



How will we care for OUR parents?

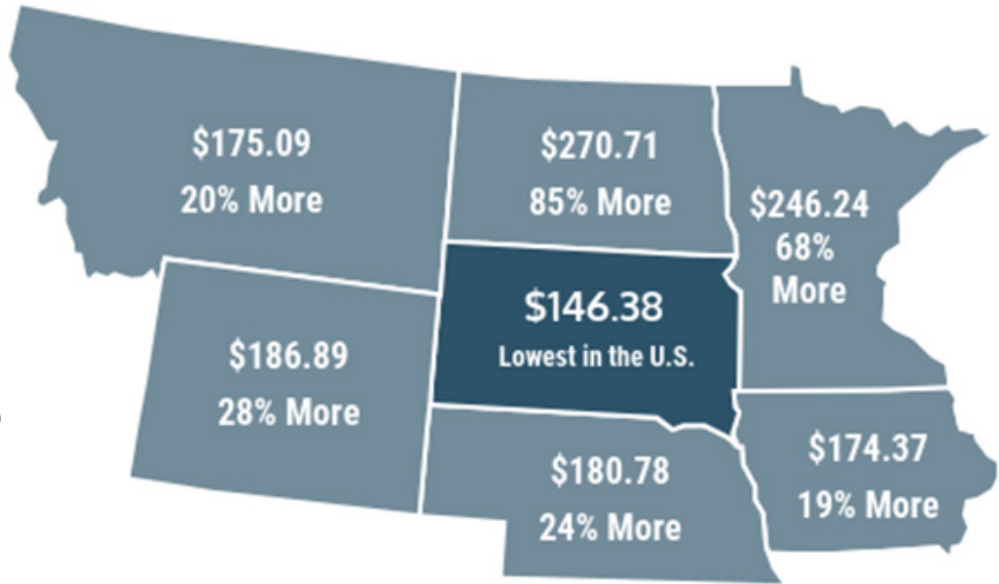
Critical Need:

- Increase provider rates to align with our surrounding states.
- Continue to leverage the Healthcare Solutions Federal 100% FMAP.

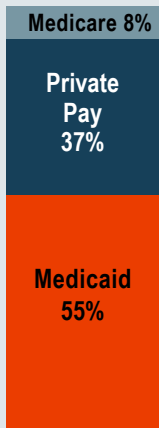
Why?

- To ensure Medicaid rates cover the cost of care.
- To ensure the viability of SD nursing homes.

South Dakota's Medicaid nursing home provider rates are LOWEST in the nation.



Nursing Home Residents in SD²



Median wage for CNA in SD:
\$12.47/hr

46th
lowest in the nation.³

12,000
people are "dually eligible" and enrolled in both Medicaid and Medicare.⁴

Most nursing home facilities in the state are **40 years** old. The average in the Midwest is 12 years.⁵

$$\begin{array}{rcl}
 \mathbf{\$181.46} & - & \mathbf{\$146.38} & = & \mathbf{\$35.08} \\
 \text{Cost of Care Per Day}^1 & & \text{Medicaid Rate Per Day} & & \text{Shortfall Per Resident Per Day}
 \end{array}$$

Result: A \$42 million shortfall per year.

Private pay residents are picking up the tab for the Medicaid shortfall.

Medicaid funding for nursing homes must remain a priority.

Long Term Care Key Points

● Reduce the \$42 million per year shortfall.

- South Dakota nursing home Medicaid rates are \$27.99 to \$124.33 **LOWER** than our neighboring states.
 - The average actual cost per day for nursing home care is \$181.46.
 - Currently there is a **\$35.08 shortfall per resident PER DAY** in South Dakota's nursing homes.
-

● Protect South Dakota's private pay residents from rate increases.

- **Private pay residents are picking up the tab for the Medicaid shortfall.** This shortfall amount is charged to South Dakota's private pay residents in order for the facility to remain operational. The average private pay rate in South Dakota is \$213.85.⁶
 - More nursing homes would have to close if the facility did not continue to raise the rates on private pay citizens in order to break even.
-

● Allow nursing homes to have a positive operating margin in order to:

- Make **facility improvements** to accommodate bariatric patients and/or basic brick and mortar updates to maintain the life of the aging structure. Most nursing home facilities in South Dakota are 40 years old.
 - Ensure **adequate capacity** and the ability to offer specialized care, which is critical due to the dramatic rise in Alzheimer's disease and the increase in resident acuity. Alzheimer's disease is the 5th leading cause of death in South Dakota.⁷
 - Address the **workforce challenge**:
 - Average turnover for CNAs is 42%, which is very costly.⁸
 - The 50th percentile wage in the Midwest for CNAs is \$13.79 compared to \$14.17 nationally.⁹
 - Workforce remains a key quality, cost and satisfaction concern for nursing homes.
 - 57% of nursing homes have used a temp agency within the past six months to ensure proper staffing. Temp/contract staffing ranges from \$30/hour for CNAs to \$125/hour for a director of nursing (plus mileage).
-

¹SD Department of Health & Human Services and Department of Social Services 2016 Medicaid Cost Report information

²SDAHO/Casey Peterson, Skilled Nursing Facility Cost Comparison Analysis 2017

³ <https://nursejournal.org/certified-nursing-assistant/cna-careers-salary-outlook/>

⁴ https://dss.sd.gov/docs/news/reports/2017_medicaid_report.pdf - page 7

⁵ <https://ltcpartnership.sd.gov/docs/Final%20Report%20SD%20LTC%2012-07-07%20.pdf>

⁶https://dss.sd.gov/docs/news/reports/2017_medicaid_report.pdf and https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/cost-of-care/118928SD_040115_gnw.pdf

⁷<https://doh.sd.gov/documents/statistics/SD-Mortality2011-2015.pdf>

⁸<https://ltcpartnership.sd.gov/docs/Final%20Report%20SD%20LTC%2012-07-07%20.pdf> - page 22

⁹<https://www.claconnect.com/-/media/files/white-papers/31st-edition-skilled-nursing-facility-cost-comparison-report.pdf>