

MARYLAND'S VULNERABLE CITIZENS DESERVE MORE
By Joe DeMattos, President of the Health Facilities of Maryland

The state of long-term care in Maryland is strong. In the skilled nursing community alone, we have a dedicated, passionate and well-trained workforce of more than 32,000 people caring for 25,000 people every day. However, we face unprecedented short-term challenges that have the potential of creating a long-lasting negative impact on older Marylanders and individuals with disabilities.

These challenging economic times require all of us to make tough decisions. In the past two years alone, budget shortfalls have forced the State of Maryland to cut \$180 million from the Medicaid long-term care budget – the portion of the budget that funds care for Maryland's most vulnerable citizens in nursing homes. These state cuts are compounded by the federal cuts that devastated the long-term care provider community just a few short months ago.

As providers struggle with continued cuts in federal and state reimbursement for care, they are also confronted with rapidly inflating operating costs, workforce demands, and an increasing need for long-term care services.

Providers have implemented every cost-saving effort possible to avoid layoffs or closures. Layoffs are the option of last resort and will most certainly result in a reduction of quality care for long-term care residents.

But there is hope on the horizon. Governor Martin O'Malley and Secretary John Colmers of the Maryland Department of Health and Mental Hygiene have proposed an innovative and necessary option to restore some of the \$180 million cuts for the care of Marylanders most in need. The Health Facilities Association of Maryland's long-term care provider community supports this proposed partnership between nursing homes, the state and federal government.

Senate Bill 141, the Budget Reconciliation and Financing Act, submitted by the Governor proposes an increase of two percent in the Nursing Home Quality Assessment, essentially a tax that nursing homes pay to fund quality improvement efforts within the provider community. Enactment of this bill and an accompanying two percent rate increase would allow nursing homes to partner with the state to leverage more federal dollars that would help restore approximately half of the previous cuts.

The restored funds would go directly back into the provider community to help care for 25,000 older and disabled Marylanders. People most in need would benefit most, as would the majority of nursing homes in Maryland that serve them. A two percent increase may seem small, but it makes a huge difference in caring for those most in need.

This bill also would allow the state to fund important Pay for Performance incentives without cutting current reimbursement levels to all nursing homes to fund this important program – which is currently planned by the state.

Maryland's long-term care facilities directly support an estimated \$3.7 billion in state economic activity – a major job-creator and economic engine for the state. Often we are one of the leading employment centers and health care training hubs for communities. We are a critical component of the continuum of care and health care system and in some communities we are one of the primary sources of health care for citizens. These proposed changes in the budget will help protect not only Maryland's most vulnerable residents, but critically important jobs and access to health care.

Times are tough for all Marylanders, but older and disabled Marylanders who rely on the safety net of Medicaid for their long-term care are especially at risk. Senate Bill 141 will bring much-needed help to the tens of thousands of people in every Maryland community served by the Medicaid safety net.

Mark Twain said, "Always do right. That will gratify some of the people and astonish the rest."

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The Health Facilities Association of Maryland (HFAM) is Maryland's oldest and largest long-term care provider community serving more than 19,000 people every year and employing 18,000 people. HFAM's 150 members represent every type of ownership of skilled nursing facilities – from small, locally family-owned independent nursing facilities to faith-based nonprofit organizations to the country's largest multi-national companies. Member facilities are in every community in every county and city across Maryland.