

## Vermont Long-Term Care Facilities Overview

Skilled Nursing Facilities (SNFs)	Residential Care	Assisted Living
<p>SNFs provide 24-hour personal care and skilled nursing services, as well as rehabilitation and therapy services (PT/OT/SLP), med administration, skilled nursing (i.e. IV therapy) and recovery from serious illness</p> <ul style="list-style-type: none"> <li>• 38 facilities (35 accept Medicaid)</li> <li>• 985k resident days of care</li> <li>• 5 homes closed since 2007</li> <li>• 5 homes closed between 1998-2006</li> <li>• 3025 beds (2849 Medicaid)</li> <li>• 506 fewer beds in 2019 than in 2005</li> <li>• Current occupancy rate is ~84% (Was ~93% in 2007)</li> </ul>	<p>Level III Residential Care/ Assisted Living assist with personal care, medication assistance, nursing overview and 24-hour oversight</p> <p>Enhanced Residential Care (ERC) provide 24-hour supervision, personal care, nursing overview, medication management</p> <ul style="list-style-type: none"> <li>• 119 facilities (96 accept Medicaid)</li> <li>• 65 facilities offer Enhanced Residential Care (ERC)</li> <li>• 2591 beds (2069 Medicaid)</li> </ul>	<ul style="list-style-type: none"> <li>• 13 facilities (8 accept Medicaid)</li> <li>• 765 units, with a maximum capacity of 913.</li> </ul>

### Regulatory Requirements:

Nursing facilities must comply with multiple sets of regulatory requirements including:

- Federal CMS regulations.
- State Regulation (Department of Disabilities, Aging, and Independent Living Nursing Home Regulations, Board of Nursing, VT Nursing Home Administrator Rules).
- DAIL/CMS conduct annual unannounced compliance surveys of facilities as well as complaint investigations.

### Nursing Facility Financials:

- SNFs rates are established by the Division of Rate Setting within the Department of Vermont Health Access. Rates are cost based by facility and set quarterly using a base year that is adjusted every four years. Inflation is used to get rates closer to costs in real-time. Medicaid rates do not cover the total cost of providing services- there are a number of caps and limits. The average daily Medicaid rate was \$252.48 (\$10.52/hour) (not including Vet's home \$475/day) last quarter 2019.
- SNFs are penalized in Medicaid rates for low occupancy- below 90%- common due to decreased occupancy since 2007.
- SNFs pay provider taxes (~\$5000/bed), which help fund Vermont's Medicaid program. They are assessed maximum amount allowable under federal law – 6% of revenues. This amounted to over \$15 million paid in provider taxes in FY16.
- Medicaid is the primary payer for long-term care facilities. (See SNF payer mix pie chart below).

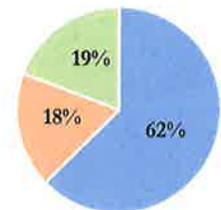
### Other Industry Challenges:

#### Workforce:

- Facilities regularly have nursing related vacancy rates between 17-29%.
- In lieu of permanent staff, facilities often resort to using traveling staff, which is expensive.
- Vermont nursing homes spent \$12 million on traveling nurses in FY18. This was a 158% increase from FY14.

- Medicaid (long-term care)
- Medicare (short-term, acute)
- Private Pay (long-term care)

SNF Payer Mix (2017)



#### Behavioral and Mental Health:

- Facilities must be able to meet the needs of each individual resident, while ensuring the safety and wellbeing of all residents. Complex behaviors that threaten the safety of other residents can result in regulatory deficiencies and enforcement.
- Workforce shortages make caring for residents with behavioral and mental health needs challenging. There are not enough direct care workers to provide 1:1 staffing, while still meeting the needs of other residents. Accessing mental health professionals is a barrier.
- Medicaid rates do not accurately reflect the true cost of care for residents with behavioral and mental health needs.

