



# A Closer Look: Understanding Louisiana's Nursing Facility Profession

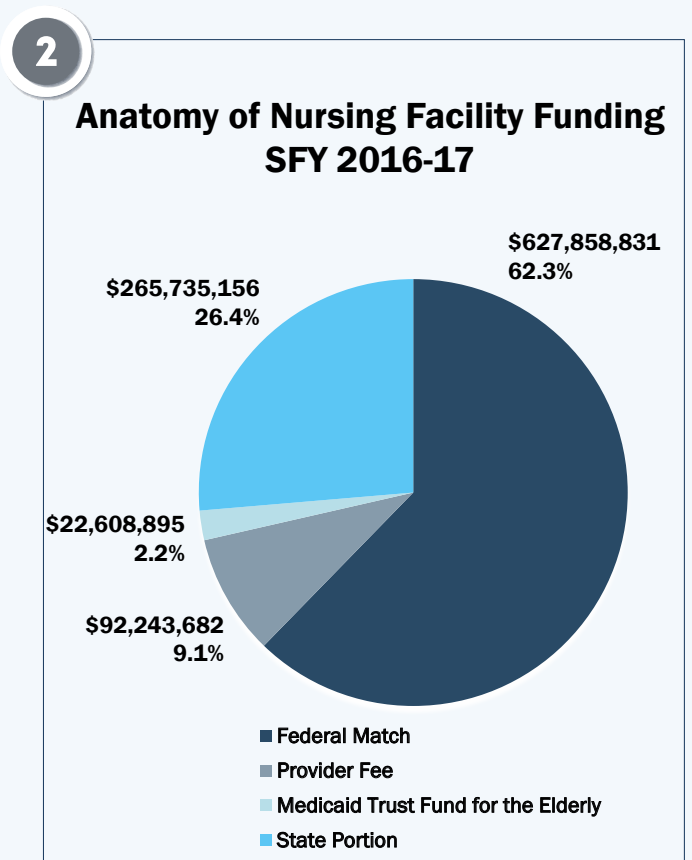


# Nursing Facilities Protect the General Fund

- Louisiana nursing facilities are the largest payers of provider fees in the State. Since 1993, nursing facilities have paid \$1.7 billion to the State generating \$4.06 billion in federal funds for a total impact of \$5.8 billion. (See chart 1.)
- In SFY 2016/17, nursing facilities are expected to pay \$99 million to the State in provider fees.
- Through a combination of nursing facility provider fees and Medicaid Trust Fund for the Elderly withdrawals, the State reduced its effective Medicaid match rate for nursing facilities to 26%. The match rate for other Medicaid providers is 12% higher. This has resulted in a \$115 million State savings in SFY 2016-2017. (See charts 2, 3 and 4.)
- LNHA pushed for and was successful in utilizing a federal program commonly referred to as an IGT. In the early 2000s this program generated approximately \$1 billion in federal funds at no cost to the State. These funds were deposited into the Medicaid Trust Fund for the Elderly. As of SFY 2015/16, the State had withdrawn \$1.2 billion from the Medicaid Trust Fund for the Elderly. These withdrawals help fund the Medicaid program.
- Louisiana nursing facilities are economic engines for the state and communities. Currently, facilities employ over 29,000 individuals. In many communities, the facilities are the largest employers. Not only do facilities provide stable employment, but they also generate additional funds for the State and communities in the form of payroll, sales and property taxes.

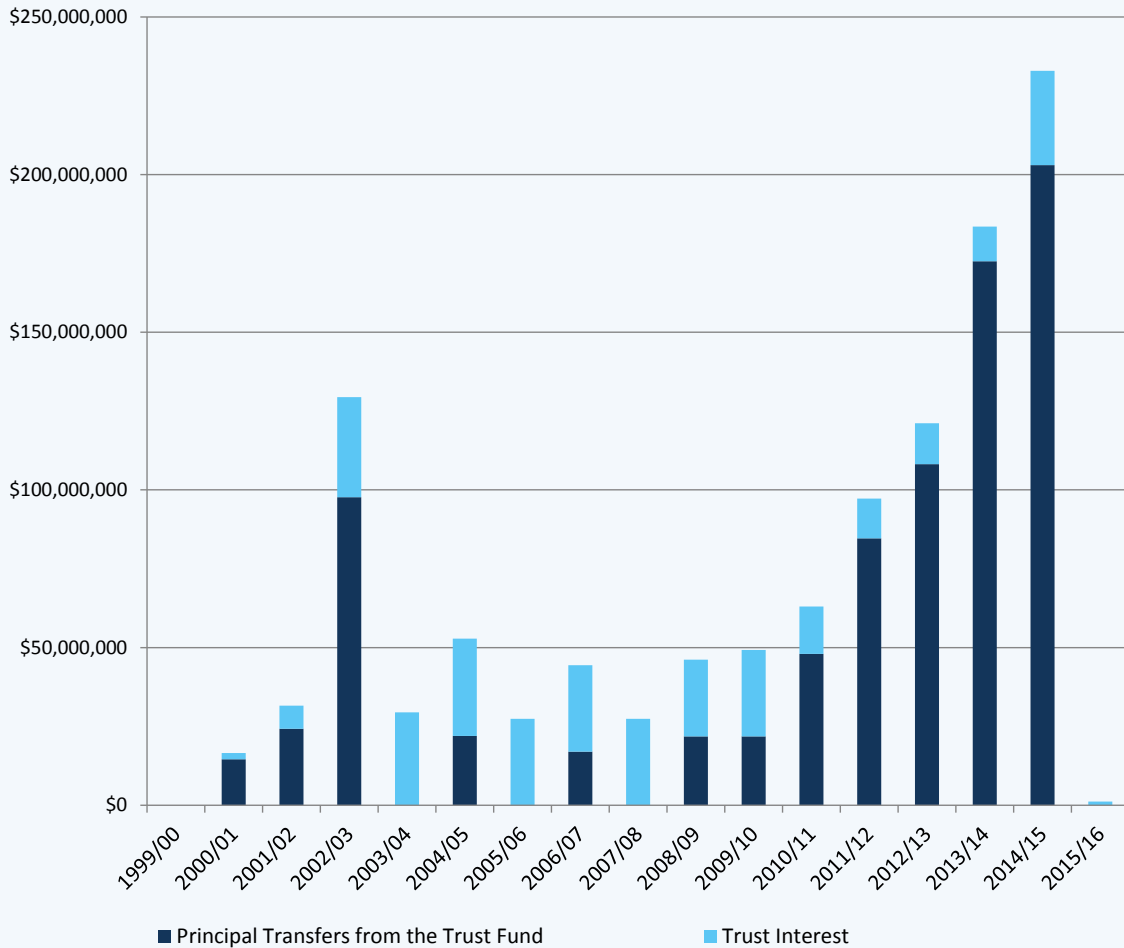
**1 Nursing Facility Profession's Contribution to Louisiana by Way of the Provider Fee**

State Fiscal Year	Self-Generated Funds
FY 1993-2000	\$443 million
FY 2001-2009	\$621 million
FY 2010	\$ 74 million
FY 2011	\$ 75 million
FY 2012	\$ 72 million
FY 2013	\$ 78 million
FY 2014	\$ 92 million
FY 2015	\$ 94 million
FY 2016	\$ 95 million
FY 2017 (projected)	\$ 99 million
Total collected	\$1.74 billion
Estimated Federal Match	\$4.06 billion
<b>Total Funds Generated</b>	<b>\$5,800,000,000</b>



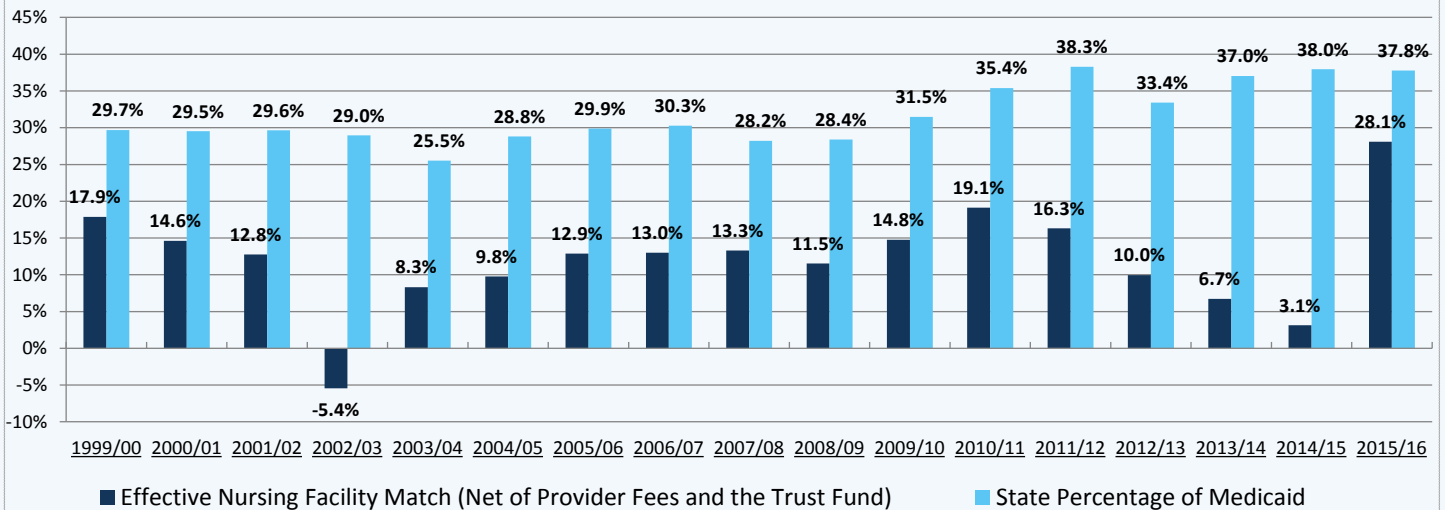
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### Withdrawals from the Medicaid Trust Fund for the Elderly



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### Comparison of the Effective Match Rate for Nursing Facilities Compared to the Match Rate for Louisiana's Medicaid Program



The difference between the dark blue and light blue lines (above) represent millions of dollars in savings for the State. The savings were created by the nursing facility payment of provider fees and withdrawals from the Medicaid Trust Fund for the Elderly.

## Quality Improvements

- Every nursing facility in Louisiana is inspected by the LDH using a federally mandated process that is consistent throughout the nation. This thorough inspection examines more than 182 processes. When LDH discovers an issue, the facility receives a citation referred to as a deficiency. Louisiana compares extremely well to the nation as demonstrated below.
  - Average number of deficiencies: LA - 3.9; U.S. - 7.2
  - Average number of building and fire code deficiencies: LA - 1.5; U.S. - 3.6
  - Facilities with deficiency-free surveys: LA - 15.8%; US - 8.4%
  - The percentage of nursing facilities that received a citation for failing to treat or prevent a pressure ulcer is sixth lowest in the nation.
  - For the most serious deficiencies, Louisiana is well below the national average. This combined with the information above, clearly shows that Louisiana nursing facilities provide quality care.
- 15 long stay quality measures are tracked by CMS. Louisiana's performance in these measures is as follows:
  - In 10 of the quality measures, Louisiana meets or exceeds the national average.
  - In three of the quality measures, Louisiana is within 2% of the national average.
  - In the remaining two quality measures, Louisiana is within 3.1% of the national average. These two quality measures are the use of anti-anxiety or hypnotic medication (3.1% above the nation) and antipsychotic medication (2.8% above the nation). Louisiana is improving greatly on these measures. In fact, since 2011, Louisiana has had the second largest percentage point decrease in the nation in use of antipsychotic medication with an 11 percentage point decrease.
- In the last five years, Louisiana's nursing facilities have increased registered nurse (RN) staffing by 15.4%.

## Rebalancing

Louisiana spends 44% of its long term care budget on nursing facilities. The Southern Regional average is 42%, however, Tennessee reports nursing facility spending at 1%, an obvious error. If Tennessee is removed, the Southern Regional average is 45%. Louisiana's spending on nursing facilities is consistent with the southern states and appropriately balanced.

## Rightsizing

While all beds must be approved by the State, LNHA continually works with Louisiana Department of Health (LDH) to achieve the appropriate balance of beds for our population. In fact, in a collaborative effort with LDH, two programs were created to remove excess beds. These programs have removed 1,515 beds—approximately the equivalent of 13 nursing facilities. In the last 15 years, the programs mentioned above, combined with private efforts, have removed 8,067 beds—approximately the equivalent of 67 nursing facilities. This amounts to a 20% decrease.



## The Public Strongly Supports Nursing Facilities

- Louisiana voters have supported the nursing facility profession. In 2012 and in 2014, voters passed constitutional amendments which protected funding for the nursing facility program. This clearly demonstrates that protecting the elderly is of utmost importance to the public.
- A 2016 statewide poll of Louisiana voters reflects the following:
  - 87% believe that any proposed cuts to Medicaid funding for nursing facilities is unacceptable.
  - 79% agree that a lack of government funding for nursing facility care has a negative impact on the quality of care delivered.
  - 79% support lawmakers who oppose Medicaid cuts for nursing facilities.

## Personal Stories

### Sarah Porter, Kaplan Healthcare Center



Ms. Sarah Porter is a 74-year-old native of Gueydan, Louisiana. Ms. Porter worked in the medical field as a certified nursing assistant until health issues forced her to retire. With her medical expertise, she knew the road to recovery would be tough. When Ms. Porter developed a non-healing diabetic wound on her heel, she was treated constantly but to no avail. This non-healing wound resulted in an above knee amputation, but that didn't slow her down. She was determined and always gave more effort than required. Before long, Ms. Sarah was walking 30 feet with a platform walker and transferring to/from bed using a sliding board. Ms. Porter faced obstacles that would have anyone feeling defeated or depressed. She defeated every challenge with a smile. All of her hard work and optimism has paid off. Sarah is now discharged from the facility and lives at home independently. She looks forward to receiving her prosthesis, and when she has mastered that process, she promises to come back to the facility to "show off."

### Mrs. Joann Parker, Gonzales Healthcare Center

Mrs. Joann Parker is 79-year old native of Baton Rouge. Last year, Mrs. Parker was in a broadside collision. She sustained serious injuries including three broken vertebrae, six fractured ribs and multiple bruises all over her body. When Mrs. Parker arrived at the Gonzales Healthcare Center nursing facility in December 2016, she was unable to walk and had to lay completely flat without pillows. She was extremely feeble. She had to wear a hard back brace and heavily depended on nursing facility caregivers to complete her daily living tasks. Mrs. Parker participated in physical and occupational therapy five times a week for four weeks and her condition improved significantly. Now, rather than being confined to her bed, she can stand and walk around the facility with a rolling walker. She has regained a lot of her strength and is much more independent with her daily activities. When asked her opinion of her experience with the therapy team she said, "It's working! I wish I could stay longer! I have made wonderful progress and I think the people in therapy are fantastic!"

These are two stories of many that illustrate how Louisiana's nursing facilities provide vital services to residents who are frail, elderly and in need of 24-hour care. We're here when you need us.

## Nursing Facility Rates and Resident Acuity

As demonstrated below, Louisiana's Medicaid nursing facility rate is among the lowest in the nation and our residents are acutely ill.

- Louisiana's nursing facility reimbursement is among the lowest in the nation.
  - The Medicaid daily rate paid to Louisiana's nursing facilities is the fourth lowest in the nation, yet Louisiana's nursing facilities provide the same services other states provide. An average nursing facility in Mississippi with 80 Medicaid residents would be paid \$1.4 million more than a similar facility in Louisiana.
  - Louisiana's daily Medicaid rate is \$43 lower than the daily Medicaid Southern Regional Average.
  - Louisiana's Medicaid per enrollee spending on the aged population is one of the lowest in the nation. According to the Kaiser Foundation, Louisiana is 44th lowest in the nation and 35% below the national average.
- Louisiana's nursing facility population requires more assistance than the national population.
  - Of the five activities of daily living (ADLs) measured by CMS, the percentage of Louisiana's nursing facility residents who require assistance exceeds the national average in all five measures. The ADLs are bathing, dressing, toilet use, transferring and eating.
  - For example, 79% of Louisiana's nursing facility residents require assistance with eating as compared to 59% nationally.
  - ADLs are categorized as residents being independent, assisted or dependent. Of the five ADLs, Louisiana nursing facilities have fewer residents classified as independent than the nation.
  - 4.1% of Louisiana's residents are bed-bound as compared to the national average of 3.7%.

## About LNHA



The Louisiana Nursing Home Association was established in 1957 as a statewide network of professionals dedicated to providing excellence and quality care for Louisiana's elderly in need. LNHA has since become a strong voice for long term care. LNHA represents nearly 250 member nursing facilities that care for more than 30,000 of Louisiana's elderly and disabled individuals each day. On behalf of its members, LNHA advocates for providing quality care and nurturing environments to Louisiana's frail and elderly. For more information about LNHA, visit our website at [www.lnha.org](http://www.lnha.org).

# Executive Summary

Louisiana's nursing facilities (NFs) protect the general fund. Louisiana's NFs are the largest payers of provider fees in the State. Since 1993, nursing facilities have paid \$1.7 billion to the State generating \$4.06 billion in federal funds for a total impact of \$5.8 billion. (See charts 1 and 2.)

Louisiana compares extremely well to the nation in quality measures as demonstrated below.

- Average number of deficiencies:  
LA - 3.9; U.S. - 7.2
- Facilities with deficiency-free surveys:  
LA - 15.8%; US - 8.4%
- In the last five years, Louisiana's nursing facilities have increased registered nurse (RN) staffing by 15.4%.

The Medicaid daily rate paid to Louisiana's NFs is the fourth lowest in the nation. Louisiana's daily Medicaid rate is \$43 lower than the daily Medicaid Southern Regional Average.

Louisianans strongly supports nursing facilities. A 2016 statewide poll of Louisiana voters reflects the following:

- 87% believe that any proposed cuts to Medicaid funding for nursing facilities is unacceptable.
- 79% agree that a lack of government funding for nursing facility care has a negative impact on the quality of care delivered.
- 79% support lawmakers who oppose Medicaid cuts for nursing facilities.

Of the five activities of daily living (ADLs) measured by CMS, the percentage of Louisiana's NF residents who require assistance exceeds the national average in all five measures. The ADLs are bathing, dressing, toilet use, transferring and eating.

Read the full report at [www.inha.org/closerlook](http://www.inha.org/closerlook)  
 Questions? Contact Mark Berger  
 Louisiana Nursing Home Association  
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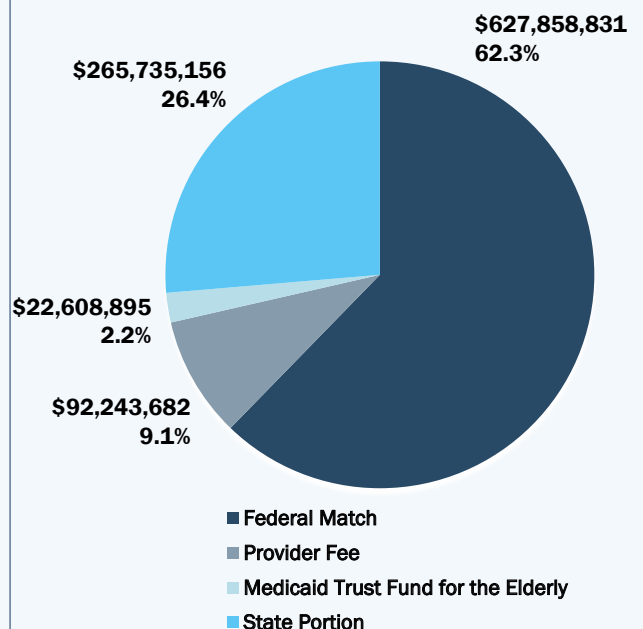
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## Nursing Facility Profession's Contribution to Louisiana by Way of the Provider Fee

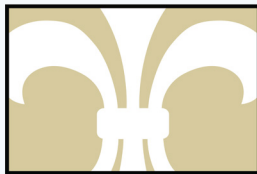
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## Anatomy of Nursing Facility Funding SFY 2016-17



**LNHA**



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