



**State of Illinois**  
Rod R. Blagojevich, Governor  
**Illinois Department on Aging**  
Charles D. Johnson, Director

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## Older Adult Services Advisory Committee

# Nursing Home Conversion Work Group

Date: February 26, 2008  
Location: Illinois Health Care Association, Springfield  
Attending: William Bell, Jan Cichowlas (staff), Bill Dart, Matt Hartman, Myrtle Klauer (co-chair), Phyllis Mitzen (co-chair), Scott Musser, Maria Schmidt, Wayne Smallwood, and Jason Speaks.  
By Phone: Bonnie Lockhart, Petie Hunter, Dwight Miller, Kevin Taylor, and Steven Wolf  
Guest Speaker: Paul Bennett

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1. **Health Facilities Planning Board/Survey:** Bill Bell reported that it is not a problem to add our questions as an addendum to the IDPH questionnaire which usually goes out in early Spring.

**ACTION:** Myrtle, who is the contact person to answer questions the nursing homes might have about the survey, will write a cover letter explaining the need for the survey. It will reiterate the goals that are in the opening paragraph of the survey.

2. **Michigan:** We don't have anyone to talk to in Michigan yet about their Medicaid state agency. Phyllis will pursue this further for a phone conference.

\*\*It was suggested that our incentive program could discount the rehabilitation fee that is now charged for a plan review.

**ACTION STEP: Phone conference with Michigan** (subsequently held on March 7)

3. We discussed the need for a baseline of information that will enable us to determine whether or not a conversion plan has made a difference.

**ACTION STEP: We need to know:**

- number of certified Medicaid certified facilities
- number of beds that can serve Medicaid clients
- number of people who were provided Medicaid services in a nursing home in a snapshot, such as June 30, 07.

**It is hoped that Bill Dart can get us these numbers**

It is estimated that Illinois nursing homes run at about 80-85% occupancy at any given time.

NOTE: It was pointed out that a private pay person can be in a Medicaid bed, but you cannot put a Medicaid person in a Medicare bed.

Minnesota baseline was given as an example. They used three tactics to address bed numbers: Voluntary closures, lay away plan, single bed conversion program. As of 9/30/07 they have 35,568 beds (down

from 42,800). 1/6 of the beds were closed after Closure Act enacted and they attribute the closures to this Act. In IL, we have 754 homes with Medicaid beds.

4. Voluntary closures: what are the merits? Minnesota and Illinois are 50% Medicaid match states. The incentive is Medicaid matchable, so 50% of the incentive is a Federal payment. The OASAct says that you can close a bed for up to 15 years. We know that we must provide incentive to owners. Kevin said that they would probably not participate in a bed lay-away program, that we should move directly to bed closures, with an incentive to give up their CON.

- Additional capitol component of the rate
- If you close a facility, move the incentive payment to another facility
- Make the incentive permanent

**ACTION: We must develop criteria for conversion. Discuss at next meeting and identify plan to do this. Bob Held from MN had a calculation for how NH qualified. We need to contact him for further clarification (Bill Dart???)**

- **Part of our criteria must include the fact that the state will loose the bed tax.**
- **Develop two tiered incentive program**
  - **Unoccupied beds**

The issue of anticipated bed need was discussed, but the group recommended that we don't look at the ideal number of nursing home beds, that this is not a useful number.

Kevin suggested that in order to understand the MN program, we should talk to the MN Nursing Home Association since our information came exclusively from the State.

**ACTION: Kevin will arrange a conference call for our next meeting**

**ACTION: Maria Schmidt will look into alternative housing for couples with Alzheimer's, and how these homes are funded in WI.**

**ACTION: Page 4, White Paper: Changes will be forwarded to Jan to email to everyone.**

LUNCH BREAK

**Paul Bennett presentation on the Systems Change Grant:** Grant to build an infrastructure for data, etc.

**PA93-1031** – requires Dept to maintain an inventory of services

5 deliverables:

- a) Statewide services/housing inventory including N.H. prescreening process
- b) Analyze the inventory (built upon inventory already in existence in many AAA's: ESP or Elder Services Program)
- c) Conduct comparative analysis of nursing home/home and community-based costs. Income as a measure (no assets after spend down once in the N.H. so difficult to then go back to the community)
- d) Prioritize of Service Gaps

access to current services, thoughts about current services, and gaps in services (240 participants in 24 separate focus groups) See handout.

Paul recommends looking into respite in a nursing home (up to 40 days) as paid by Medicaid in NY.

**Next meeting:** Tues. March 25. New location —  
Life Services Network (LSN)  
2 Lawrence Square, across from DHS,  
South of the Stratton Building  
Springfield