



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

Older Adult Services Advisory Committee

Nursing Home Conversion Work Group

Date: March 25, 2008
Location: LSN, 2 Lawrence Square, Springfield
Attending: Myrtle Klauer (co-chair), Phyllis Mitzen (co-chair), Janice Cichowlas (IDOA staff), Bill Bell, Bill Dart, Rick Dees, Matt Hartman, Petie Hunter, Bonnie Lockhart, Scott Musser, Rene Razzo, Lester Robertson, Maria Schmidt, Jason Speaks, Kevin Taylor, and Steve Wolf.

I. Review Action Items from February 26

- a. Myrtle prepared a cover letter for the IDPH questionnaire
- b. Bill Dart will get us information necessary as we develop the plan for conversion/bed reduction
- c. RE criteria for conversion/bed reduction – see discussion later in the notes
- d. Kevin Taylor arranged for a conference call with Todd Bergstrom, Care Providers of Minnesota on Friday, 3/28 at 10:30. (notes from that call are attached)
- e. Maria will do WI research in the context of the plan
- f. Jan will forward corrected white paper along with meeting notes.

II. Review and Approval Conversion Program Overview:

ACTION: White paper approved as amended [see addendum below] to submit to OASAC Committee for approval.

Addendum added (p.4): “It is imperative that any program embody adequate medical capital rate adjustments, such as those implemented in Minnesota, to insure that nursing home organizations have sufficient incentive to give up the valuable assets represented by a bed.”

We all agreed that it is time to stop researching other states, move the White Paper forward, and develop our state’s plan.

RE IDPH Survey: Survey is administered on May 5, 2008. Results should be available in late summer.

Phyllis talked to Gail Hedges from DECO who said that they do not fund the kind of economic development referred to in our white paper. However, she said that our statement about economic development was accurate. Gail said DECO would be willing to come to the OASAC Committee to explain the Community Block Grants that they administer. This may be useful for localities to know as they develop more HCBS.

III. Discussion about MI:

The MI message to us is that everyone must be clear on the goal of the program. In MI, it was not clear as to whether it was closing down facilities, or spearheading construction of new facilities. No one really understood the purpose of the program. The group concluded that the MI model was not particularly helpful to us except to be sure to include the Medicaid State Agency from the beginning.

What we have learned from MI:

- We might be better off looking at a pilot rather than going statewide with a new program.
- We are also going to be looking at local needs (services that are needed in individual communities).
- There needs to be an incentive for the nursing homes to convert beds. Nursing home industry needs an influx of cash but the state and feds don't have it.
- The biggest challenge we have is to come up with a funding program.
- Baby boomers are going to be looking for alternatives to the traditional nursing home. However, even if the percentage of people going into nursing homes declines, the total number of persons in the aging population will increase at such a rate that the nursing homes may have as many or more admissions.

IV. Conversion/reduction concepts for the plan were discussed

Patient Pathways Program: Patient Pathways Program: The 9th Scope of Work from CMS for QIO's includes this program which will focus on reducing re-admissions to hospitals for people with heart failure, heart attack and pneumonia. The emphasis of this program will be on collaboration with the community and utilizing community based programs.

Emergency Respite Services: New York State has a program that pays up to 40 days for someone to stay in the nursing home on an intermittent basis to provide caregiver relief. In IL, our regulations don't allow people to float in and out like that. This is something that we need to explore further for our recommendations.

Adult Day Services: Nursing home administrators seem to shy away from ADS in the nursing home setting. Since nursing homes already have activities planned, is there a way to bring persons in for 23 hour ADS? How is it packaged and paid for? How do we deal with issues of infection control, residence areas vs part-time participants?

ACTION: Myrtle indicated that Pine Acres used to provide some exceptional services. She will find out if it is still running and if so, invite them to address this Workgroup describing their unique programming.

Assisted Living: Converting an existing NH bed into an Assisted Living bed is very expensive. Carbondale tried to convert some facilities. Beardstown was successful for its community.

Misc Programs: An incentive for going from double occupancy beds to single occupancy beds would be worth considering. It can be successful to use NH kitchens to provide Meals on Wheels. Certificate of Need issues could arise if beds are not just based on LTC facility beds.

How do we think about the NH in the community?

- 1) How many beds are needed in the community
- 2) What elements do we want to have in this kind of plan?

Timing is everything (plus a little history)

The bed inventory system needs to be based on a community needs model. Now is the time to make changes in the way need for NH beds are determined through the Health Facilities Planning Board. The input time is November 1, 2008. If it is stipulated that all new facilities must have single room beds, it will drive other facilities to convert as it will be the facility of choice. But capitol costs need to be taken into consideration. The single bed concept began 20 years ago with single room maternity suites in hospitals. Medicare currently bases its rates on double occupancy rooms. DRG's are what changed hospital care in the 1980's. In the NH, Medicare used to base NH rates on two-year-old cost reports. The Prospective Payment System (PPS) is based on facility cost at the time. RUG's provide a multiplier for the standard rate for that region.

What should our plan outline include (community model of the nursing home bed)?

- Bed Inventory Model
- Single bed rooms and their implications
- Other community services that can be provided in NH that meet the health, safety, and welfare of the community and the NH residents (i.e., respite)
- NH Partnership with community as to how best identify to gaps in service and who should provide those services
- One living environment to another along the continuum of care (Issues such as transitions, bed reduction/single bed issue, etc.) Is it right to substitute one institution for another such as SLF for NH? (SLF Waiver is getting 60% of the NH rate.)
- Most appropriate and least restrictive setting in which to receive services (Olmstead)
- Reimbursement
- Financing (we heard from MI that bankers care about number of beds despite what our bankers told us (see notes from MN for another take on this issue)).
- Front end assessments, placements and returns to the community (transition issues)

Bill Bell reported on an article, *Prospects for Transferring Nursing Home Residents to the Community*, by Vincent Mor, et al. They describe characteristics of Low Care residents living in nursing homes. The authors then compare states on the basis of low care residents of nursing homes and contend that states with fewer low care residents of nursing homes have made a greater investment into community based services. For example, OR has 1.2-1.8% low care residents living in nursing homes. IL has 8.5 -16.5% low care residents living in nursing homes. Illinois is among the top 20% of states with the highest number of low care need residents still living in nursing homes.

ACTION: Bill Bell will forward article to Jan to send to the group (hard copies distributed to those present at the meeting).

Jan will share the SJR43 report to the General Assembly regarding the state of Alzheimer's services in IL. This report is due to be completed by the IL Alzheimer's Advisory Committee in August 2008.

V. Next Steps to develop the plan for nursing home conversion bed reduction.

ACTION: The following sub committees will meet over the next month in lieu of the April meeting. Reports are due back to the group prior to the next meeting, June 3, 2008.

The work group identified five areas that need to be developed, who will do the work, and the work that needs to be done.

Each subcommittee below will draft a plan that:

- 1) Identifies Issues
- 2) Identify whether changes be required in the law, or in regulations?
- 3) Define how it addresses our mandate

Sub committees:

- 1) **Bed Inventory Models:** Bill Bell (lead), Bonnie and Maria
- 2) **Reimbursement, Incentives, Financing:** Kevin Taylor (lead), Lester, Bill Dart
- 3) **Developing and partnering with Community Services:** Maria Schmidt (lead), Wayne, Ryan, Scott, Rene.
- 4) **Single Beds, Bed Reduction:** Kevin (lead), Lester, Bill D.
- 5) *Living environment/transitions, assessment, placement, least restrictive environment* Phyllis – lead, Bonnie, Jason, (Kevin to help with MPS Services)

VI. Conference Call With MN:

Since MN appears to have the most to teach us about bed conversion/bed reduction, we decided that in addition to talking to Bob Held from the MN state agency, we also wanted to discuss the program with the nursing home provider side. Kevin arranged for us to talk to Todd Burge, American Health Care Association: Care Providers of MN. We identified additional questions:

Does this program really work? What are your outcomes? Were they good outcomes?

Were the incentives sufficient?

How was staff involved, how were they communicated with? Recommendations?

Did the NH go to the community to see what was needed, beyond the business decision?

What was the lenders' reaction to the program?

Are all areas served by nursing homes?

What was the impact of the bed closures?

We will also include Question 1, 3, 4A (from "Questions for Minnesota" handout) and send our questions to Todd ahead of time.

The group agreed to alternate meetings between LSN and IHCA. Thanks to both of our generous hosts!!

Next Meeting:

Tuesday, June 3, 2008

10:30 a.m. - 2:30 p.m.

Illinois Healthcare Association

1029 S. Fourth Street, Springfield