

URGENT

Hargis & Associates LLC is strongly urging long-term care facilities to join the efforts of Kentucky Association of Health Care Facilities and Leading Age to oppose changes to the Certificate of Need Criteria.

We have attached the following to this email:

- 1) Talking Points outlining the arguments opposing the CON change
- 2) Copy of the Letter we sent to Tricia Orme
- 3) Copy of a sample letter from KAHCF

A Public Hearing on the recommended changes will be August 21, 2017 9:00 AM EST

Health Services Building First Floor, Suites A&B
275 East Main Street
Frankfort, KY 40621

Comments may be addressed to:

Tricia Orme
Administrative Specialist
Office of Legal Services
275 East Main Street 5W-B
Frankfort, KY 40621

Or email: Tricia.Orme@ky.gov

Deadline to receive comments is August 31, 2017

For questions or additional information, please call your client manager.

CON TALKING POINTS

- Additional Short Term Rehab Beds Not Needed
- 2016 survey indicates KY has 18,653 unutilized beds
- Long Term Care buildings have been retrofitted to facilitate short term rehab
- NO study has been conducted by the cabinet to validate a need
- Hospitals joining the effort to circumvent cost containment imposed upon them by Global Payments
- NO wholesale changes should be made until Affordable Care Act is repealed
- Adding beds allows for manipulation of the existing payment system
- Increases the staffing burdens for nursing and therapy that are already prevalent in many counties
- Eliminates economies of scale by effectively leaving Medicaid residents to pay entire Long-term Care stay
- Facilities cannot remain open without a mix of payers – closed facilities/ loss of jobs
- Instead of new facilities we should be brainstorming ways to utilize existing facilities
- Removing Medicare residents from LTC census will drive down the Medicaid case mix and subsequently the rate.

August 16, 2017

Tricia Orme
Administrative Specialist
Office of Legal Services
275 East Main Street 5 W-B
Frankfort, KY 40621

Re: Opposing the changes to the CON 900 KARS: 020

Dear Ms. Orme:

We are a regional Certified Public Accountants and Consultants firm that has provided services to the long-term care industry for more than 35 years. We have a widespread client base which encompasses Kentucky and surrounding states. We are corresponding for the expressed purpose to oppose the changes to 900 KAR5:020.

The proposed amendment will increase the number of short-term rehabilitation beds available in Kentucky. Kentucky currently has in excess of 18,000 unoccupied beds throughout the state that include rehabilitation beds. The additional beds will serve to siphon Medicare residents and revenue from existing facilities. More specifically, the impact adding short-term rehab beds will:

- ***Increase the Medicaid burden on the state***
- ***Most nursing facilities have significant investments in providing rehab services***
- ***Exacerbate the nursing and therapy staffing shortage***
- ***Eliminate economies of scale benefit from shared payor types***

Long-term care facilities have three payor types, Medicaid, Medicare and private pay. Medicaid and Private pay sources alone could not financially sustain operations. Opening the CON process will have a significant detrimental effect on the long term care industry and will ultimately increase the cost to the Medicaid program.

In order for nursing facilities to remain viable, existing CON regulations must remain in force and the effort to circumvent long-established rules must be denied.

We strongly oppose the amendment to 900 KAR 5:020.

Sincerely,


Hargis and Associates LLC



PRESIDENT'S ALERT

July 25, 2017

URGENT CALL TO ACTION SAMPLE LETTER TO CABINET ON PROPOSED CHANGES TO CERTIFICATE OF NEED CRITERIA

To assist members when sending comments to the Cabinet for Health and Family Services regarding significant changes to Certificate of Need criteria as proposed in regulation 900 KAR 5:020 and with changes to the State Health Plan, the Association has included suggested language for facilities to use (see previous **alert** for details and where to send comments). When submitting comments, please forward a copy of your letter(s) to **Margaret Stivers** so the Association can keep track of responses to the Cabinet. The Association will not share any letters without permission. A sample letter written by a member is given below. **Click here** to open the letter below that can be easily formatted to fit your needs.

Dear Ms. Orme:

I am _____ (include title if appropriate) with _____ in _____, Kentucky and we are associated with _____ skilled nursing facilities throughout the Commonwealth.

Please accept this [letter/e-mail] as written comments regarding the proposed changes to 900 KAR 5:020.

_____ strongly opposes the amendment to 900 KAR 5:020. There is no need for additional short-term rehabilitation services in Kentucky. Currently, Kentucky licensed nursing facilities and nursing homes are providing high quality short-term rehabilitation services in their communities.

The addition of new short-term rehabilitation beds will siphon off Medicare residents from existing nursing facilities and nursing homes exacerbating the clinical staffing crisis that many providers are experiencing in Kentucky.

Kentucky nursing facilities have been providing short-term, post-acute care for many years. These post-acute services occur immediately after discharge from a hospital and are aimed at returning patients to their homes within 30 days, and often sooner.

Overall usage of nursing facilities is declining. Length of stay has declined. The average occupancy in the Commonwealth has declined to 87% statewide. Space is available in existing nursing facility beds to accommodate the need for short-term post-acute rehabilitation lasting 21-days or less.

For our nursing facilities to remain viable, existing CON regulations must remain in force and efforts to circumvent long-established rules must be denied.

Once again, we strongly oppose the amendment to 900 KAR 5:020.

Thank you for your consideration,

**Sincerely,
[Name}**

Contact the Association with questions on this campaign to preserve current Certificate of Need criteria.

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