and modernize regulations for rest homes. However, we are disappointed that the initial recommendation to adopt a separate set of regulations that are clear and distinct for rest homes was deleted from the final report. Approximately 20 years ago, LeadingAge Massachusetts worked together with MARCH and representatives from the Department of Public Health on a workgroup to establish a set of regulations for rest homes that were separate and distinct from the long-term care regulations. Currently, regulatory requirements for rest homes are intertwined within the long-term care regulations. Many of the provisions that are required for nursing homes (levels I,II and III) are not applicable for rest homes. It is often confusing to determine what the requirements are for rest homes. This is even the case for DPH surveyors on occasion. The Department of Public Health should have regulations that are clear and distinct for rest homes, and the Department was in agreement more than 20 years ago when they participated in our work group. Such a process to separate out the regulations would include work to review and update numerous aspects of the regulations including staffing requirements to ensure that the regulations are reflective of the resident population that currently resides within rest homes in the Commonwealth.

LeadingAge Massachusetts was also disappointed that the final recommendations of the Task Force did not include LeadingAge Massachusetts' recommendation to review and amend the construction standards for rest homes to allow rest homes to be built and renovated in accordance with residential building codes as they are for Assisted Living Residences in the Commonwealth. Certified Assisted Living Residences in Massachusetts are built in compliance with residential building codes and are not subject to plan review or determination of need requirements. Rest homes must comply with health care facility regulations, subject to plan review at DPH, and Determination of Need requirements. Such requirements make it extremely challenging and costly to renovate and update rest homes. The resident population living in rest homes is very similar to that of the resident population living in Assisted Living, (with many rest home residents being younger with fewer mobility issues) and should be

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afforded the same opportunity to live in physical buildings that are modern and residential in nature. Another example is the fact that rest homes are not allowed to place locks on the doors of resident bedrooms. This may make sense for a nursing home, but not for a rest home where residents are independent in their ability to come and go, even though they require the 24-hour support provided by the rest home. These residents deserve privacy in their rooms and should not have to be concerned about other residents entering their rooms when they are not invited. In contrast, regulations governing Assisted Living *require* Assisted Living Residences to have doors that lock. This has put rest homes, especially those that are private pay, at a competitive disadvantage compared with Assisted Living. As long as staff have the availability to have access to the room, residents of rest homes should be able to have the freedom to lock their doors.

RCC-Q Recommendations

As we have shared in the past, LeadingAge MA continues to be a strong proponent of transparency and accountability by providers, advocating to ensure that public rates be used to deliver quality care. While we agree in theory with the goals of the Resident Care Cost Quotient (RCC-Q), we continue to question whether the RCC-Q is the most appropriate mechanism to ensure funds are spent appropriately, and if so, whether 80% is the correct threshold. We appreciate that the RCC-Q encompasses many of the necessary expenses (to a greater extent than the DCC-Q for nursing homes). However, there are a number of reasons why a rest home may not reach the 80% RCC-Q threshold while still dedicating sufficient resources to staffing and other categories impacting quality of care and quality of life. Administrative costs have soared due to the tremendous amount of reporting requirements that facilities have been subject to over the past four years. A case in point is the requirement to complete the RCC-Q when providers must already file incredibly detailed cost reports each year. Another reason why a provider may not have met the 80% threshold is due to required capital expenditures that they were able to raise private funds to cover. While we applaud the recommendation

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allowing rest homes to petition EOHHS for a temporary "waiver" if a rest home was below the RCC-Q threshold due to physical plant improvements that were more than 10% of the rest home's annual revenue in the reporting year, we would ask that the ability to request a temporary waiver be broadened. There are other legitimate reasons why a rest home may temporarily have an RCC-Q score below 80% that is not indicative of reduced spending on resident care. **More importantly, LeadingAge Massachusetts continues to question whether the RCC-Q is an appropriate tool for rest homes, and urges a separate independent review of the goals, criteria and outcomes of the RCC-Q,** in addition to considering the impact of duplicative reporting requirements for providers.

Engagement Among Regulatory and Industry Stakeholders

We fully support the inclusion of recommendation 4, to increase engagement among regulatory and industry stakeholders including the establishment of an internal EOHHS working group to explore the topics raised during the deliberations of the Rest Home Task Force, with regular engagement from the rest home industry. Ongoing dialogue between rest home providers/associations and state agencies involved with rest homes will be critically important in advancing work aimed at strengthening rest homes as an affordable, high-quality, supportive housing option for older adults in the Commonwealth. Related to this recommendation, we recommend that DPH hold annual or semi-annual meetings with rest home providers where DPH staff can share important information including common survey findings, best practices and engage in Q&A with providers. All with the aim of improving care for residents. This is a practice that the Executive Office of Aging and Independence has adopted with Assisted Living Residences to share information, policies and best practices. During the pandemic, DPH staff held monthly informational meetings with long-term care providers that were well-attended and valued by providers.

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LeadingAge™ Massachusetts

On behalf of LeadingAge Massachusetts, I thank you for your leadership of this important Task Force and look forward to working with stakeholders to advance the Task Force's recommendations and ensure that rest homes remain an important community-based supportive housing option for older adults and persons with disabilities well into the future.

Sincerely,

Elissa Sherman

Elissa Sherman
President

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