

FY 2021 Nursing Home “Fix It” Budget Request

Update Quality Nursing Home Care Funding Using Current Labor & Resident Care Costs

The Commonwealth’s 381 nursing homes provide a core safety net service to frail elders and disabled individuals who can no longer live safely in the community as determined by the state’s Aging Service Access Points (ASAPs). These individuals require 24-hour direct care from our dedicated frontline staff. Today, Massachusetts nursing facilities are in the midst of an historic financial and workforce crisis. This crisis impacts all nursing facilities – not-for-profit, for profit, family owned - and is directly attributable to a MassHealth payment system that has not kept pace with the cost of nursing facility care over the last decade, which has resulted in a growing and unsustainable MassHealth funding shortfall of approximately \$300 million per year – the highest in history and among the worst in the nation. Over two-thirds of nursing facility residents (about 30,000) have their care paid for by MassHealth. Therefore, a nursing facility’s ability to provide quality resident care and invest in our dedicated workforce is largely dependent upon MassHealth funding.

We must continue to build on the state’s critical FY 2020 investments to further close the \$300 million funding shortfall in order to protect quality resident care and ensure a stable and qualified workforce. The Massachusetts Senior Care Association therefore respectfully urges the Legislature to continue to support the over 200,000 individuals who live and work in the Commonwealth’s nursing facilities by updating funding for nursing home care using 2018 costs, inflating those costs using Medicare’s inflation factor and passing through Medicaid’s proportional share of minimum wage increases.

This item is estimated to cost \$150 million, half of which is reimbursed by the federal government.

Draft Language

Section ____: 4000-0641 provided further that for the purpose of setting MassHealth nursing facility rates effective July 1, 2020 for the fiscal year ending June 30, 2021, the executive office of health and human services shall use calendar year 2018 costs and shall inflate these costs by applying the annual Skilled Nursing Facility Market Basket Updates as established by the Centers for Medicare & Medicaid Services Skilled Nursing Facility prospective payment system rule, and provided further MassHealth shall recognize Medicaid’s proportional costs associated with new state employer mandates for the rate year and not less than an additional \$150,000,000 shall be expended over the amount spent in this item for state fiscal year 2020 of Chapter 41 of the Acts of 2019 for this purpose.....

Thank you for your consideration.

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