



# GEORGIA HEALTH CARE ASSOCIATION 2018 REIMBURSEMENT PRIORITIES

## PROVIDE FUNDING FOR GEORGIA'S SKILLED NURSING CENTERS TO MEET QUALITY EXPECTATIONS

- The US Census projects that Georgia's over age 85 population will grow by 83% from 2010 to 2030, the highest growth rate in the Southeast.
- Georgia's skilled nursing centers serve over 33,000 individuals, of which greater than 73% are enrolled in Medicaid.
- The average Medicaid rate per patient day estimated for FY 2018 is \$178.08, the lowest of all the Southeastern states.
- FY 2018 Medicaid reimbursement rates average \$16.33 per resident, per day less than the actual cost of providing care (over \$400,000 per center annually).
- Georgia's skilled nursing centers are currently reimbursed at a rate based on 2012 costs, despite increased regulatory costs and inflationary increases.
- The average margin for nursing centers in the State is 3.3%, with high Medicaid utilization nursing centers having an average margin of 1.3%. 32% of nursing centers in the state incur negative margins.
- In November 2016, the largest wholesale regulatory change to skilled nursing centers since 1987 took effect and the new regulations have an estimated unfunded cost to each Georgia nursing center of over \$100,000 annually.
- Chronic underfunding of Medicaid intensifies challenges for skilled nursing centers to recruit, retain, and pay competitive wages to a competent workforce.
- Simply put, continuous underfunding in Medicaid is not sustainable. It is critical that the Georgia legislature adopts a policy that closes the Medicaid funding deficit and provides inflationary rate increases annually.

- Support Governor Deal's budget recommendation for a 4.3 percent nursing home rate increase (growth factor).
- Support Governor Deal's budget recommendation to increase nursing home rates for liability insurance by creating a pass-through methodology.
- Support funding to increase the personal needs allowance for nursing center residents.
- Provide additional funding for new regulations (i.e. enhanced background screening, Telehealth).

## HOW YOU CAN HELP

- Support Governor Deal's budget proposal for FY 2019 for a 4.3 percent nursing home rate increase (growth factor) for a total of \$52,533,837 (\$16,894,882 in State funds).
- Support Governor Deal's budget proposal for FY 2019 to include funding to update the State plan by creating a pass-through methodology for liability insurance expense for a total of \$15,547,264 (\$5,000,000 in State funds).
- Support funding to increase the personal needs allowance for nursing center residents.
- Support funding for new regulatory requirements (i.e. enhanced background checks, Telehealth).
  - » Estimated Medicaid cost of enhanced background checks:
 

* Total cost for existing employees (one time cost)	\$1.4M (\$436K in State funds)
◇ CNAs	\$621K (\$193K in State funds)
◇ Others	\$786K (\$244K in State funds)
* Total cost for new employees (annual cost)	\$619K (\$192K in State funds)
◇ CNAs	\$320K (\$99K in State funds)
◇ Others	\$299K (\$93K in State funds)

FOR MORE INFORMATION, CONTACT GHCA.

678-289-6555 • info@ghca.info • www.ghca.info