



Nursing home costs rise with number on Medicaid

Report shows Medicaid pays nursing homes differently.

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By Sheila Hagar

Phyllis Pulfer knows her mother worked hard.

Pulfer's parents owned a hardware store and lumberyard in a small town on the Columbia River while raising a family, said the Walla Walla resident.

"We took care of ourselves just fine. They were very good business people...surely they thought they'd be fine."

Her father held to a practice of steady saving, ensuring the couple would have a reasonable amount to live on if ever they needed to go into care, Pulfer said.

"Reasonable" then is reasonable no longer, she's found.

Her folks couldn't have predicted the rising cost of elder care or the extended life span medicine offers.

Until recent years her mother has no major health problems and had monthly Social Security checks to add to her savings, Pulfer said. "She thought maybe if she had \$1,000 a month, she'd be good."

When the elderly woman broke her hip in 2005, she left her apartment and moved into assisted living at a local nursing home.

"That was still manageable for the money Mom and Dad had saved," Pulfer noted.

But her mother eventually joined the ranks of those forced to depend on Medicaid to foot the bill, a fact Pulfer hopes her mother never fully realizes.

As the elderly population increases, so does the average costs of nursing-home care, a recent study states. In 2004, the average daily cost in Washington for a private nursing-home room was \$217, more than \$79,000 a year, according to a MetLife Insurance market survey.

Low- and middle-income seniors feel the pinch; most rely on Medicaid. In 2005, Medicaid covered the costs of half of Washington's nursing-home patients.

Despite having survived past her savings, Pulfer's mother could be considered one of the luckier Medicaid recipients, says Joshua Welter, organizing director of Washington Community Action Network, a grassroots consumer advocacy group.

She lives at a facility with less Medicaid client load than the state median of just over 65 percent. Meaning the state pays that nursing home more for Medicaid patients than it does a place with a higher ratio of such patients.

It's a Catch-22 that has people scratching their heads - if patients A and B need Medicaid and everything else is equal, the government pay rate may differ based solely on which facility they go to.

That finding was explored in the report, "In Search of Quality Care: Low-Income Seniors Left Behind," released last month by Washington Action Network.

The study was done in affiliation with the Northwest Federation of Community Organizations, a regional nonprofit social and economic justice organization.

The report cites a lack of adequate funding for facilities that care for the elderly or disabled poor, Welter said. In nursing

homes with more Medicaid patients than private pay patients, residents can experience a lower quality of life, the study found.

The study analyzed the most recent cost reports for 246 nursing homes in Washington, comparing direct care and quality-of-life measures between facilities with high and low proportions of Medicaid residents.

In Walla Walla, only three businesses fit into the nursing-home-only category, Welter said - Park Manor Rehabilitation Center, Washington Odd Fellows Home and St. Mary Medical Center's transitional care unit. Of those, Park Manor's Medicaid load is above the state's median.

The report released in December found direct patient care - hands-on, face-to-face nursing - typically lagged behind in facilities with higher Medicaid case loads. Nursing facilities with lower Medicaid-patient numbers spend an average of 44 minutes more on daily direct care per patient when compared to facilities with the highest load.

It's frustrating, Welter said. Medicaid payments bring in less than private payments; facilities willing to take on more poorer patients are then penalized by decreased Medicaid reimbursement.

Nursing homes with Medicaid numbers above the median receive almost \$25 less per Medicaid patient per day, the study found. And those with the highest loads average nearly \$50 less revenue per patient each day.

In many cases, the number of direct-care hours a facility provides can have a large impact on quality of care.

The report noted staff turnover is about 10 percent higher at facilities with larger Medicaid loads. "A patient that sees the same staff members day in and day out will form a relationship with him or her, improving both the efficiency and quality of care," the report said.

The system does allow a variable in the Medicaid rate based on how sick the patient is and what services are needed, said Chris Bohnsack, administrator for Park Manor.

Even so, the system forces a facility to manage patient load to make sure costs are covered. "If a patient has certain types of medical needs, that will impact whether or not a facility will be able to accommodate them."

What Pulfer's mother has experienced will become common in the future, according to Bohnsack. "As our baby boomers approach that age where they will require more health care, it is something the government is going to have to address," she said. "They need to pay for what the patient receives. That's all any provider would ask for."

Pulfer agrees. "I don't have any question about how many people it takes to take care of the elderly. I have no problem with that kind of help."

Many people paying for the Medicaid disparity are folks like her parents who worked all their lives, she said.

Providing for such folks if they live long enough to need care is the right thing to do, Pulfer added.

Washington Community Action Network will bring the report to the Legislature and governor, Welter said, "to insure all Washington nursing homes receive adequate funding to provide quality care for their patients."