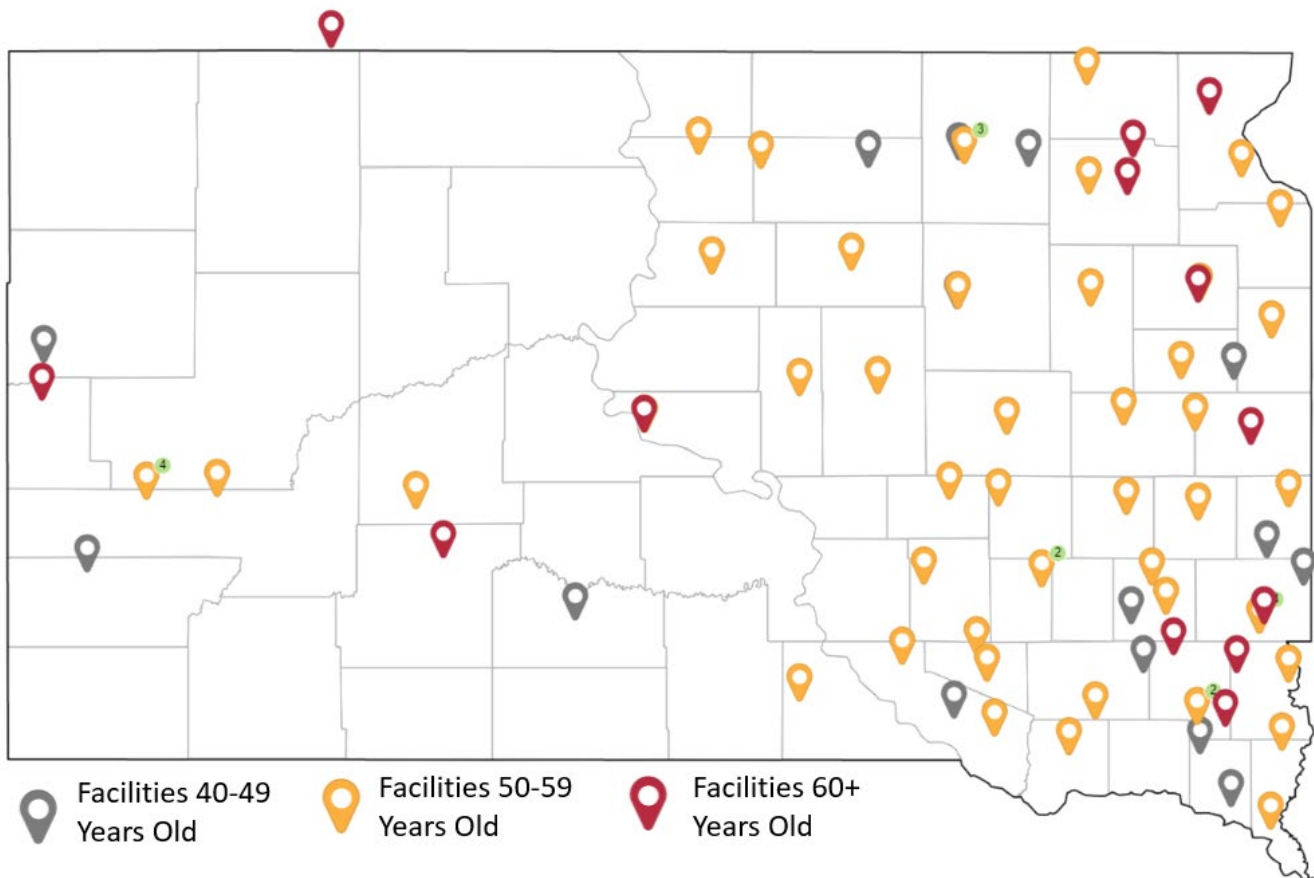


84% OF SOUTH DAKOTA NURSING FACILITIES
ARE OVER **40** YEARS OLD



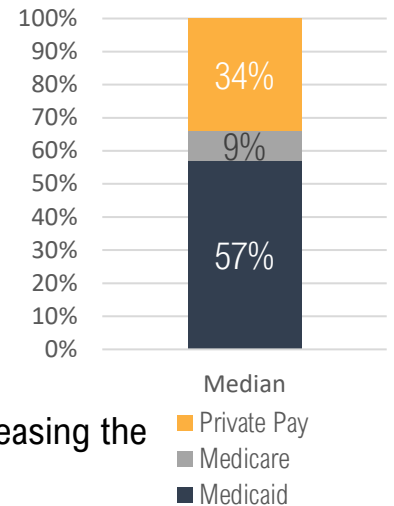
66% OF SOUTH DAKOTA NURSING FACILITIES
ARE OVER **50** YEARS OLD

The average useful life of a skilled nursing facility is **40** years.

Aging Facilities Exacerbate Ongoing Nursing Facility Challenges

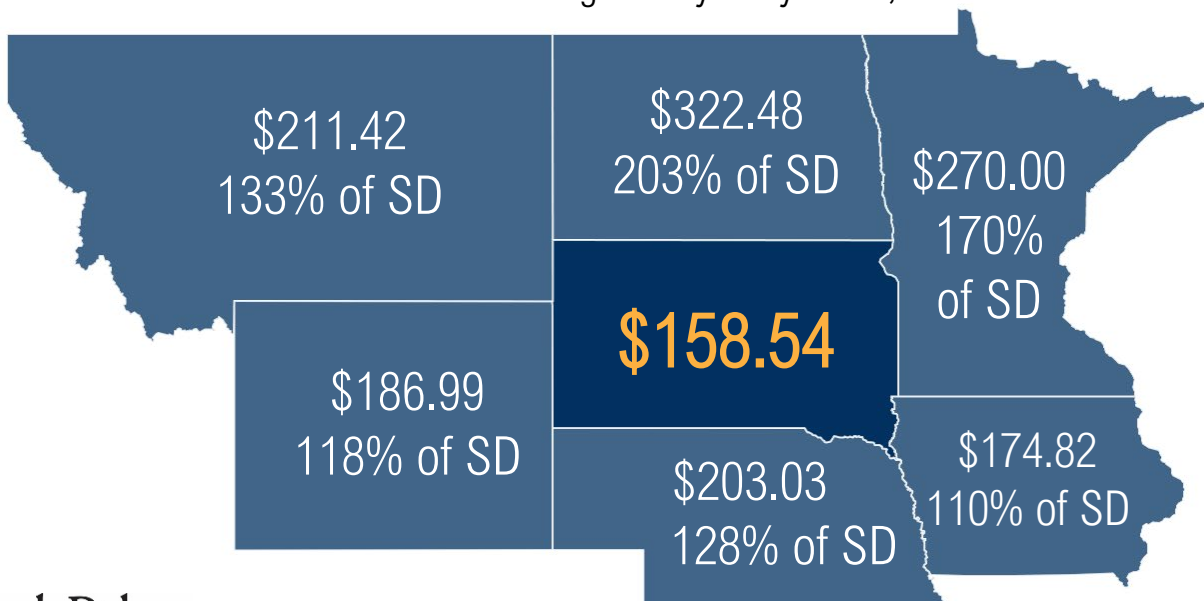
- South Dakota's aged nursing facilities are not designed to support modern best practices in infection prevention that are needed to prevent infectious disease outbreaks like COVID-19. Old buildings are not designed to accommodate visitation during a pandemic.
- COVID-19 has decreased nursing facility census and increased reliance on Medicaid as a payer source. Most nursing facilities in South Dakota already relied on Medicaid rates to fund over half their resident days before COVID.
- Nursing facility residents today have more complex care needs than when most South Dakota nursing facilities were built. Old infrastructure makes it harder to care for high-need residents, increasing the pressure on an already strained workforce.
- Depreciation and Medicaid reimbursement do not cover the cost of facility renovations and redesign to support modern clinical practices and accommodate new care models.

South Dakota Skilled Nursing Facility Payer Mix, 2018



South Dakota's Medicaid rates are the **LOWEST** in the region.

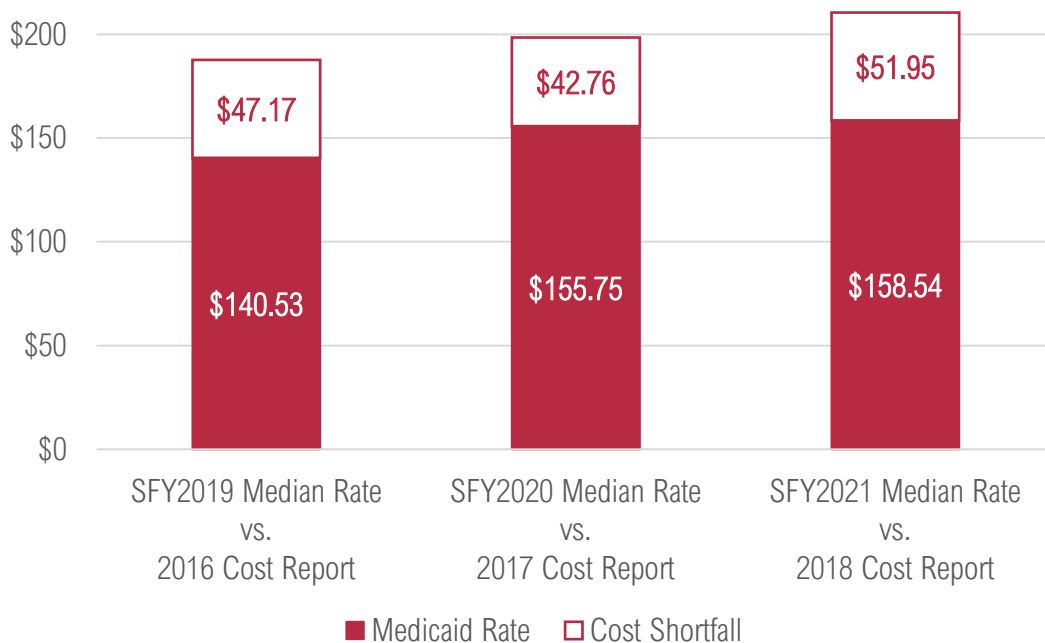
Medicaid Median Skilled Nursing Facility Daily Rates, SFY 2021



South Dakota's Medicaid Rates do not Keep Pace with Costs

Medicaid has a **\$51.95** per bed per day shortfall in nursing homes, forcing private pay patients to pick up the tab.

Medicaid Nursing Facility Rate and Cost Shortfall Per Bed Per Day



COVID-19 has strained Long Term Care Facilities



COVID-19 precautions have added 192 new regulations to nursing facilities for PPE, infection prevention, and staff testing, in addition to workforce challenges caused by COVID-19. The long-term impact of the enhanced costs and additional regulations is unknown.

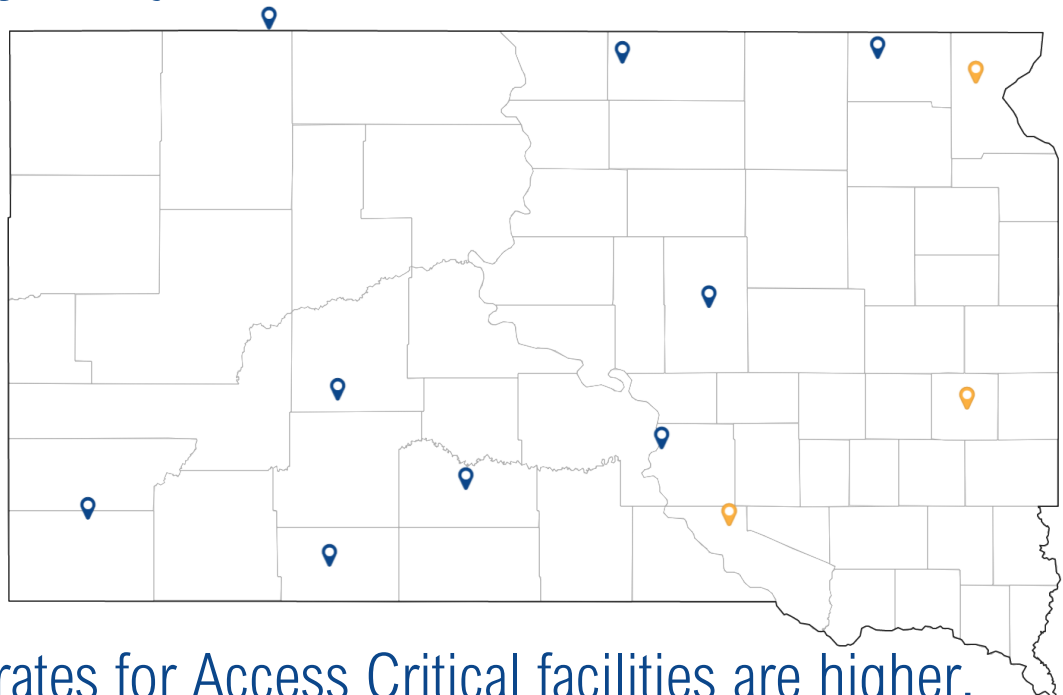


Access Critical Rates Help Rural Nursing Facilities Stay Open

Access critical nursing facilities ensure geographic access to nursing facility services in rural South Dakota.

ACCESS CRITICAL NURSING FACILITIES AND FY2022 PROPOSED ACCESS CRITICAL NURSING FACILITIES

-  Access Critical Nursing Facilities
-  FY2022 Proposed Access Critical Nursing Facilities



Medicaid rates for Access Critical facilities are higher, and have a smaller cost shortfall than the regular Medicaid rate.

South Dakota Medicaid Nursing Facility Rates and Cost Shortfall Per Bed Per Day
All Nursing Facilities vs. Access Critical Nursing Facilities

