

# NEW JERSEY ASSOCIATION OF COUNTIES

*County Government with a Unified Voice*

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## COUNTY IMPACT STATEMENT *2012 Medicaid Reimbursement Rates*

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County operated nursing homes provide a safety net of care for low income patients with medical conditions that typically prevent their admission to privately owned nursing homes. In fact, 79% of the estimated 4,128 patients currently residing in county operated nursing homes across the State are classified as Medicaid patients without the necessary resources to afford health insurance on their own. Unlike most privately owned nursing homes that carry a much higher percentage of private pay patients, county operated nursing homes maintain an average of 11% of its population in this capacity. (*See Table 1 General Data*).

With this in mind, the recent Medicaid rate reductions imposed by the Department of Health and Senior Services hit county governments disproportionately hard. In fact, the new rates released in October of 2011 represent an average daily rate reduction of \$11.72 with projected revenue of losses of approximately \$11,898,153.00. Please note that this figure does not include the fact that the Department also eliminated "Bed Hold" payments for fiscal year 2012 in the amount of \$1,542,670.00 (*See Table 3 Total Losses*). As a result of these actions, county operated nursing homes stand to lose approximately \$13,444,823.00 in Medicaid reimbursement revenue with no practical means to make up the difference.

In light of a restrictive property tax cap levy, and a time in which all local governments are struggling to make ends meet, county officials are at a loss to find the resources necessary to maintain a consistent level of quality care residents deserve. As a result of the Department's devastating cuts, several counties have indicated that they will likely reduce critical nursing, housekeeping, and maintenance staff to make ends meet. Other counties plan to slash important capital improvement projects; and, eliminate investments in progressive treatment initiatives and new technologies. At least one county plans to sell its nursing home at a public auction in January of 2012.

Please take a moment to review the three tables on the following pages, which provide a general overview of the significant fiscal impact the Medicaid rate reductions will impose on Atlantic, Bergen, Camden, Cape May, Cumberland, Middlesex, Monmouth, Morris, Passaic, Sussex, Union, and Warren counties. Thank you in advance for your time and consideration, and we look forward to working with you on developing a solution that will allow county governments to continue providing a high standard of care to a vulnerable population.

TABLE 1. GENERAL DATA

| COUNTY AND FACILITY NAME                         | FACILITY CAPACITY | AVERAGE DAILY CENSUS | OCCUPANCY RATE | MEDICAID PATIENTS | PRIVATE PAY PATIENTS |
|--|-------------------|----------------------|----------------|-------------------|----------------------|
| ATLANTIC<br><i>Meadowview Nursing Home</i>       | 180               | 174                  | 96.7%          | 74.0%             | 16%                  |
| BERGEN<br><i>Bergen County HealthCare Center</i> | 110               | 106                  | 97.0%          | 88.0%             | 18%                  |
| BERGEN<br><i>Bergen Regional Medical Center</i>  | 998               | 926                  | 91.0%          | NA                | NA                   |
| BURLINGTON<br><i>Buttonwood Hospital</i>         | 170               | 164                  | 96.0%          | 85.0%             | 9.0%                 |
| CAMDEN<br><i>Camden Health Services Center</i>   | 300               | 282                  | 94.0%          | 80.0%             | 8.0%                 |
| CAPE MAY<br><i>Crest Haven</i>                   | 178               | 166                  | 91.2%          | 74.0%             | 11.0%                |
| CUMBERLAND<br><i>Cumberland Manor</i>            | 196               | 172                  | 88.0%          | 78.0%             | 13.6%                |
| MIDDLESEX<br><i>Roosevelt Care Center</i>        | 416               | 389                  | 93.0%          | 73.0%             | 6.0%                 |
| MONMOUTH<br><i>Geraldine L. Thompson</i>         | 135               | 120                  | 90.0%          | 78.0%             | 16.0%                |
| MONMOUTH<br><i>John L. Montgomery</i>            | 156               | 95                   | 62.0%          | 95.0%             | 2.0%                 |
| MONMOUTH<br><i>John L. Montgomery Adult Unit</i> | 18                | 13                   | 72.0%          | 100.0%            | 0.0%                 |
| MORRIS<br><i>Morris View Healthcare Center</i>   | 283               | 254                  | 90.1%          | 80.8%             | 10.3%                |
| PASSAIC<br><i>Preakness LTC</i>                  | 371               | 336                  | 90.6%          | 85.0%             | 7.0%                 |
| PASSAIC<br><i>Preakness SCB</i>                  | 24                | 22                   | 92.9%          | 95.3%             | 4.7%                 |
| PASSAIC<br><i>Preakness Vent Unit</i>            | 11                | 7                    | 60.0%          | 24.7%             | 15.0%                |
| SUSSEX<br><i>Sussex County Homestead</i>         | 102               | 96                   | 99.5%          | 67.3%             | 11.61%               |
| UNION<br><i>Runnells Specialized Hospital</i>    | 300               | 278                  | 93.0%          | 73.0%             | 27.0%                |
| WARREN<br><i>Warren Haven</i>                    | 180               | 160                  | 90.0%          | 89.0%             | 7.0%                 |
| <b>TOTALS</b>                                    | <b>4,128</b>      | <b>3,760</b>         | <b>88%</b>     | <b>79%</b>        | <b>11.%</b>          |

1. NJAC collected the data contained in tables [1 – 3] from Atlantic, Bergen, Burlington Camden, Cape May, Cumberland, Monmouth, Morris, Passaic, Sussex, Union, and Warren counties.
2. NJAC summarized and then verified the data contained in tables [1 – 3] with each county listed in Footnote 1 on December 21, 2011.

TABLE 2. MEDICAID REDUCTION LOSSES

| COUNTY<br>AND<br>FACILITY NAME                   | 2011 PER<br>DAY RATE | 2012 PER<br>DAY RATE | PER<br>DAY<br>CHANGE | FY 2011<br>PROJECTED<br>MEDICAID<br>REVENUE | FY 2012<br>PROJECTED<br>MEDICAID<br>REVENUE | PROJECTED<br>REVENUE<br>LOSS |
|--|----------------------|----------------------|----------------------|---|---|------------------------------|
| ATLANTIC<br><i>Meadowview Nursing Home</i>       | \$231.53             | \$221.53             | - \$10.00            | \$10,880,521                                | \$10,410,581                                | \$469,940                    |
| BERGEN<br><i>Bergen County Healthcare Center</i> | \$233.54             | \$222.84             | - \$10.74            | NA  | NA  | \$296,005                    |
| BERGEN<br><i>Bergen Regional Medical Center</i>  | \$243.22             | \$232.29             | - \$10.93            | NA  | NA  | \$1,944,567                  |
| BURLINGTON<br><i>Buttonwood Hospital</i>         | \$233.09             | \$216.39             | - \$16.70            | \$11,924,936                                | \$11,070,561                                | \$854,375                    |
| CAMDEN<br><i>Camden Health Services Center</i>   | \$237.60             | \$225.60             | - \$12.00            | \$19,564,834                                | \$18,576,806                                | \$988,028                    |
| CAPE MAY<br><i>Crest Haven</i>                   | \$237.52             | \$230.20             | - \$7.32             | \$8,738,096                                 | \$8,423,458                                 | \$314,638                    |
| CUMBERLAND<br><i>Cumberland Manor</i>            | \$202.70             | 192.35               | - \$10.35            | \$9,847,064                                 | \$9,344,266                                 | \$502,798                    |
| MIDDLESEX<br><i>Roosevelt Care Center</i>        | \$238.74             | \$227.91             | - \$10.38            | NA  | NA  | \$1,141,709                  |
| MONMOUTH<br><i>Geraldine L. Thompson</i>         | \$233.01             | \$222.32             | - \$10.69            | \$9,525,448                                 | \$9,088,441                                 | \$437,007                    |
| MONMOUTH<br><i>John L. Montgomery</i>            | \$242.75             | \$222.47             | - \$20.28            | \$9,746,412                                 | \$8,932,170                                 | \$814,242                    |
| MONMOUTH<br><i>John L. Montgomery Adult Unit</i> | \$529.11             | \$519.11             | - \$9.81             | \$3,090,002                                 | \$3,031,602                                 | \$58,400                     |
| MORRIS<br><i>Morris View Healthcare Center</i>   | \$242.75             | \$231.35             | - \$11.40            | \$18,521,293                                | \$17,530,315                                | \$990,975                    |
| PASSAIC<br><i>Preakness LTC</i>                  | \$232.81             | \$222.81             | - \$10.00            | \$24,197,000                                | \$23,157,000                                | \$1,040,000                  |
| PASSAIC<br><i>Preakness SCB</i>                  | \$433.97             | \$423.97             | - \$10.00            | \$3,542,000                                 | \$3,443,000                                 | \$99,000                     |
| PASSAIC<br><i>Preakness Vent Unit</i>            | \$502.55             | \$492.00             | - \$10.00            | \$297,000                                   | \$291,000                                   | \$6,000                      |
| SUSSEX<br><i>Sussex County Homestead</i>         | \$221.18             | \$203.52             | - \$17.66            | \$5,191,536                                 | \$4,777,021                                 | \$414,515                    |
| UNION<br><i>Runnells Specialized Hospital</i>    | \$232.46             | \$221.60             | - \$10.86            | \$16,969,580                                | \$16,176,800                                | \$792,780                    |
| WARREN<br><i>Warren Haven</i>                    | \$231.43             | \$214.87             | - \$16.56            | \$11,156,308                                | \$10,198,428                                | \$957,880                    |
| <b>AVERAGE/TOTALS</b>                            | <b>\$275.23</b>      | <b>\$263.51</b>      | <b>- \$11.72</b>     | <b>\$187,692,030</b>                        | <b>\$178,034,449</b>                        | <b>\$11,898,153</b>          |

TABLE 3. TOTAL LOSSES

| COUNTY<br>AND<br>FACILITY NAME                   | PROJECTED<br>TOTAL<br>MEDICAID<br>LOSS | PROJECTED<br>TOTAL BED<br>HOLD LOSS | PROJECTED<br>TOTAL LOSS |
|--|--|-------------------------------------|-------------------------|
| ATLANTIC<br><i>Meadowview Nursing Home</i>       | \$469,940                              | \$78,260                            | \$548,200               |
| BERGEN<br><i>Bergen County Healthcare Center</i> | \$296,005                              | NA                                  | \$296,005               |
| BERGEN<br><i>Bergen Regional Medical Center</i>  | \$1,944,567                            | NA                                  | \$1,944,567             |
| BURLINGTON<br><i>Buttonwood Hospital</i>         | \$854,375                              | \$62,818                            | \$917,193               |
| CAMDEN<br><i>Camden Health Services Center</i>   | \$988,813                              | \$150,875                           | \$1,139,688             |
| CAPE MAY<br><i>Crest Haven</i>                   | \$314,638                              | \$122,182                           | \$436,820               |
| CUMBERLAND<br><i>Cumberland Manor</i>            | \$502,797                              | NA                                  | \$502,797               |
| MIDDLESEX<br><i>Roosevelt Care Center</i>        | \$917,000                              | 170,000                             | \$1,087,000             |
| MONMOUTH<br><i>Geraldine L. Thompson</i>         | \$437,007                              | \$29,070                            | \$466,077               |
| MONMOUTH<br><i>John L. Montgomery</i>            | \$814,242                              | NA                                  | \$814,242               |
| MONMOUTH<br><i>John L. Montgomery Adult Unit</i> | \$58,400                               | \$29,070                            | \$87,470                |
| MORRIS<br><i>Morris View Healthcare Center</i>   | \$990,975                              | \$172,977                           | \$1,163,952             |
| PASSAIC<br><i>Preakness LTC</i>                  | \$1,039,200                            | \$474,051                           | \$1,513,251             |
| PASSAIC<br><i>Preakness SCB</i>                  | \$99,000                               | \$54,000                            | \$153,000               |
| PASSAIC<br><i>Preakness Vent Unit</i>            | \$6,000                                | NA                                  | \$6,000                 |
| SUSSEX<br><i>Sussex County Homestead</i>         | \$414,515                              | \$36,454                            | \$450,969               |
| UNION<br><i>Runnells Specialized Hospital</i>    | \$792,780                              | \$100,000                           | \$892,780               |
| WARREN<br><i>Warren Haven</i>                    | \$957,880                              | \$66,913                            | \$1,024,793             |
| <b>TOTALS</b>                                    | <b>\$11,898,153</b>                    | <b>\$1,546,670</b>                  | <b>\$13,444,823</b>     |