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

- **Aging facilities**: Average age of facility is 40 years³
- **Dramatic Increase in Alzheimer’s Disease & Dementia**: 148% increase since 2000 in SD
- **Aging population**: 84% increase in elders by 2035

Nursing Home closures means displacement of...

- **6 SD nursing homes have closed in the last 20 months***: Covington Care & Rehabilitation Ctr in Sioux Falls. Closed 2019

Residents

Local Economies

(-$53 Million)³

Families

- Medicaid funding for nursing homes must remain a priority
- Protect South Dakota’s private pay residents from rate increases
- Prepare for the future by investing in our aging population

*see addendum

11/01/2019
Nursing Home Residents in SD

<table>
<thead>
<tr>
<th>Medicaid</th>
<th>Private Pay</th>
<th>Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>37%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Result: A $46.7 million shortfall per year
Private pay residents are picking up the tab for the Medicaid shortfall

Nursing Home Payment Methodology Workgroup

Timeline
- First Meeting: October 10, 2019
- Progress Report: January, 2020
- Final Recommendations Report: August, 2020
- Est. Implementation: SFY22 (July 1, 2021- June 30, 2022)

Rebase Background

SFY2010, South Dakota Nursing Homes received a FULL rebase, meaning the 2007 Medicaid Nursing Home Cost Reports established Medicaid payment rates. From the 2007 cost reports, moving forward SD nursing homes were then appropriated the legislative inflationary update.

During SFY2015, there was an opportunity to adjust reimbursement rates to move toward recognition of more recent facility costs using the 2012 Medicaid Nursing Home Cost Reports. This was not a FULL rebase like in 2007 but rather a PARTIAL rebase. South Dakota nursing homes received an adjustment of 4% and 9 access critical nursing homes received an average of 6.2%. This cost the state $6.3M.

Moving forward it’s SFY2021, adjustments to payment for nursing homes have been appropriated by the Medicaid inflationary update, from the PARTIAL rebase recognizing the 2012 Medicaid Nursing Home Cost Reports.

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### 2017 Medicaid Cost Report

- **$197.93** Cost of Care Per Day
- **$155.17** Medicaid Rate
- **$42.76** Shortfall Per Resident Per Day

### 2016 Medicaid Cost Report

- **$187.70** Cost of Care Per Day
- **$140.53** Medicaid Rate
- **$47.17** Shortfall Per Resident Per Day
Nursing Home closures means displacement of residents, families and local economies.

Addendum

<table>
<thead>
<tr>
<th>Year</th>
<th>Facility Closed</th>
<th>City</th>
<th>Leg. Dist</th>
<th>Occupancy/Beds</th>
<th>Direct Care/Resident Days</th>
<th>Economic Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Hudson Care and Rehab*</td>
<td>Hudson</td>
<td>16</td>
<td>25</td>
<td>6,903</td>
<td>(-$1,200,112)</td>
</tr>
<tr>
<td>2019</td>
<td>Violet Tschetter Memorial Home</td>
<td>Huron</td>
<td>22</td>
<td>50</td>
<td>17,568</td>
<td>(-$5,651,332)</td>
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<tr>
<td>2019</td>
<td>Covington Care &amp; Rehabilitation Ctr **</td>
<td>Sioux Falls</td>
<td>12</td>
<td>109</td>
<td>30,088</td>
<td>(-$14,664,095)</td>
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<tr>
<td>2019</td>
<td>Madison Care &amp; Rehabilitation Ctr</td>
<td>Madison</td>
<td>8</td>
<td>61</td>
<td>20,732</td>
<td>(-$6,809,140)</td>
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<tr>
<td>2019</td>
<td>Mobridge Care &amp; Rehabilitation Ctr</td>
<td>Mobridge</td>
<td>23</td>
<td>109</td>
<td>35,887</td>
<td>(-$11,602,573)</td>
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<tr>
<td>2018</td>
<td>Good Samaritan Society - Tripp</td>
<td>Tripp</td>
<td>19</td>
<td>46</td>
<td>14,524</td>
<td>(-$4,998,086)</td>
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<tr>
<td>2017</td>
<td>Bryant Parkview Care Center</td>
<td>Bryant</td>
<td>2</td>
<td>26</td>
<td>8,346</td>
<td>(-$2,460,986)</td>
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<tr>
<td>2016</td>
<td>Rosholt Nursing Inc</td>
<td>Rosholt</td>
<td>1</td>
<td>24</td>
<td>8,645</td>
<td>(-$2,924,670)</td>
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<tr>
<td>2015</td>
<td>White Healthcare Center</td>
<td>White</td>
<td>4</td>
<td>29</td>
<td>4,899</td>
<td>(-$1,819,996)</td>
</tr>
</tbody>
</table>

* Hudson Care and Rehab-facility is giving up their nursing home beds but are adding more AL beds.
** Covington Care & Rehabilitation Center is closed but the plan is to reopen at some point

Sources
2. SD DHS Medicaid Rates letters - median
3. Bureau of Economics Analysis, 2016 RIIMS Multipliers
4. SDAHO/2017 Medicaid Nursing Home Costs
5. SDAHO/SD DHS Survey to Nursing Homes
6. SDAHO/SD DHS Cost Reports, median
7. SDAHO/SD DHS Medicaid Paid Claims - Days