

RIHCA TRUTH ALERT



The SEIU's telling you some whoppers!

Whopper #1

RI nursing homes had profits of \$241 million in 2017 and 2018, citing the BM-64 cost reports submitted by the facilities to make it LOOK like the truth.

The Actual Truth

The SEIU again CONVENIENTLY withheld from you that nursing homes **LOST \$7.9 million** in that same period when you count ALL the expenses of the Homes and not just cherry pick certain expenses. This information comes from the SAME EXACT BM-64 report. Please see the attached information.

Whopper #2

The SEIU is telling you that staffing in RI nursing homes is insufficient and cite the Center for Medicare and Medicaid Services (CMS) for the proposition that RI ranks 41st of 50 states to make it LOOK like the truth.

The Actual Truth

The SEIU has CONVENIENTLY withheld from you that the adequacy of nursing home staffing is also contingent upon the skill level providing the care (RN's or nurse's aides), as well as the actual needs of the residents, and not a simple count of employees. In fact, CMS rates nursing homes based on the combination of those three factors. And only 10 states in the country are rated higher than RI nursing homes.



The Rhode Island Health Care Association (RIHCA) is a non-profit trade association representing more than 80 percent of the nursing homes in Rhode Island. We are a state affiliate of the American Healthcare Association. Our purpose is to represent, advance and advocate for the needs of our member facilities, their staff and residents to government officials, business leaders and the public.

ISSUE BRIEF: NURSING HOME LOSSES

Nursing homes are in financial difficulty due to the loss of funding over nearly a decade, the pandemic and the resulting loss of census. Not only do RI nursing homes not have excessive profits, in total they lost money in 2017 and 2018. The truth is RI nursing homes lost \$7.9 million in that time period.

The union tries to justify passage of a 4.1 staffing hours mandate by claiming excessive profits in the nursing homes; specifically, that owners made \$241 million in 2017 & 2018. This is plainly untrue.

Below is the data for those years provided by the accounting firm Blum Shapiro.

Rhode Island Nursing Homes Summarized Data per 2017 & 2018 Medicaid BM-64 Cost Reports, as Filed with the RI Office of Health and Human Services (82 Nursing Homes)

	For the Years 2017 & 2018
Total Revenues as Reported in the Medicaid Cost Report	\$ 1,615,995,902
Total Expenses as Reported in the Medicaid Cost Report	(1,623,987,079)
Total Expenses in Excess of Revenues as Reported	\$ (7,991,177)

Disclaimer: the 2017 and 2018 information illustrated above has been summarized by blumshapiro from the data included in the 2017 and 2018 Medicaid cost reports, as filed with the State of Rhode Island, Office of Health and Human Services. This information was obtained through a freedom of information request. blumshapiro has not certified or verified the accuracy of the data included in the 2017 and 2018 cost reports or the data illustrated above.

To get to the true profit/loss for the nursing homes, one must subtract all expenses from the revenues. Yet, the SEIU included **ONLY Medicaid expenses in their calculation.**

This means they left out millions in therapy, pharmacy, provider tax, maintenance and cleaning costs and Medicare expenses. These expenses are paid for by the nursing homes and to exclude them is simply cooking the books.

ISSUE BRIEF: STAFFING ADEQUACY IN R.I. NURSING HOMES

Nursing homes across the country are regulated by the federal Centers for Medicare and Medicaid Services, known as “CMS.” CMS makes monthly public reports on each nursing home in the nation, concerning quality of care, for the benefit of consumers who are covered by the Medicare program. ¹ Those reports include the adequacy and quality of staffing at each nursing home, including the seventy-nine such facilities operating in Rhode Island.

In order to assess the baseline quality of staffing in our state’s nursing homes, we looked at the CMS national and state reports on staffing for February 2020, the most recent data available prior to the disruption caused by COVID.

Measuring Adequacy and Quality of Staffing

CMS rates each nursing home on the quality of its staffing using a Five Star system, where Five Stars is the highest possible rating, and One Star the lowest. The ratings are derived on the basis of (i) registered nurse (RN) hours per resident per day; and (ii) total nursing hours (RN, licensed practical nurse (LPN), and nurse aide) per resident day, all adjusted on the basis of the nursing needs of the facility’s residents. RN hours per day are weighed more heavily than nurse aide hours due to the higher skill level.

The adjustment to reflect the actual nursing needs of the residents (termed the “case mix” adjustment) is particularly important in measuring staff adequacy, because nursing homes care for two very distinct populations. Some nursing home patients are admitted for skilled rehab stays. These individuals arrive from a hospital following strokes, cardiac events, or surgeries such as knee or hip replacement. They stay for a few days to weeks, and are covered by the limited Medicare skilled nursing facility benefit.

A second, and much larger group is the “long stay” residents – those who cannot be safely cared for at home. They were predominantly healthy and productive members of society when they were younger, but now are generally quite helpless, and rely completely on others for care. These individuals have their stays covered by Medicaid.

¹ Consumers can access that information at the CMS Nursing Home Compare website, here: <https://www.medicare.gov/care-compare/?providerType=NursingHome&redirect=true>. Relevant data sets are published monthly on the CMS website, here: <https://data.cms.gov/provider-data/search?theme=Nursing%20homes%20including%20rehab%20services>. The staffing quality ratings appear in the spreadsheet entitled “Provider Info.”

The Medicare-covered patients need significantly more nursing care than the Medicaid-covered residents, and they are distributed unevenly throughout the state. A nursing home's staffing needs depend on the needs of its particular residents, and in large part on how many "skilled" Medicare patients it admits, in contrast to Medicaid patients.²

In addition, there exists variation within those subgroups. Rhode Island has a disproportionately older group of Medicaid-covered residents, who are frailer and more likely to suffer from dementia than the Medicaid population in other states.³ CMS views their actual nursing needs as less intense than is the case for younger, sicker Medicaid-covered residents in other states.

Results: CMS Staffing Ratings

As noted above, CMS rates nursing facilities using a Five Star system, with Five Stars being the highest possible rating for staffing quality.⁴ All in all, Rhode Island nursing homes score low for total direct care hours per day, high for RN hours per day, and high for staffing adequacy matched to resident needs, with the result that our average "star" rating for staffing is among the highest states.

By cherry picking a single data element, hours of direct care per resident day, the advocates for a minimum staffing rule make it seem as though Rhode Island's nursing home staffing is substandard. When all relevant measures are considered, as performed by the federal CMS, this is clearly not the case.

² There is great variety in the distribution of these patients among facilities, with some having markedly higher Medicare census than others. The Medicare program pays substantially higher rates for the care provided to the "skilled rehab" residents, since these patients require more nursing care. This is why, for example, some Rhode Island nursing homes are able to provide 4.1 or more direct care hours per day. They have a higher number of "skilled" patients among their residents, with correspondingly higher revenues.

³ CMS measures the nursing needs of residents via a reporting system termed the "Minimum Data Set" or "MDS." This is a detailed report on the clinical condition of each nursing home resident, which facilities are required to submit to CMS upon the resident's admission and periodically thereafter.

⁴ A detailed explanation of how the staffing rating is calculated appears on pp 6-10 of the October 2020 CMS Five Star Technical Users Guide, available at <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/downloads/usersguide.pdf>

NURSING HOMES STATE RANK FOR STAFFING QUALITY

February 2020

RANK	STATE
1	DE
2	AK
3	ND
4	HI
5	ME
6	MN
7	WY
8	ID
9	WI
10	CO
11	RI
12	WA
13	OR
14	UT
14	IA
16	MT
17	FL
18	MI
19	NE
20	SD
21	VT
22	CT
23	NH
24	KS
25	AZ

RANK	STATE
26	NJ
27	AL
28	MD
28	MA
30	MS
31	SC
32	NM
33	PA
34	NV
35	KY
36	CA
37	IL
38	AR
39	VA
40	WV
41	TN
42	MO
43	IN
44	NY
45	NC
46	OH
47	OK
48	GA
49	LA
50	TX

Source: Centers for Medicare and Medicaid Services (“CMS”), Nursing Homes Including Rehab Services, Data Archive, February 2020, Spreadsheet “Provider Info,” available at <https://data.cms.gov/provider-data/archived-/nursing-homes/?redirect=true>

New England states are in red.