Ohio nursing homes at risk

NURSING

Proposed Medicaid cuts raise fears for families, facility officials

Follow-up | A Critical Choice
John Caniglia and Jo Ellen Corrigan
jcaniglia@plaind.com jcorrigan@plaind.com

Deena Barrett fears that the suggested cuts to Medicaid in the federal health care proposal will have a chilling impact on her husband's care. At the age of 31, her husband, Brian, suffered two severe brain injuries, one from a serious stroke in early 1990 and the other from being struck by a large rock, the size of a brick, that smashed through a window as he rode in a car down Chester Avenue in Cleveland nearly 11 months later. Doctors said the odds of such severe brain injury occurring twice were a trillion to one.

Brian uses a wheelchair and has a feeding tube. Deena, who lives in Cleveland Heights, took care of her husband for 25 years until she had to move him to a nursing home about two years ago. Her husband is 58, and she worries about what would happen to him if the massive cuts to Medicaid take place.

"People who cannot advocate for themselves need more help, not less," she said. "These are people who don't have options. There is no doubt in my mind that there will be a negative impact [if there are cuts to Medicaid]. Why are they targeting this system of all systems?"

In Ohio, those in jeopardy are the tens of thousands of individuals in need of daily nursing home care, as well as the facilities themselves.

On Thursday, Republicans in the U.S. Senate released a revised draft of a health care bill that, again, proposes deep reductions to Medicaid funding.

As the plan stands, published reports show, the hundreds of billions of dollars in cuts to Medicaid in the revised plan are similar to those in an earlier draft of the plan GOP senators released in late June.

see NURSING |
Medicaid, the tax-funded insurance plan for low-income Americans, has become a lightning rod in the political fight over health care reform. The federal government and states join in its financing, and it serves more than 2.8 million Ohioans.

The amount spent on nursing homes has become particularly contentious.

Nursing homes bill Medicaid directly for about 50,000 of the state's 75,000 residents in Ohio's 960 care facilities. Medicaid is expected to pay more than $2.7 billion this year for nursing home care in Ohio.

State law guarantees Medicaid reimbursements to nursing homes and intermediate care facilities, the only two groups in which the payments are written into the Ohio Revised Code.

Because the reimbursements are written into law, severe Medicaid cuts from Congress would force Ohio lawmakers to make untenable funding decisions.

Ohio nursing homes fear losing as much as $800 million a year in Medicaid funding in the proposed overhaul. The state's nursing home lobby said the cuts could come within the next few years if the plan clears legislative hurdles in Washington.

"We're very concerned about the changes that are being proposed at the congressional level," said Jill Herron, the administrator and part owner of Welcome Nursing Home, a for-profit facility in Oberlin. She estimates that 70 percent of the 102 residents in the facility are on Medicaid.

"Absolutely, this is a huge fear for us," she said. "I don't think anyone in our facility could live independently again."

**Devastating consequences**

Peter Van Runkle is the executive director of the Ohio Health Care Association, which represents hundreds of nursing homes in the state. He said if federal funds are cut, the Ohio Department of Medicaid would have to go to the state legislature to seek reductions.

Van Runkle said he fears nursing home reimbursements would be an obvious place.

"The bottom line is that if we had to take an $800 million cut," Van Runkle said, "we would have skilled-care

A Main

The Plain Dealer, using federal nursing home data, found that two of every five nursing homes in the state offer care that the federal government considers substandard. It also found that 70 percent of the nursing homes in the state were staffed below what researchers and advocates say is necessary to provide compassionate, empathetic care.

**Kasich, lobby clash**

The fear over possible cuts to Medicaid for nursing homes follows months of bitter conflict between Gov. John Kasich and the nursing home lobby. During that time, the governor cited the care at Ohio's low-performing facilities and pushed for managed care plans for nursing home residents.

Kasich said the plans, run by insurance companies that contract with the Ohio Department of Medicaid to handle the health of residents, would save millions of dollars a month for those in nursing homes. The Ohio Health Care Association's Van Runkle disagreed, saying the plans instead add a layer of inefficient bureaucracy.

Kasich pushed managed-care plans for nursing homes in his version of the budget. The legislature pulled it from the budget.

Earlier this month, the Ohio House voted to override several of the governor's budget vetoes, including some that involved Medicaid. The Ohio Senate is expected to consider the overrides later this summer, according to published reports. The one issue the House did not try to override was Kasich's veto of a Medicaid expansion freeze.

At the same time, advocates for nursing home residents will study what happens as Congress attempts to reconstruct the federal healthcare system.

Republican Rob Portman has said he opposed the early version of his colleagues' plan in the Senate. Democrat Sherrod Brown bashed it.

"These are our parents and grandparents," Brown said. "They are people who worked hard to build good lives for their families, and they shouldn't lose it all to medical expenses in their later years. Cutting nursing home funding will hurt patients who depend on it, threaten jobs in our communities and further squeeze working families who are already juggling the expense of raising kids while caring for their aging parents."
facilities going out of business left and right.

According to the Henry J. Kaiser Family Foundation, which analyzes and reports on national health issues, the proposed overhaul would use per capita caps, or pre-set amounts, to limit Medicaid contributions to states. That would leave it up to states to decide how to dole out the limited funds.

Van Runkle said the American Health Care Association, which nationally represents thousands of nursing homes and care facilities, has estimated a 20 percent reduction in Medicaid funding, which is based on the anticipated growth of Medicaid and participants. Van Runkle said that such a cut would cost Ohio nursing homes about $600 million a year.

He said nursing homes could lose an additional $200 million a year from a proposed cut in a tax that health care providers pay. The providers' tax can be applied by the state to Medicaid spending, according to the Kaiser Foundation's analysis of the original plan's draft.

Under that proposal, the 6 percent tax nursing homes pay would drop to 5 percent by 2025, the foundation reported. Van Runkle said he fears that this loss in Medicaid funding from the tax would directly hit nursing homes.

"From my understanding, if the Senate's version passes, it would be devastating to nursing homes like ours," said Danny Williams, the chief executive officer of Eliza Bryant Village in Cleveland, a nonprofit nursing home on Wade Park in Cleveland. "Medicaid is our largest revenue source."

Nursing home advocates and researchers said that if the proposed plan goes into effect, the reductions would restrict the number of people who go into nursing homes and limit the services and staff provided. Nursing home officials agree, and they point to industry-wide profit margins of less than 3 percent, according to published reports.

"The quality is already poor in many nursing homes, partly because of low staffing," said Charlene Harrington, a professor emeritus at the University

As the U.S. Senate considers its next move, residents like Deena Barrett continue to fret.

"I can't sleep," she said. "Oh, my God, I'm worried to pieces. My husband is someone who needs our health care system."

Deena Barrett visits her husband Brian daily. LISA DEJONG | THE PLAIN DEALER

Brian Barrett, seen here in a recent photo, now lives in a nursing home. His family fears the extensive cuts to Medicaid in the proposed health care overhaul.

COURTESY DEENA BARRETT