
South Dakota Department of Health

**Presentation to Interim Committee on
Regulation of Nursing & Assisted Living
Beds**

July 12, 2016

Types of Long Term Care in SD



- ▶ Informal Caregiving
- ▶ Home and Community Based Services
- ▶ Independent Living/Congregate Housing
- ▶ Residential Living
- ▶ Assisted Living Centers
- ▶ Nursing Facilities

Informal Caregiving

- ▶ An informal caregiver is an unpaid individual (e.g., spouse, partner, family member, friend, or neighbor) involved in assisting other with activities of daily living and/or medical tasks
 - ❖ Approximately 34.2 million caregivers have provided unpaid care to an adult 50+ in the last 12 months
 - ❖ About 15.7 million adult family caregivers care for someone who has Alzheimer's or other dementia
 - ❖ The value of services of informal caregivers was approximately \$470 billion in 2013 – this exceeded the value of paid home care and total Medicaid spending in the same year
 - ❖ The economic value of the care provided by unpaid caregivers of those with Alzheimer's or other dementias was \$217.7 billion in 2014

Informal Caregiving

- ▶ Family caregivers spend an average of 24.4 hours per week providing care
 - ❖ Nearly 25% of caregivers spend 41+ hours per week providing care

- ▶ The average duration of caregivers role is 4 years
 - ❖ Less than 1 year – 30%
 - ❖ 5+ years – 24%
 - ❖ 10+ years – 15%

- ▶ The vast majority of caregivers (85%) care for a relative or other loved one

Informal Caregiving in SD

- ▶ 75,500 informal caregivers in SD
 - ❖ Montana – 94,400; Nebraska – 171,000; North Dakota – 64,400; Wyoming – 51,000

- ▶ Number of informal caregiving hours in SD – 81 million
 - ❖ Montana – 101 million; Nebraska – 183 million; North Dakota – 69 million; Wyoming – 55 million

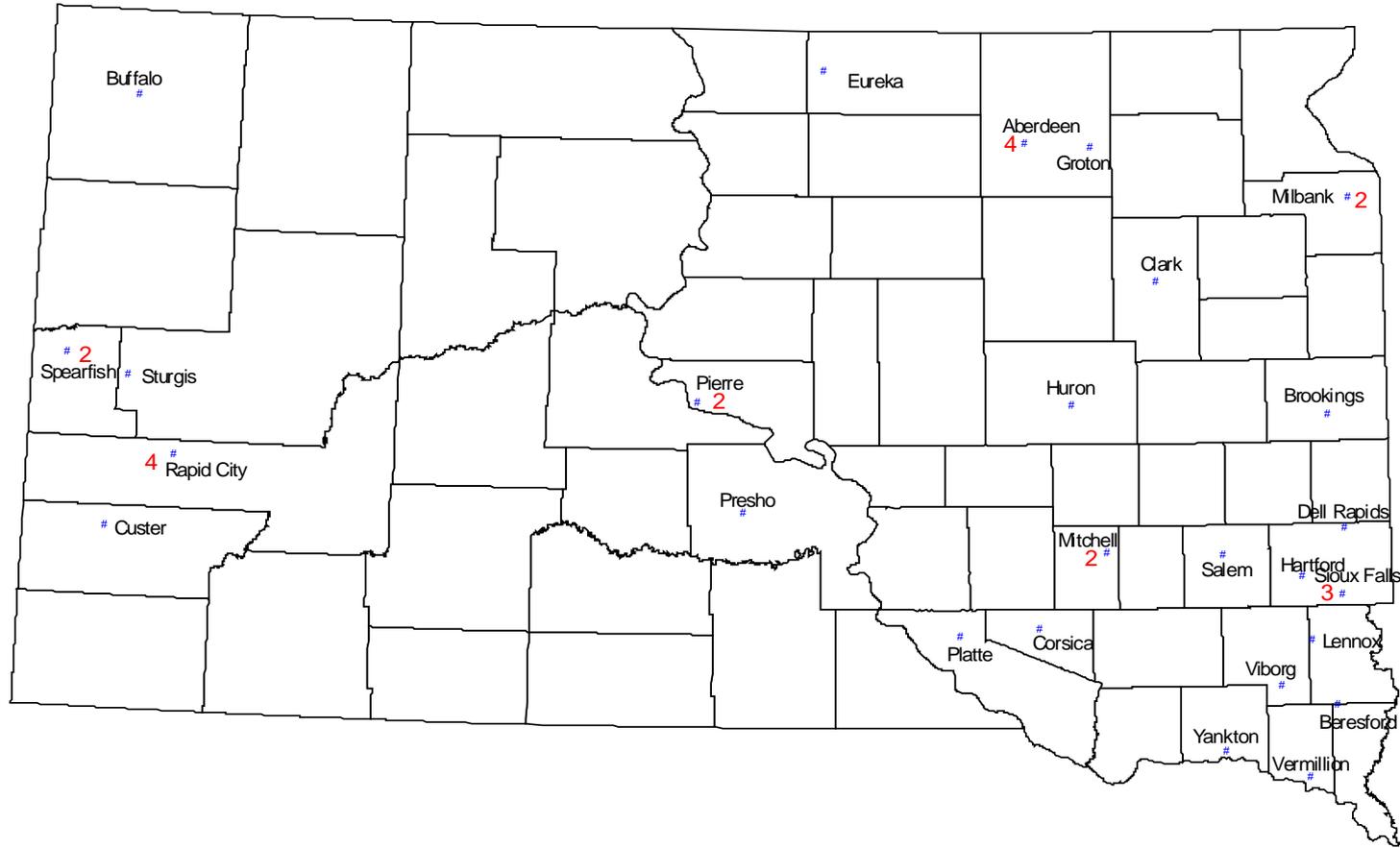
- ▶ Value of informal caregiving in SD - \$803 million
 - ❖ Montana – \$1+ billion; Nebraska – \$1.8 billion; North Dakota – \$685 million; Wyoming – \$542 million

- ▶ 64.5% of family caregivers in South Dakota reported they were without much worry or stress, with enough time and well rested (www.longtermscorecare.org) (ranks 4th in the U.S.)

Residential Living

- ▶ Provides room, meals, and daily living services but no habilitative or health care
 - ❖ Housekeeping, laundry, assistance with errands, etc.
- ▶ 38 registered residential living centers in South Dakota
 - ❖ 685 beds
- ▶ Majority are small and based out of private residences

SOUTH DAKOTA RESIDENTIAL LIVING CENTERS AS OF MAY 2016



Assisted Living Centers

- ▶ Provide some personal care and services and limited health care services

- ▶ 167 licensed ALCs in South Dakota
 - ❖ 4,500 beds
 - ❖ Facility size ranges from 1-140 beds
 - ❖ Trend – larger facilities are being built and smaller facilities are closing

- ▶ Optional Services
 - ❖ ARSD 44:70:04:014 permits assisted living centers to provide additional optional services to residents under certain circumstances

Assisted Living Centers

Optional Services

- ▶ Medication Administration – 167 providers
- ▶ Acceptance of Residents Dependent on Supplemental Oxygen – 164 providers
- ▶ Acceptance of Physically Impaired Residents – 151 providers
- ▶ Acceptance of Residents Requiring Therapeutic Diets – 145 providers
- ▶ Acceptance of Cognitively Impaired Residents – 134 providers
- ▶ Acceptance of Residents Incapable of Self-Preservation – 88 providers
- ▶ Acceptance of Residents Requiring Hospice Services – 47 providers
- ▶ Acceptance of Residents Requiring Dining Assistance – 3 providers
- ▶ Acceptance of Residents Requiring Assistance with ADL or 2-Person Assist – 3 providers

Nursing Facilities

- ▶ Provide 24/7 nursing care
- ▶ 110 licensed nursing homes in South Dakota
 - ❖ 6,855 licensed beds
 - ❖ 8,039 moratorium beds
- ▶ Facility size ranges from 25-187 licensed beds

Long Term Care in SD

- ▶ SD ranks 2nd in the U.S. for private long-term care insurance policies in effect per 1,000 population age 40+ (SD rate is 112 per 1,000 population age 40+)(www.longtermscorecard.org)
- ▶ SD ranks 40th in the percent of nursing home residents with low care needs at 16.7% (2010)
- ▶ SD ranks 49th in the U.S. in the percent of people with a 90+ day nursing home stays successfully transitioning back to the community (2009)

Regulation of Long Term Care in SD

- ▶ Independent Living/Congregate Housing
 - ❖ Not regulated

- ▶ Residential Living
 - ❖ Registration required
 - ❖ Minimal regulations
 - ❖ Complaint inspections
 - ❖ No Medicaid reimbursement

Regulation of Long Term Care in SD

- ▶ Assisted Living Centers
 - ❖ State licensed and regulated
 - ❖ Routine inspections and complaint investigations
 - ❖ Not Medicare/Medicaid-certified but Medicaid reimbursement via waiver program is available

- ▶ Nursing Facilities
 - ❖ Medicare/Medicaid-certified
 - ❖ State licenses
 - ❖ Regulated under both federal and state regulations
 - ❖ Routine inspections and complaint investigations

Long Term Care Cost-Control Measures Certificate of Need (CON)

- ▶ State approval required for expansion or new construction of health care facilities
- ▶ Many CON programs put into place as a result of the federal Health Planning Resources Development Act of 1974
- ▶ South Dakota had a CON prior to implementing the moratorium
- ▶ 36 states still have some form of CON laws to control cost and coordinate the planning of new nursing facility beds and facilities

Arguments for Certificate of Need

- ▶ Market forces do not obey the same rules for health care services as they do for other products
 - ❖ Many health care services are ordered by the health care providers – not the health care consumer
 - ❖ Patients typically do not “shop” for health care services like they do for other products/services

- ▶ CON programs can limit health care spending

- ▶ CON programs can help ensure quality of care

- ▶ CON programs can help ensure appropriate distribution of health care services

Arguments Against Certificate of Need

- ▶ Other mechanisms implemented by payers (reimbursement mechanisms, etc.) can have a greater impact on limiting health care spending
- ▶ Not all CON programs are administered consistently
- ▶ Some view CON programs as a restriction on competition
- ▶ CON programs can subject the state to potential civil liability

Long Term Care Cost-Control Measures

Moratoriums

- ▶ Prohibit the expansion of existing services or facilities
- ▶ A number of states like South Dakota have moratoriums on nursing home beds but they have also been applied to other health services (i.e., inpatient hospice beds, physical rehabilitation beds, home health agencies, etc.)

Cost-Control Measures in Surrounding States



- ▶ Montana – CON
- ▶ Nebraska – CON
- ▶ North Dakota – moratorium
- ▶ Minnesota – both CON and moratorium
- ▶ Wyoming - none

Nursing Facility Moratorium in SD

- ▶ Enacted in 1988
 - ❖ CON laws repealed same year
- ▶ Moratorium has been legislatively extended 5 times
 - ❖ Extended indefinitely in 2005
- ▶ Caps number of beds per facility and overall statewide
- ▶ Allows for replacement facilities to be constructed within the same community

Nursing Facility Utilization in SD

- ▶ Overall utilization has been declining both in South Dakota and nationally (Abt Report)

- ▶ Nursing Facility Occupancy Report
 - ❖ Provides occupancy rates by facility, region, and statewide
 - ❖ “Moratorium beds” – the total number of beds that the facility was licensed for when moratorium was enacted in 1988
 - ❖ “Licensed beds” – the number of beds the facility currently has licensed

- ▶ A facility’s number of licensed beds can fluctuate but cannot exceed the number of moratorium beds

Occupancy Report

<i>DSS</i>				<i>DOH</i>	<i>DOH</i>		<i>% of</i>	<i>Moratorium</i>
<i>Prov#</i>	<i>Provider Facility Name</i>	<i>City</i>	<i>Lic #</i>	<i>Moratorium</i>	<i>Licensed</i>	<i>Occupied</i>	<i>Beds</i>	<i>Occupancy %</i>
				<i>Beds</i>	<i>Beds</i>	<i>Beds</i>	<i>Occupied</i>	
<i>Region No 1</i>								
0000389	WESTHILLS VILLAGE HEALTH CARE	RAPID CITY	10721	44	44	38	86.36%	86.36%
0150270	DAVID M. DORSETT HEALTHCARE	SPEARFISH	10686	120	100	91	91.00%	75.83%
0150340	BELLE FOURCHE HEALTHCARE COMM	BELLE FOURCHE	10594	83	83	76	91.57%	91.57%
0150932	STURGIS REGIONAL SENIOR CARE	STURGIS	10693	84	84	80	95.24%	95.24%
0150952	GOLDEN LIVING CTR-BELLA VISTA	RAPID CITY	10667	78	78	70	89.74%	89.74%
0151022	GOLDEN LIVING CTR-MEADOWBROOK	RAPID CITY	10668	76	74	67	90.54%	88.16%
0151033	GOLDEN LIVING CTR-PRAIRIE HILLS	RAPID CITY	10669	101	101	90	89.11%	89.11%
0151072	CLARKSON HEALTH CARE	RAPID CITY	10666	52	52	45	86.54%	86.54%
0151303	FOUNTAIN SPRINGS HEALTHCARE	RAPID CITY	10723	90	90	80	88.89%	88.89%
0160312	GOLDEN LIVING CTR-BLACK HILLS	RAPID CITY	10665	74	69	65	94.20%	87.84%
0160390	GSS - NEW UNDERWOOD	NEW UNDERWOOD	10657	49	37	35	94.59%	71.43%
<i>Region 1 Totals</i>				851	812	737	90.76%	86.60%

Nursing Facility Utilization in SD

- ▶ Several common reasons why a facility may have fewer licensed beds than moratorium beds
 - ❖ For Medicaid reimbursement purposes, the occupancy rate is based on licensed beds and it is generally advantageous for facilities to maintain a high occupancy rate
 - ✓ This can be achieved by periodically adjusting the number of licensed beds
 - ✓ Facilities can adjust licensed bed numbers once each quarter
 - ❖ Over the years, beds may have been taken offline due to space limitations (i.e., converting double-occupancy rooms to single-occupancy, etc.)

- ▶ Statewide Occupancy Rate
 - ❖ 89.03% licensed beds (75.92% moratorium beds)

Nursing Facility Occupancy Rates – By Region

- ▶ Region 1 – Butte, Lawrence, Meade, Pennington
 - ❖ Occupancy rate – 90.76% licensed (86.60% moratorium)

- ▶ Region 2 – Bennett, Custer, Fall River, Jackson
 - ❖ Occupancy rate – 80.51% licensed (85.55% moratorium)

- ▶ Region 3 – Haakon, Hughes, Hyde, Perkins, Potter, Walworth
 - ❖ Occupancy rate – 88.87% licensed (76.01% moratorium)

- ▶ Region 4 – Brule, Gregory, Mellette, Tripp
 - ❖ Occupancy rate – 83.49% licensed (73.09% moratorium)

Nursing Facility Occupancy Rates – By Region

- ▶ Region 5 – Brown, Clark, Codington, Day, Deuel, Edmunds, Grant, Hamlin, Marshall, McPherson, Roberts
 - ❖ Occupancy rate – 88.79% licensed (72.37% moratorium)

- ▶ Region 6 – Aurora, Beadle, Brookings, Davison, Faulk, Hand, Jerauld, Kingsbury, Lake, McCook, Miner, Moody, Sanborn, Spink
 - ❖ Occupancy rate – 88.43% licensed (72.39% moratorium)

- ▶ Region 7 – Bon Homme, Charles Mix, Clay, Douglas, Hutchinson, Union, Yankton
 - ❖ Occupancy rate – 90.73% licensed (78.56% moratorium)

- ▶ Region 8 – Lincoln, Minnehaha, Turner
 - ❖ 90.21% licensed (74.48% moratorium)

Efforts to Address Long Term Care Challenges



- ▶ Moratorium Exceptions
- ▶ Long Term Care Study
 - ❖ Task Force – 100+ participants
- ▶ Medicaid Solutions Workgroup
- ▶ Dementia Workgroup
- ▶ Development of Home and Community-Based Services
- ▶ Access Critical Nursing Homes Program
- ▶ Nursing Facility Bed Redistribution
- ▶ Expansion of ALC Services
- ▶ Recruitment Assistance

Exceptions to Moratorium in SD

- ▶ 2003 – Exception allowed for a new 50-bed facility on Cheyenne River Reservation (facility was constructed but currently only licensed as ALC)
- ▶ 2010 – Exception allowed for a new 50-bed facility on Pine Ridge Reservation (repealed in 2012 via sunset provision – facility never built)
- ▶ 2010 – Exception allowed for an existing facility to split its beds with a new facility as long as both facilities were within 15 miles of each other
- ▶ 2016 – Exception allowed for White River Nursing Facility to be relocated to Rosebud
- ▶ 2016 – Exception allowed for additional 24 beds for Michael J. Fitzmaurice Veterans Home

Medicaid Solutions Workgroup

- ▶ Chaired by the Governor's Office and included a broad range of stakeholder representation, including legislators, providers, and staff from DSS and DHS
- ▶ 3 subcommittees formed – Patient-Centered Care/Physician Services; Home and Community-Based Services; and Pharmacy
- ▶ Objectives of the Home and Community-Based Services Subcommittee were to:
 - ❖ Develop recommendations on different models of services to meet the needs of individuals who require supports and services in the least restrictive and most appropriate environment
 - ❖ Analyze future funding opportunities available through the federal government; and
 - ❖ Explore patient accountability and reimbursement models

Home and Community-Based Services Workgroup

- ▶ Established by DSS in 2015 to evaluate barriers to Medicare skilled home health utilization and increase availability of home/community-based services and supports
- ▶ Final recommendations included:
 - ❖ Provide education/training on reimbursement availability for physician oversight of Medicare skill homes health services/supports
 - ❖ Research expansion of HCBS waiver services to include day habilitation, vehicle modifications, non-medical transportation, assistive technology, community transition services, chore services, and training/counseling services for unpaid caregivers
 - ❖ Enhance awareness/understanding of ADRC process
 - ❖ Review ADRC process and ensure smooth transitions between hospital and home health

Access Critical Nursing Homes Program

- ▶ Enacted in 2011 to help ensure the availability of the continuum of care in small, rural communities

- ▶ Provides enhanced Medicaid reimbursement for facilities meeting established criteria:
 - ❖ No other nursing home located within 20 miles
 - ❖ Facility is located in largest town within 35 miles
 - ❖ Facility must be Medicare/Medicaid certified
 - ❖ Facility must be integrated with other health care services
 - ❖ Projected nursing facility demand within the county must <60 beds

- ▶ Nine nursing facilities currently participating in the program (Britton, Chamberlain, Eureka, Hot Springs, Lemmon, Martin, Miller, Phillip, and White River)

Nursing Facility Bed Redistribution

- ▶ DOH and DSS annually assess and identify potential areas of need
 - ❖ Areas of expected growth – Abt Report data
 - ❖ Current utilization – Occupancy Report data
 - ❖ Provider input – Provider Survey results
 - ❖ Areas where placements have been difficult
- ▶ RFP is issued soliciting proposals to meet identified area(s) of need (includes in-person presentation)
- ▶ Pool of unused beds for redistribution has come from closures of nursing facilities since the moratorium was put in place
- ▶ 74 unused beds have been redistributed since 2013
 - ❖ 2013 – 20 unused beds redistributed to Rapid City
 - ❖ 2015 – 24 unused beds redistributed to Sioux Falls and 30 unused beds redistributed to Rapid City

Expansion of ALC Services

- ▶ ALC Workgroup in 2011
 - ❖ Looked at revisions to ALC regulations
 - ❖ Clarified restrictions on accepting and retaining residents
 - ❖ Allowed hospice care as an optional service for ALCs

- ▶ Dementia Care Workgroup in 2013
 - ❖ Looked at regulations and potential care options for patients with dementia
 - ❖ Developed two proposals for optional services: (1) feeding assistance; and (2) full assistance with ADLs/2-person transfers
 - ❖ Rules adopted in late 2014 to permit these two optional services

Facility Recruitment Assistance

- ▶ The Rural Healthcare Facility Recruitment Assistance Program was established in 2012 to assist hospitals, nursing homes, and other healthcare facilities in rural areas recruit and retain healthcare professionals.
- ▶ Provides a \$10,000 payment to eligible health professionals who complete a three-year, full-time service commitment
- ▶ Eligible facilities must be located in a community with a population of 10,000 or less
- ▶ Eligible professions include RNs/LPNs, dietitians/nutritionists, OT, PT, RT, lab techs, pharmacists, paramedics, med techs, rad techs, speech therapists, and social workers
- ▶ Eligible facilities include hospitals, nursing facilities, federally certified home health agencies, chemical dependency treatment facilities, ICF-IID, community support providers, community mental health centers, ESRD facilities, FQHCs, and ambulance services

Challenges Facing Long Term Care in SD



- ▶ Elders want to remain independent and stay in their homes as long as possible
 - ❖ Further development of home and community-based services
- ▶ Access to long term care services
- ▶ Aging infrastructure of nursing facilities
- ▶ Workforce challenges
- ▶ Financial burden of long term care

Questions??