

Vermont Long-Term Care Facilities Overview

Skilled Nursing Facilities (SNFs)	Residential Care	Assisted Living
SNFs provide 24-hour personal care, skilled nursing services, rehabilitation and therapy services (PT/OT/SLP), med administration, skilled nursing (i.e. IV therapy) and recovery from serious illness	Level III Residential Care/Assisted Living assist with personal care, medication assistance, nursing overview and 24-hour oversight Enhanced Residential Care (ERC) provide 24-hour supervision, personal care, nursing overview, medication management.	
<ul style="list-style-type: none"> 37 facilities (34 accept Medicaid incl. VT Veteran’s Home- VVH) 862k resident days of care SFY’20 11 homes closed since 1998. 2978 beds (2897 Medicaid incl. VVH) Over 1000 fewer beds than in 1998 Jan. ‘21 occupancy rate is ~76% (COVID related; down from ~83% 2019) 	<ul style="list-style-type: none"> 112 facilities (101 accept Medicaid) 95 facilities accept ACCS Medicaid. 61 facilities accept Enhanced Residential Care (ERC) Medicaid. Cannot provide Medicare services. 	<ul style="list-style-type: none"> 15 facilities (11 accept Medicaid ACCS/ERC) 11 facilities accept ACCS Medicaid. 11 facilities accept ERC. Cannot provide Medicare services.

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Regulatory Requirements:

Long-term care facilities must comply with multiple sets of regulatory requirements including:

- Federal CMS regulations (SNFs only).
- State Regulation (Department of Disabilities, Aging, and Independent Living Nursing Home Regulations, Board of Nursing, VT Nursing Home Administrator Rules).
- DAIL/CMS regularly conduct unannounced compliance surveys of facilities as well as complaint investigations.

Long-Term Care Financials:

- SNFs rates are established by the Division of Rate Setting within the Department of Vermont Health Access. Rates are cost based by facility and set quarterly using a base year that is adjusted every 2-4 years, inflated annually. The average daily Medicaid rate is \$257.00 (\$10.28/hour) (Includes room and board) (not including VVH @ \$475/day) as of January 1, 2021.
- SNFs are penalized in Medicaid rates for occupancy below 90%.
- Base res care rate (ACCS) is \$42.25 (\$1.77/hour) (Does not include R&B). Has been increased twice 2006-2019.
- ERC rate ranges from \$54.90 - \$75.92 (\$2.29 - \$3.16/hour) (Does not include R&B). 2% increase 2020, no regular increase.
- Medicaid does not fully cover the true cost of care for long-term care facilities. VVH full costs are paid.
- SNFs pay provider taxes, which help fund Vermont’s Medicaid program. They are assessed maximum amount allowable under federal law – 6% of revenues. \$14.7 million paid in provider taxes in FY20.
- Medicaid is the primary payer for most long-term care facilities.

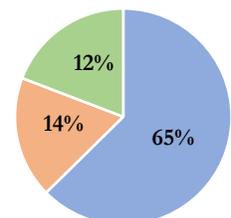
Other Industry Challenges:

Workforce (2019 data- Does Not Reflect COVID):

- Facilities regularly have nursing related vacancy rates between 17-29%.
- In lieu of permanent staff, facilities often resort to using traveling staff, which is expensive.
- Vermont nursing homes spent \$12 million on traveling nurses in FY18. This was a 158% increase from FY14.

SNF Payer Mix (9/2020)

- Medicaid (long-term care)
- Medicare (short-term, acute)
- Private Pay (long-term care)



Dementia/ALZ, Mental Health, Substance Abuse:

- Facilities must be able to meet the needs of each individual resident, while ensuring the safety and wellbeing of all residents.
- Complex behaviors create regulatory risk.
- Workforce shortages make caring for residents with these needs more challenging. There are not enough direct care workers to provide 1:1 staffing, while still meeting the needs of other residents.
- Medicaid rates do not accurately reflect the true cost of care for residents with these needs.