



State Budget Will Hurt Care in Skilled Nursing Facilities

COLUMBUS – July 13, 2009 – With the state budget deliberations completed, Ohio’s skilled nursing facilities – which provide around-the-clock care to 80,000 frail elderly and disabled patients – will be confronted with the harsh reality of meeting increased demand for quality, around-the-clock care with \$184 million less in available resources, even though costs continue to climb. As a result, skilled nursing facilities will have to reduce staffing levels even more than they already have; in some cases, facilities may be forced to close, uprooting patients from their current places of care.

Peter Van Runkle, Executive Director of the Ohio Health Care Association, explained, “The state is imposing a \$391 million increase in fees that each skilled nursing facility has to pay on the total number of licensed beds. Unlike in prior budgets, those fees are not being fully reimbursed. That unreimbursed amount (\$184 million) is equivalent to a 5% rate cut. As a result, nearly 90% of Medicaid-participating facilities will be losing money compared to what they received last year.”

Victoria Gresh, Executive Director of The Ohio Academy of Nursing Homes, Inc., noted, “In addition, the statewide average Medicaid reimbursement rate is being held flat for the next two years while the costs of providing quality care continue to increase. For the last five years, the rate of inflation has been three times greater than the minimal rate increases (1.1% per year) we’ve received. We’ve already cut staff and reduced expenses; unfortunately, some of our facilities simply won’t be able to absorb the additional reductions and likely will have to shut their doors.”

John Alfano, President and Chief Executive Officer of AOPHA (The Advocate Of Not-For-Profit Services For Older Ohioans) said, “Those who suggest that just cutting support for skilled nursing care facilities will somehow magically reduce the need for services provided to those who live there are not painting an accurate picture. People in our facilities are there because they need our care. We continue to support increased funding for home and community-based care but taking funds from skilled nursing doesn’t address the overall issue of a growing elderly population needing various levels of service and support.”

The Ohio Skilled Nursing Care Coalition, consisting of the three organizations representing Ohio’s skilled nursing facilities, asked the legislature and the Governor to keep these realities in mind and consider increasing the budget allotment should additional revenues become available later in the biennium.

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