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COUNTY NURSING HOMES

Struggling to Survive 2014

As county operated nursing homes begin preparing for Managed Long Term Care (MLTC) and the anticipated loss of additional Medicaid funding, county governments across the State are struggling to find the resources necessary to maintain a consistent level of quality care residents deserve.

As has been well documented, 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 3000 patients that currently reside in county operated nursing 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.

Importantly, the core mission of county operated nursing homes is to provide a high standard of nursing care to residents and their families. To achieve this objective and make readily available an essential community service, county operated nursing homes retain qualified staff that offer a continuity of care as dedicated public servants. Moreover, county operating nursing homes maintain a higher than average rate of nursing hours per patient; offer comprehensive rehabilitation programs; and, provide progressive treatment initiatives with new technologies. Most notably, county operated nursing homes are committed to providing a valuable and much needed public service.

With this in mind, county facilities are concerned with the fiscal realities of MLTC and the anticipated reductions in Medicaid funding once all facilities must negotiate reimbursement rates with for-profit managed care organizations in 2016. As noted in the New Jersey Association of Counties' (NJAC) 2012 "County Impact Statement," recent State Medicaid cuts hit county governments disproportionately hard as counties lost a projected $12.0 million in anticipated revenue during fiscal year 2012 and an additional $1.6 million in "Bed Hold" payments for a total of $13.6 million. As a result of these devastating cuts, Burlington, Cumberland, and Sussex counties sold their facilities in 2012; Camden County sold its facility in 2013; and, Union and Warren counties are in the process of selling their facilities. The remaining county nursing homes operated by Atlantic, Bergen, Cape May, Gloucester, Middlesex, Monmouth, Morris, and Passaic counties have been forced to reduce, privatize, or eliminate critical housekeeping, food, social, and other necessary services simply to make ends meet.

Although county governments appreciate the fact that the State "froze" Medicaid reimbursement rates through fiscal year 2016 and decided to phase out nearly $30.0 million in funding for "Peer Grouping" as opposed to terminating the program as originally planned, county officials also face a restrictive property tax cap levy and are at a loss to find the resources necessary to maintain a consistent level of quality care residents deserve. The State and federal governments developed funding for Peer Grouping to help counties reduce civil service, collective bargaining, and pension and health benefit operating expenses; and, to provide funding for community and home based programs. Once this mechanism is eliminated, counties will be forced to reduce or terminate essential programs such as meals on wheels, adult protective services, and transportation services for the aged and disabled.

As boards of chosen freeholders across State struggle with finding a balance between what is fair to taxpayers and what is right for its senior and disabled population, it's inevitable that additional counties will be unfortunately forced to sell their nursing homes within the coming years.