

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice

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COUNTY IMPACT STATEMENT *2012 Medicaid Reimbursement Rates*

County operated nursing homes provide a safety net of care for low income patients with medical conditions that typically prevent their admission to privately owned nursing homes. In fact, 79% of the estimated 4,128 patients currently residing in county operated nursing homes across the State are classified as Medicaid patients without the necessary resources to afford health insurance on their own. Unlike most privately owned nursing homes that carry a much higher percentage of private pay patients, county operated nursing homes maintain an average of 11% of its population in this capacity. (*See Table 1 General Data*).

With this in mind, the recent Medicaid rate reductions imposed by the Department of Health and Senior Services hit county governments disproportionately hard. In fact, the new rates released in October of 2011 represent an average daily rate reduction of \$11.72 with projected revenue of losses of approximately \$11,898,153.00. Please note that this figure does not include the fact that the Department also eliminated "Bed Hold" payments for fiscal year 2012 in the amount of \$1,542,670.00 (*See Table 3 Total Losses*). As a result of these actions, county operated nursing homes stand to lose approximately \$13,444,823.00 in Medicaid reimbursement revenue with no practical means to make up the difference.

In light of a restrictive property tax cap levy, and a time in which all local governments are struggling to make ends meet, county officials are at a loss to find the resources necessary to maintain a consistent level of quality care residents deserve. As a result of the Department's devastating cuts, several counties have indicated that they will likely reduce critical nursing, housekeeping, and maintenance staff to make ends meet. Other counties plan to slash important capital improvement projects; and, eliminate investments in progressive treatment initiatives and new technologies. At least one county plans to sell its nursing home at a public auction in January of 2012.

Please take a moment to review the three tables on the following pages, which provide a general overview of the significant fiscal impact the Medicaid rate reductions will impose on Atlantic, Bergen, Camden, Cape May, Cumberland, Middlesex, Monmouth, Morris, Passaic, Sussex, Union, and Warren counties. Thank you in advance for your time and consideration, and we look forward to working with you on developing a solution that will allow county governments to continue providing a high standard of care to a vulnerable population.

TABLE 1. GENERAL DATA

COUNTY AND FACILITY NAME	FACILITY CAPACITY	AVERAGE DAILY CENSUS	OCCUPANCY RATE	MEDICAID PATIENTS	PRIVATE PAY PATIENTS
ATLANTIC <i>Meadowview Nursing Home</i>	180	174	96.7%	74.0%	16%
BERGEN <i>Bergen County HealthCare Center</i>	110	106	97.0%	88.0%	18%
BERGEN <i>Bergen Regional Medical Center</i>	998	926	91.0%	NA	NA
BURLINGTON <i>Buttonwood Hospital</i>	170	164	96.0%	85.0%	9.0%
CAMDEN <i>Camden Health Services Center</i>	300	282	94.0%	80.0%	8.0%
CAPE MAY <i>Crest Haven</i>	178	166	91.2%	74.0%	11.0%
CUMBERLAND <i>Cumberland Manor</i>	196	172	88.0%	78.0%	13.6%
MIDDLESEX <i>Roosevelt Care Center</i>	416	389	93.0%	73.0%	6.0%
MONMOUTH <i>Geraldine L. Thompson</i>	135	120	90.0%	78.0%	16.0%
MONMOUTH <i>John L. Montgomery</i>	156	95	62.0%	95.0%	2.0%
MONMOUTH <i>John L. Montgomery Adult Unit</i>	18	13	72.0%	100.0%	0.0%
MORRIS <i>Morris View Healthcare Center</i>	283	254	90.1%	80.8%	10.3%
PASSAIC <i>Preakness LTC</i>	371	336	90.6%	85.0%	7.0%
PASSAIC <i>Preakness SCB</i>	24	22	92.9%	95.3%	4.7%
PASSAIC <i>Preakness Vent Unit</i>	11	7	60.0%	24.7%	15.0%
SUSSEX <i>Sussex County Homestead</i>	102	96	99.5%	67.3%	11.61%
UNION <i>Runnells Specialized Hospital</i>	300	278	93.0%	73.0%	27.0%
WARREN <i>Warren Haven</i>	180	160	90.0%	89.0%	7.0%
TOTALS	4,128	3,760	88%	79%	11.%

1. NJAC collected the data contained in tables [1 – 3] from Atlantic, Bergen, Burlington Camden, Cape May, Cumberland, Monmouth, Morris, Passaic, Sussex, Union, and Warren counties.
2. NJAC summarized and then verified the data contained in tables [1 – 3] with each county listed in Footnote 1 on December 21, 2011.

TABLE 2. MEDICAID REDUCTION LOSSES

COUNTY AND FACILITY NAME	2011 PER DAY RATE	2012 PER DAY RATE	PER DAY CHANGE	FY 2011 PROJECTED MEDICAID REVENUE	FY 2012 PROJECTED MEDICAID REVENUE	PROJECTED REVENUE LOSS
ATLANTIC <i>Meadowview Nursing Home</i>	\$231.53	\$221.53	- \$10.00	\$10,880,521	\$10,410,581	\$469,940
BERGEN <i>Bergen County Healthcare Center</i>	\$233.54	\$222.84	- \$10.74	NA	NA	\$296,005
BERGEN <i>Bergen Regional Medical Center</i>	\$243.22	\$232.29	- \$10.93	NA	NA	\$1,944,567
BURLINGTON <i>Buttonwood Hospital</i>	\$233.09	\$216.39	- \$16.70	\$11,924,936	\$11,070,561	\$854,375
CAMDEN <i>Camden Health Services Center</i>	\$237.60	\$225.60	- \$12.00	\$19,564,834	\$18,576,806	\$988,028
CAPE MAY <i>Crest Haven</i>	\$237.52	\$230.20	- \$7.32	\$8,738,096	\$8,423,458	\$314,638
CUMBERLAND <i>Cumberland Manor</i>	\$202.70	192.35	- \$10.35	\$9,847,064	\$9,344,266	\$502,798
MIDDLESEX <i>Roosevelt Care Center</i>	\$238.74	\$227.91	- \$10.38	NA	NA	\$1,141,709
MONMOUTH <i>Geraldine L. Thompson</i>	\$233.01	\$222.32	- \$10.69	\$9,525,448	\$9,088,441	\$437,007
MONMOUTH <i>John L. Montgomery</i>	\$242.75	\$222.47	- \$20.28	\$9,746,412	\$8,932,170	\$814,242
MONMOUTH <i>John L. Montgomery Adult Unit</i>	\$529.11	\$519.11	- \$9.81	\$3,090,002	\$3,031,602	\$58,400
MORRIS <i>Morris View Healthcare Center</i>	\$242.75	\$231.35	- \$11.40	\$18,521,293	\$17,530,315	\$990,975
PASSAIC <i>Preakness LTC</i>	\$232.81	\$222.81	- \$10.00	\$24,197,000	\$23,157,000	\$1,040,000
PASSAIC <i>Preakness SCB</i>	\$433.97	\$423.97	- \$10.00	\$3,542,000	\$3,443,000	\$99,000
PASSAIC <i>Preakness Vent Unit</i>	\$502.55	\$492.00	- \$10.00	\$297,000	\$291,000	\$6,000
SUSSEX <i>Sussex County Homestead</i>	\$221.18	\$203.52	- \$17.66	\$5,191,536	\$4,777,021	\$414,515
UNION <i>Runnells Specialized Hospital</i>	\$232.46	\$221.60	- \$10.86	\$16,969,580	\$16,176,800	\$792,780
WARREN <i>Warren Haven</i>	\$231.43	\$214.87	- \$16.56	\$11,156,308	\$10,198,428	\$957,880
AVERAGE/TOTALS	\$275.23	\$263.51	- \$11.72	\$187,692,030	\$178,034,449	\$11,898,153

TABLE 3. TOTAL LOSSES

COUNTY AND FACILITY NAME	PROJECTED TOTAL MEDICAID LOSS	PROJECTED TOTAL BED HOLD LOSS	PROJECTED TOTAL LOSS
ATLANTIC <i>Meadowview Nursing Home</i>	\$469,940	\$78,260	\$548,200
BERGEN <i>Bergen County Healthcare Center</i>	\$296,005	NA	\$296,005
BERGEN <i>Bergen Regional Medical Center</i>	\$1,944,567	NA	\$1,944,567
BURLINGTON <i>Buttonwood Hospital</i>	\$854,375	\$62,818	\$917,193
CAMDEN <i>Camden Health Services Center</i>	\$988,813	\$150,875	\$1,139,688
CAPE MAY <i>Crest Haven</i>	\$314,638	\$122,182	\$436,820
CUMBERLAND <i>Cumberland Manor</i>	\$502,797	NA	\$502,797
MIDDLESEX <i>Roosevelt Care Center</i>	\$917,000	170,000	\$1,087,000
MONMOUTH <i>Geraldine L. Thompson</i>	\$437,007	\$29,070	\$466,077
MONMOUTH <i>John L. Montgomery</i>	\$814,242	NA	\$814,242
MONMOUTH <i>John L. Montgomery Adult Unit</i>	\$58,400	\$29,070	\$87,470
MORRIS <i>Morris View Healthcare Center</i>	\$990,975	\$172,977	\$1,163,952
PASSAIC <i>Preakness LTC</i>	\$1,039,200	\$474,051	\$1,513,251
PASSAIC <i>Preakness SCB</i>	\$99,000	\$54,000	\$153,000
PASSAIC <i>Preakness Vent Unit</i>	\$6,000	NA	\$6,000
SUSSEX <i>Sussex County Homestead</i>	\$414,515	\$36,454	\$450,969
UNION <i>Runnells Specialized Hospital</i>	\$792,780	\$100,000	\$892,780
WARREN <i>Warren Haven</i>	\$957,880	\$66,913	\$1,024,793
TOTALS	\$11,898,153	\$1,546,670	\$13,444,823