

October 28, 2020

Ms. Ruth Johnson
Bureau of Health Services Financing
Louisiana Department of Health
P.O. Box 91030
Baton Rouge LA 70821-9030

Dear Ms. Johnson:

I am writing regarding the Notice of Intent that begins on page 1306 of the September Louisiana Register wherein the Louisiana Department of Health intends to amend the Nursing Facilities Reimbursement Methodology under Title 50. We strongly urge you to reconsider this rule.

This proposed rule allows facilities that have more than 15% of their beds as private rooms to increase the square footage allowed in the rate calculation from 450 square feet to 550 square feet. It seems this new number applies to all beds, however, not just those in private rooms.

The net impact of this, as noted in the Fiscal Statement, is that payments to nursing homes will increase by over \$5 million a year starting in fiscal year 20-21 and rising closer to \$6 million by fiscal year 22-23. That increase will apparently continue to grow each year.

We fail to see the wisdom of this rule as it is silent in its reasoning. We are also concerned that monies will be diverted from other critical programming. Therefore, we oppose this rule for the following reasons:

- **Nursing homes are well funded.** According to a [2017 Legislative Audit Report](#) nursing home reimbursement rates rose 54% between 2006 and 2016, and they have continued to rise while the occupancy rate has stayed the same. Medicaid payments to nursing homes have risen by over \$375 million in the past ten years, according to LDH reports. That is more than the total annual spending on home and community based services (HCBS) for the nursing home eligible population. Per the Legislative Auditor, very little of this increase in nursing home spending is due to higher occupancy. It is almost all driven by rate increases. Health and Human Services has distributed \$51 million in CARES ACT funding to Louisiana's nursing homes to offset costs associated with the COVID-19 pandemic.
- **This rule furthers Louisiana's over-reliance on nursing homes rather than providing more options for Louisianans to age at home.** 90% of Louisiana residents want to age in place – in their homes and communities. Louisiana is spending less on HCBS for older adults than it was a decade ago. The state's percentage of Medicaid spending going to HCBS versus nursing homes is less than half the national average and going in the wrong direction. In the most recent [AARP Long Term Services and Supports Scorecard](#) released in September 2020, Louisiana ranks 47th nationally in choice of setting and provider.

- **This rule is not tied to performance measures like quality of care, choice of setting or effective transitions for which Louisiana scores at or near the bottom.** Rather it is a guaranteed payment based on square footage. Louisiana Nursing Homes rank 42nd on the nationwide Scorecard.
- **While AARP Louisiana is concerned about this proposed rule, we must also emphasize the importance of single occupancy rooms to quality nursing home care.** Indeed, preliminary research shows that single occupancy rooms were associated with much better resident outcomes during COVID-19, including decreased incidence of infection and mortality.

According to LDH reports, over 11,000 individuals are waiting for an available opportunity to receive long term support and services at home, rather than in a facility. 6,000 of these individuals are not receiving any home and community-based services at all. Five million dollars—the same amount nursing homes would receive under this rule--would help 200 people. It would seem to be more appropriate to spend that money on serving people rather than paying for square footage.

Louisiana is facing an extreme budget shortfall. We believe it is shortsighted to use limited funding to increase nursing home expenditures when occupancy rates have decreased due to the pandemic. Allocating the states limited resources to provide for nursing homes will only make the cuts that fall on other critical services even more severe.

We urge you to reconsider the wisdom of adopting this rule. We also are formally requesting that a public hearing be held on this proposal.

Sincerely,

A handwritten signature in black ink, reading "Denise Bottcher". The signature is written in a cursive, flowing style.

Denise Bottcher
State Director, AARP Louisiana