

Vermont Long-Term Care Facilities Overview

Skilled Nursing Facilities (SNFs)	Residential Care	Assisted Living
SNFs provide 24-hour personal care and skilled nursing services, as well as rehabilitation and therapy services, social services (PT/OT/SLP), skilled nursing for IV therapy, and recovery from serious illness	Level III Residential Care/ Assisted Living assist with personal care, medication assistance, nursing overview and 24-hour oversight Enhanced Residential Care (ERC) provide 24-hour supervision, personal care, nursing overview, medication management	
<ul style="list-style-type: none"> 38 facilities (35 accept Medicaid) 985k resident days of care 5 homes closed since 2007 5 homes closed between 1998-2006 3025 beds (2849 Medicaid) 900 fewer beds in 2019 than in 1998 Current occupancy rate is ~83.9% (Was ~93% in 2007) 	<ul style="list-style-type: none"> 119 facilities (96 accept Medicaid) 65 facilities offer Enhanced Residential Care (ERC) 2591 beds (2069 Medicaid) 	<ul style="list-style-type: none"> 13 facilities (8 accept Medicaid) 765 units, with a maximum capacity of 913.

Regulatory Requirements:

Long-term care facilities must comply with multiple sets of regulatory requirements including:

- Federal CMS regulations (SNFs only).
- State Regulation (Department of Disabilities, Aging, and Independent Living Nursing Home Regulations, Board of Nursing, VT Nursing Home Administrator Rules).
- DAIL/CMS regularly conduct unannounced compliance surveys of facilities.

Long-Term Care Financials:

- SNFs rates are established by the Division of Rate Setting within the Department of Vermont Health Access. Rates are cost based by facility and set quarterly using a base year that is adjusted every four years. The average daily Medicaid rate was \$232.58 (\$9.69/hour) (Includes room and board) (not including Vet's home) for the last quarter of FY19.
- Medicaid does not fully cover the true cost of care. The estimated difference between cost and Medicaid reimbursement was \$24.3 million in 2016 for SNFs.
- SNFs are penalized in Medicaid rates for low occupancy- below 90%- common due to decreased occupancy since 2007.
- The base res care rate is \$42.25 (\$1.77/hour) (Does not include R&B). This has been increased only twice since 2006.
- The ERC tiered rate is \$54.90 - \$75.92 (\$2.29 - \$3.16/hour) (Does not include R&B).
- SNFs pay provider taxes, which help fund Vermont's Medicaid program. They are assessed maximum amount allowable under federal law – 6% of revenues. This amounted to over \$15 million paid in provider taxes in FY16.
- Medicaid is the primary payer for long-term care facilities. (See SNF payer mix pie chart below).

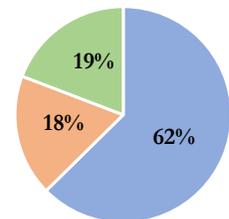
Other Industry Challenges:

Workforce:

- Facilities regularly have nursing related vacancy rates between 15-20%.
- In lieu of permanent staff, facilities often resort to using traveling staff, which is expensive.
- Vermont nursing homes spent \$11.6 million on traveling nurses in FY17. This was a 145% increase from FY14.

SNF Payer Mix (2017)

- Medicaid (long-term care)
- Medicare (short-term, acute)
- Private Pay (long-term care)



Behavioral and Mental Health:

- Facilities must be able to meet the needs of each individual resident, while ensuring the safety and wellbeing of all residents. Complex behaviors that threaten the safety of other residents can result in regulatory deficiencies and enforcement.
- Workforce shortages make caring for residents with behavioral and mental health needs challenging. There are not enough direct care workers to provide 1:1 staffing, while still meeting the needs of other residents.
- Medicaid rates do not accurately reflect the true cost of care for residents with behavioral and mental health needs.