

PACAH 2019 Spring Conference

“The Future of Long Term Care in Pennsylvania & America”



Tuesday, April 23, 2019

Penn Stater Hotel and Conference Center

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The TRECS Institute

Targeting Revolutionary Elder Care Solutions

Meet Gertie



Goals of this Presentation

- ▶ Review the Good, the Bad and the Ugly of our current nursing home environment
- ▶ Discuss trends & likely scenarios for the future
- ▶ Discuss new opportunities worthy of consideration:
 - ▶ Programs
 - ▶ Technology Advances
 - ▶ Reimbursement

Realities of The Senior Population

- ▶ Growing in numbers
- ▶ Rising rates of chronic diseases
- ▶ Longer life expectancies due to:
 - ▶ Public Health
 - ▶ Medical Technology
 - ▶ Pharmaceuticals
 - ▶ Life style changes
- ▶ Higher number of single/divorced/no children
- ▶ Increase in percent living alone
- ▶ Impact of social realities on medical needs



Realities Facing The LTC Industry

- ▶ Reimbursement
- ▶ Staffing shortages
- ▶ Regulations
- ▶ Physical plant challenges
- ▶ Competition
- ▶ Litigation

Reimbursement Challenges



- ▶ Patient–Driven Payment Model (PDPM)
 - ▶ CMS extended key work arounds for states that tie their Medicaid rates to the Medicare rate
- ▶ Patient mix changing
- ▶ Medicaid Managed Care Providers
- ▶ Medicare Managed Care Providers
- ▶ Impact of hospital’s “SNF Preferred Provider Networks”
- ▶ Reduced LOS
- ▶ Three day hospital stay requirement for Medicare
- ▶ Securing sufficient payment for “special needs” patients

Staffing Challenges

- ▶ Staffing shortages: #1 challenge for most facilities
- ▶ Direct impact on:
 - ▶ Quality
 - ▶ Cost
 - ▶ Moral
 - ▶ Surveys
 - ▶ STAR Rating
- ▶ Turnover rates problematic at all levels including key leadership roles (NHA, DON, Charge Nurses, Nurses, LPNs)
- ▶ Medical Director and primary care physician issues

Challenges of Regulations

- ▶ SNF survey process is broken
 - ▶ In 2005 LeadingAge sponsored a national study of the SNF survey process. They concluded it was:
“Broken and Unfixable”
 - ▶ In November of 2018, The TRECS Institute hosted a Summit at the Wharton School to identify the “No Brainers in Long Term Care.” The current SNF survey process was identified as the #4 “No Brainer”
- ▶ Focus is off base
- ▶ Fines are not in keeping with the offense
- ▶ It has lost the “improvement element” and become far too dictatorial

Physical Plant Challenges

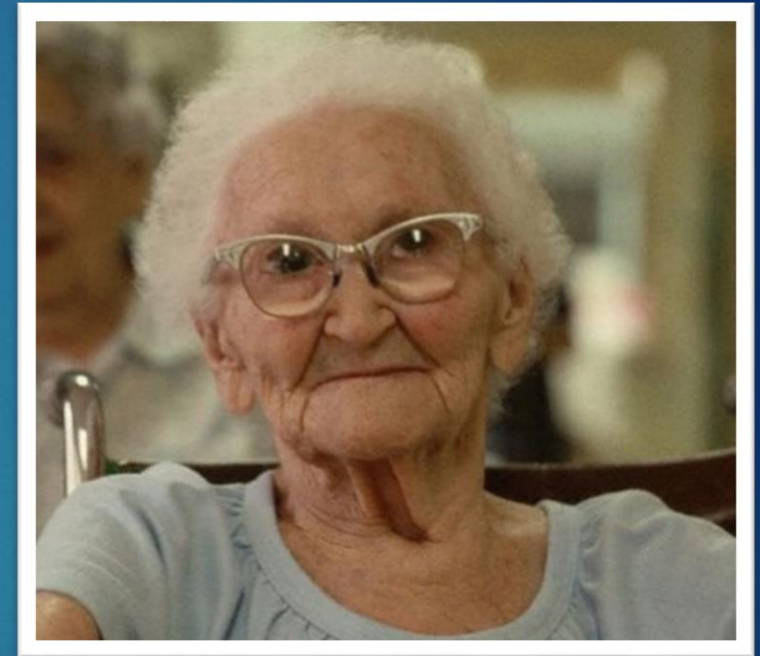


- ▶ Excessive lease payments from sale to REITs
- ▶ Age of building
 - ▶ Number of beds
 - ▶ Space limitations/existing layout
 - ▶ Renovation costs
 - ▶ Maintenance costs
 - ▶ Energy cost
 - ▶ Competitive positioning

Competitive Challenges...

Everybody wants Gertie!

- ▶ Competition continues to grow
 - ▶ Home and community based programs
 - ▶ Increasing support from technology
 - ▶ Assisted living
 - ▶ CCRCs/Life Care
 - ▶ LIFE/PACE Programs
 - ▶ Home care/home maker services



Underlying contributing challenge...

***Seniors don't want to go
to a nursing home!***



News Alert....

The press continues to highlight only the negative situations that happen across the industry and ignore the good and compassionate care that's given to thousands of residents every day! Our industry needs to change this situation!

Challenges of Litigation



- ▶ Insurance is a major operational cost
 - ▶ Adds thousands of dollars of cost per bed
 - ▶ Law firms that specialize in SNF cases – and they are good
- ▶ Cases and awards not necessarily decided on legal facts but often emotions play a major part
- ▶ Contributing to litigation risk is the one sided ongoing negative press our industry receives

Where is this all going?

▶ **The Good:**

- ▶ Recognition that our health care system needs to change
- ▶ Opportunities to explore “Shared Savings” opportunities
- ▶ Opportunities to “Go outside your gate”
- ▶ Advances in technology can open many doors
- ▶ Ever growing senior population and the demand created

Where is this all going?

▶ **The Bad:**

- ▶ Dealing with day to day realities...
 - ▶ Staffing challenges
 - ▶ Reimbursement
 - ▶ Inspections +++++
- ▶ Finding time to be evaluate other opportunities
- ▶ Finding dollars to implement new opportunities
- ▶ Dealing with the publics negative perceptions of nursing facilities

Where is this all going?

▶ **The Ugly:**

- ▶ The negative impact generated by a few “bad apples”
- ▶ Nursing facility closures and bankruptcies – will continue
- ▶ A new breed of operators whose “hearts aren’t in the right place”
- ▶ Continued concerns over survey process
- ▶ Continuing concerns over litigation

What is a Nursing Facility to do?



Be creative....



Identify new programs, services and technologies that improve care and generate added revenue

Look Beyond Traditional Responses

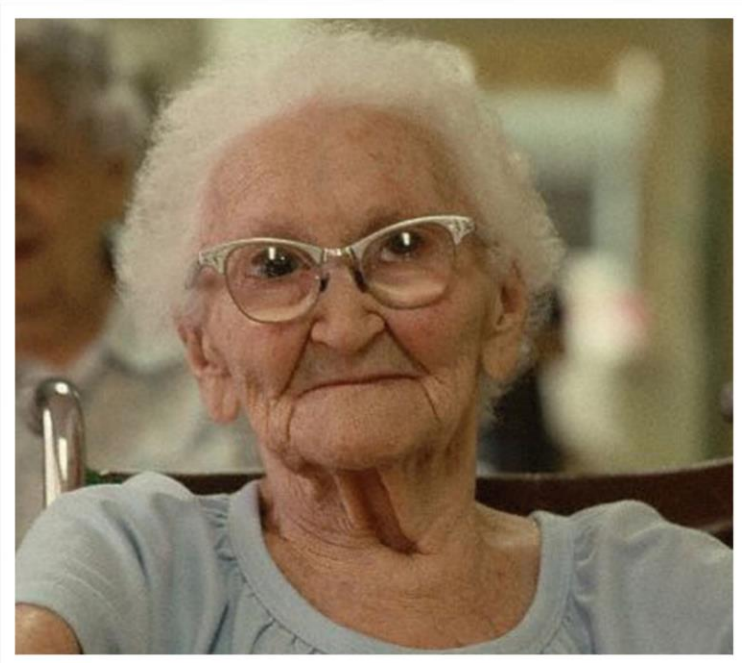
More Good News...

There has never been a better time in health care to be creative, develop new opportunities and in doing so, improve care for seniors and improve your organization's financial position!



TRADITION

JUST BECAUSE YOU'VE ALWAYS DONE IT THAT WAY
DOESN'T MEAN IT'S NOT INCREDIBLY STUPID.



Opportunities Worthy of Consideration

▶ *Survey your own staff for personal care giving responsibilities*

- ▶ Great way to show you care

Support your Staff

▶ *Look outside your gates and into the community*

- ▶ Establish a nurse practitioner medical home model
- ▶ Incorporate Chronic Medical Management and remote monitoring programs
- ▶ Provide remote monitoring to all high risk discharges
- ▶ Provide to the growing number of medically isolated seniors in the community (growing your SNF pipe line)

Opportunities Worthy of Consideration

- ▶ ***Shared Savings Agreements with 3rd Party Payers for Telemedicine & Telehealth Services by...***
 - ▶ ***Implementing telemedicine to eliminate “Phone Medicine” and to reduce avoidable SNF to hospital transfers***
 - ▶ Tried and proven in both urban and rural settings
 - ▶ Significant competitive differentiator
 - ▶ Not offering telemedicine service #1 on the “No Brainer List”
 - ▶ ***Implement special programs for high risk discharges***
 - ▶ PERS Program: New two-way video pendant
 - ▶ Partner with home health agency or PCP



Opportunities Worthy of Consideration

- ▶ ***Consider Circadian Lighting for Dementia Residents***
 - ▶ Focused on Dementia Units
 - ▶ Many positive benefits for dementia residents and staff
 - ▶ Uses 30% of electricity required for fluorescent lighting generating significant energy savings
 - ▶ Market differential
 - ▶ Cost of converting moderate
 - ▶ Free analysis available

Other energy savings opportunities worthy of evaluating



MINKA
HOMES AND COMMUNITIES

Alternative Housing Options



Created by Dr. Bill Thomas

Opportunities Worthy of Consideration



▶ *Expand Availability of Dental Care Services*

- ▶ Strong link between poor oral & dental care and down stream medical expenses
- ▶ Most LTC residents admitted with a mouth full of dental problems
- ▶ Medicaid Program is weak in covering dental care
- ▶ Medicaid Managed Care Companies show big benefit but poor rates
- ▶ Private Insurance dental programs can offer significant benefits:
 - ▶ No out of pocket cost to resident/family
 - ▶ Improved care and economic savings for SNF
 - ▶ Dentures day one/replacement dentures at no cost
 - ▶ Eliminates transport cost because most services completed in the SNF
 - ▶ Much broader coverage compared to Medicaid & Medicaid Managed Care

Opportunities Worthy of Consideration

- ▶ *Blood transfusions at the resident's bedside instead of sending them to the hospital*
 - ▶ Works for Medicare short stay patients
 - ▶ Does not currently work for Medicaid LTC resident
 - ▶ Provided by specialty nurses using blood bank protocols
 - ▶ Better quality for resident – Avoids unnecessary medical risks
 - ▶ Prevents hospitalization and loss of revenue for the SNF
 - ▶ This would be a good “Shared Savings” opportunity if your facility has any frequency of need for transfusions among Medicaid LTC residents

Opportunities Worthy of Consideration

▶ *Expand Behavioral Health Services*

- ▶ Estimates suggest that 75% or more of all SNF residents need some level of behavioral health services
- ▶ Shortage of behavioral health professionals has often been the limiting factor
- ▶ Availability of behavioral health services through telemedicine will dramatically increase care options
- ▶ Need for routine care but also 24/7 emergency care to avoid hospitalization
- ▶ This too could be a good “Shared Savings” discussion

Opportunities Worthy of Consideration

- ▶ ***Accurate Data collection a must***
 - ▶ Data needed for Shared Savings Programs
 - ▶ Good data helps manage and identify areas of concern early so corrective action can be taken
 - ▶ Data can help justify higher reimbursement
- ▶ ***Evaluate the benefits of an “Institution Special Needs Program” (I-SNP Program)***
 - ▶ Many benefits for the right situation
 - ▶ Local Guru of I-SNPs worth approaching

Conclusions & Recommendations

- ▶ Pennsylvania's 720+ SNFs and America's 15,000 + SNFs at risk!
- ▶ Risk is coming from many directions
- ▶ Identify those opportunities right for your market and make them happen – look beyond your gate and be creative
- ▶ Today's health care system offers very real opportunities to:
 - ▶ Improve quality for those residents entrusted to our care
 - ▶ Generate additional revenue/value for your facility
 - ▶ Save money for our health care system
- ▶ Simultaneously, the potential for the Nursing Home Industry to develop Shared Savings opportunities is very real and not “Peter Pan” thinking!

Conclusions & Recommendations

- ▶ Associations (state and national) need to work together with their members on key problem areas:
 - ▶ Industry's Image
 - ▶ Litigation
 - ▶ Survey Process
- ▶ In Pennsylvania ... Associations need to serve as a catalyst:
 - ▶ To developed shared savings agreements
 - ▶ To increase funding for Civil Money Penalty Grants



ACHIEVEMENT

YOU CAN DO ANYTHING YOU SET YOUR MIND TO WHEN YOU HAVE VISION,
DETERMINATION, AND AN ENDLESS SUPPLY OF EXPENDABLE LABOR.



THINK

Do you really think you can fly if you flap your arms really fast?

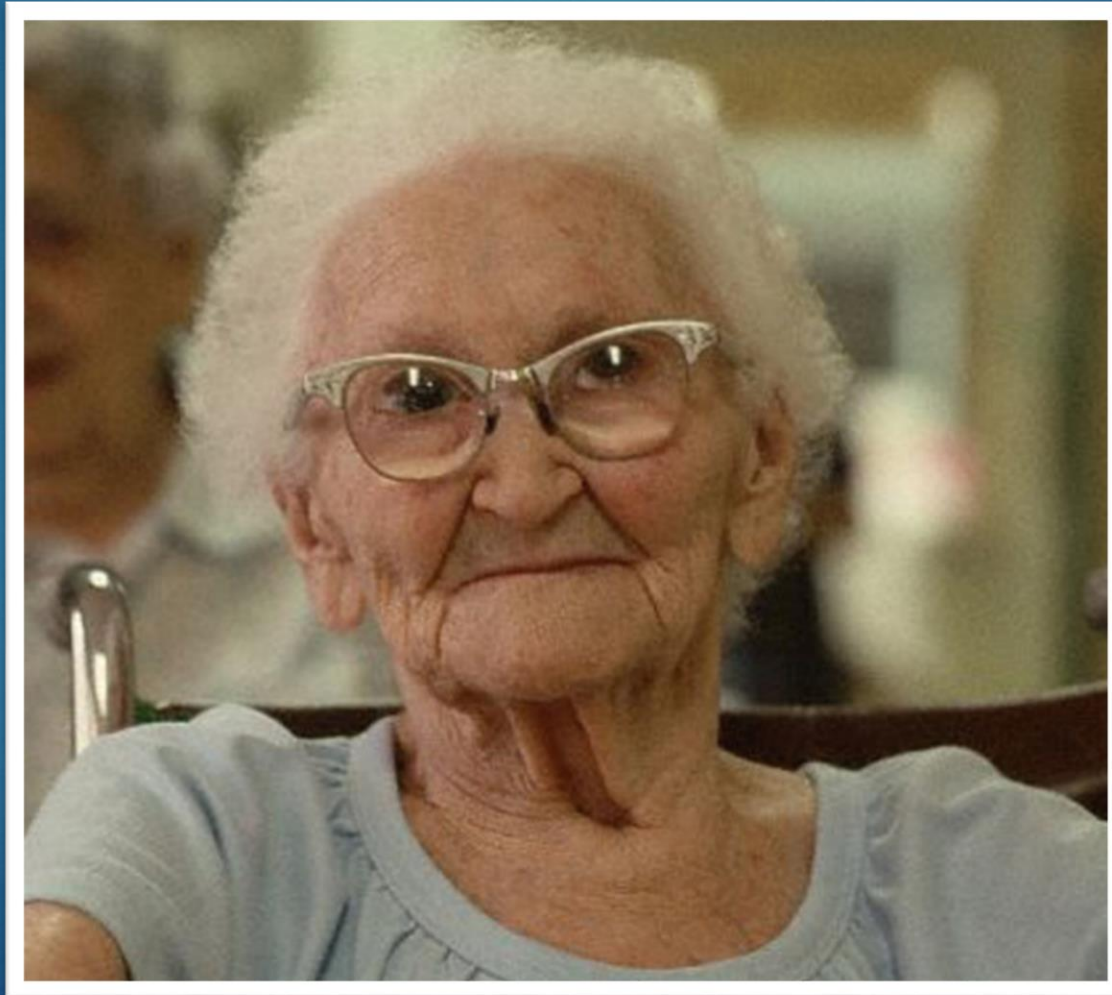


AGONY

NOT ALL PAIN IS GAIN.

At the end of the day....

It for the Gerties of the world!



Thank you!

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AMBITION

THE JOURNEY OF A THOUSAND MILES SOMETIMES ENDS VERY, VERY BADLY.