House Rural Development Council

An Analysis of Skilled Nursing Care in Rural Georgia: Innovations and Outcomes

September 7, 2017

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Georgia Demographics

	Centers	Rural	% Rural
Number of Nursing Care Centers	362	145	40.0%
Number of Nursing Care Center Beds	39,704	13,543	34.1%
Medicaid Nursing Center Patient Days (SFY 2016 Medicaid Cost Reports – FS and HB)	8,613,712	3,573,434	41.5%
All Nursing Center Patient Days (SFY 2016 Medicaid Cost Reports – FS and HB)	11,853,438	4,890,421	41.3%
Number of Georgians between age 65 and 84 (2017 Estimate)	1,134,546	269,669	23.7%
Number of Georgians age 85 and older (2017 Estimate)	130,693	31,345	24.0%
Beds per 1,000 for Georgians age 65 and older	31.38	44.99	
No. AL / Personal Care Centers	1,881		
No. AL / Personal Care Center Beds	30,421		

Aging Trends in Georgia

- The Aging of our population is one of the most significant trends affecting our society today.

- Georgia has the 5th fastest growing 60+ population and the 24th fastest growing 85+ population.

- Georgia's population 60+ is expected to increase 65.8% between 2010 and 2030 (from 1,528,041 persons to 2,533,710 persons)

Presentation to Georgia State Senate Aging Study Committee - *Georgia: Trends in Aging and Service Delivery, Dr. James Bulot, 10/22/12*
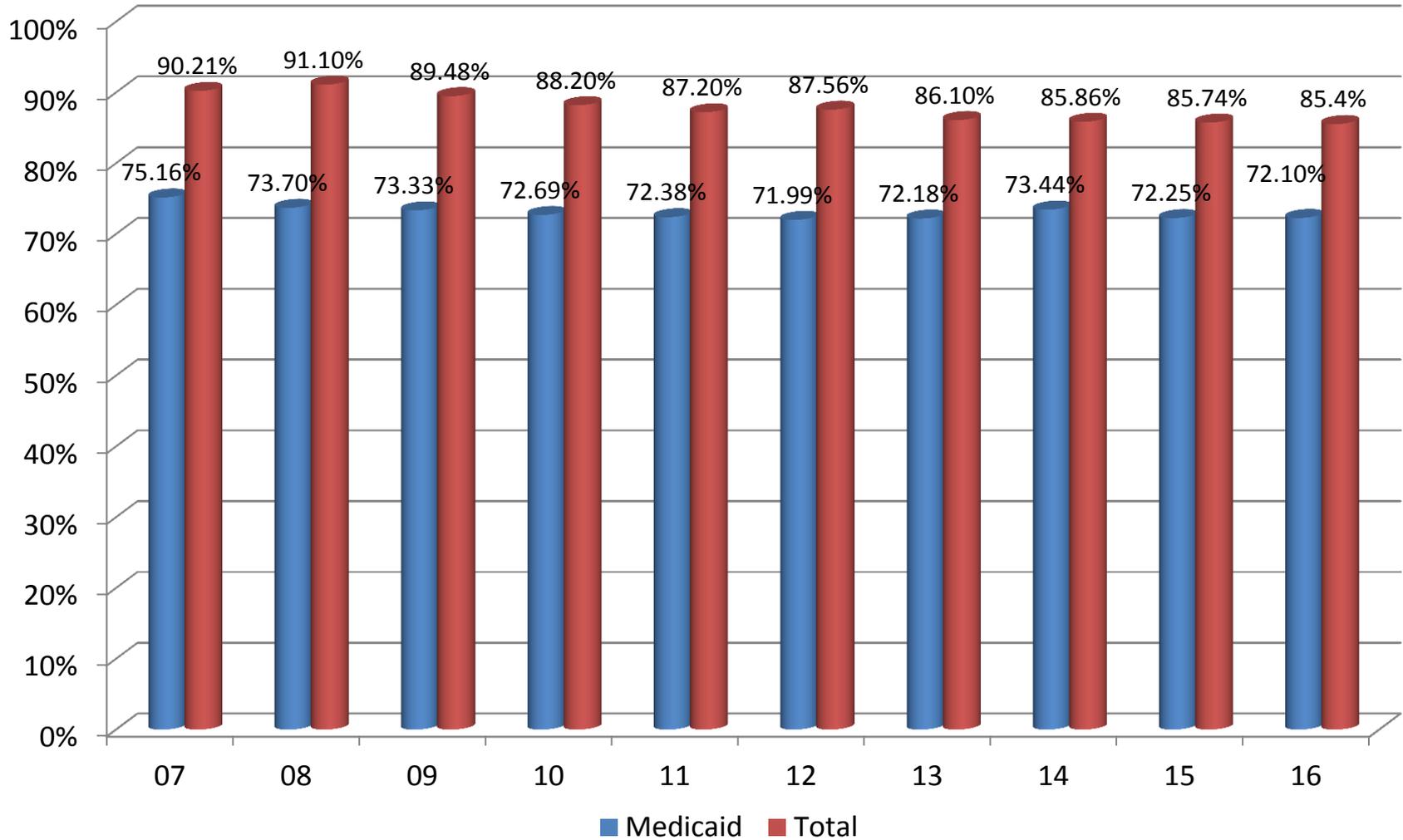
Georgia v United States

Georgia and United States, 2010 - 2030
% Increase in Population, by Age Group
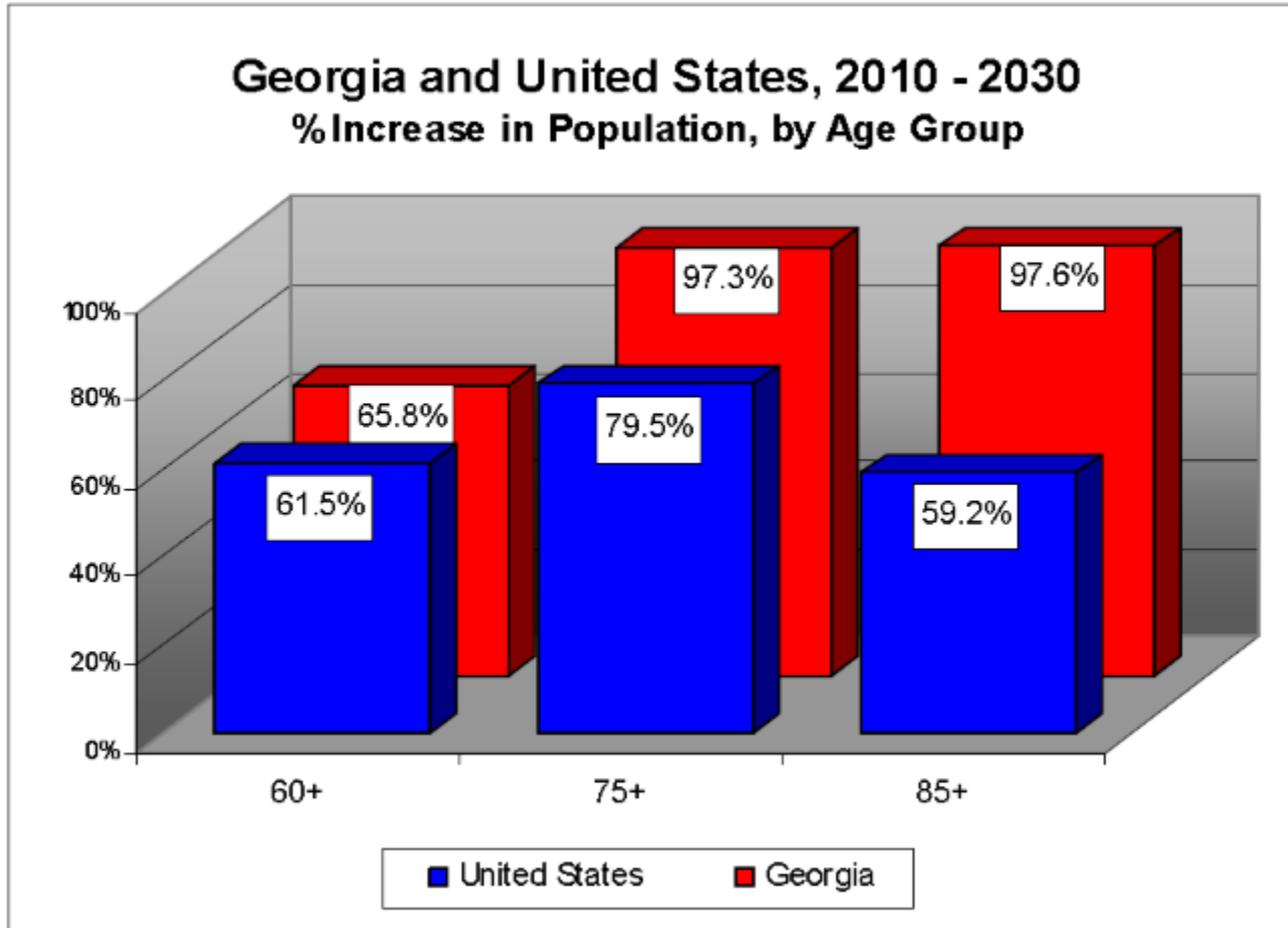
Number of People 65 and Over (2010 and 2030)

State	2010	Percent of total population	2030	Percent of total population	Percent change (2010 – 2030)
Georgia	980,824	10.2%	1,907,837	15.9%	94.5%
North Carolina	1,161,164	12.4%	2,173,173	17.8%	87.2%
Tennessee	829,023	13.3%	1,417,708	19.2%	71.0%
South Carolina	605,660	13.6%	1,134,459	22.0%	87.3%
Kentucky	557,471	13.1%	903,450	19.8%	62.1%
Mississippi	379,025	12.8%	634,067	20.5%	67.3%
Alabama	648,889	14.1%	1,039,160	21.3%	60.1%
Florida	3,418,697	17.8%	7,769,452	27.1%	127.3%

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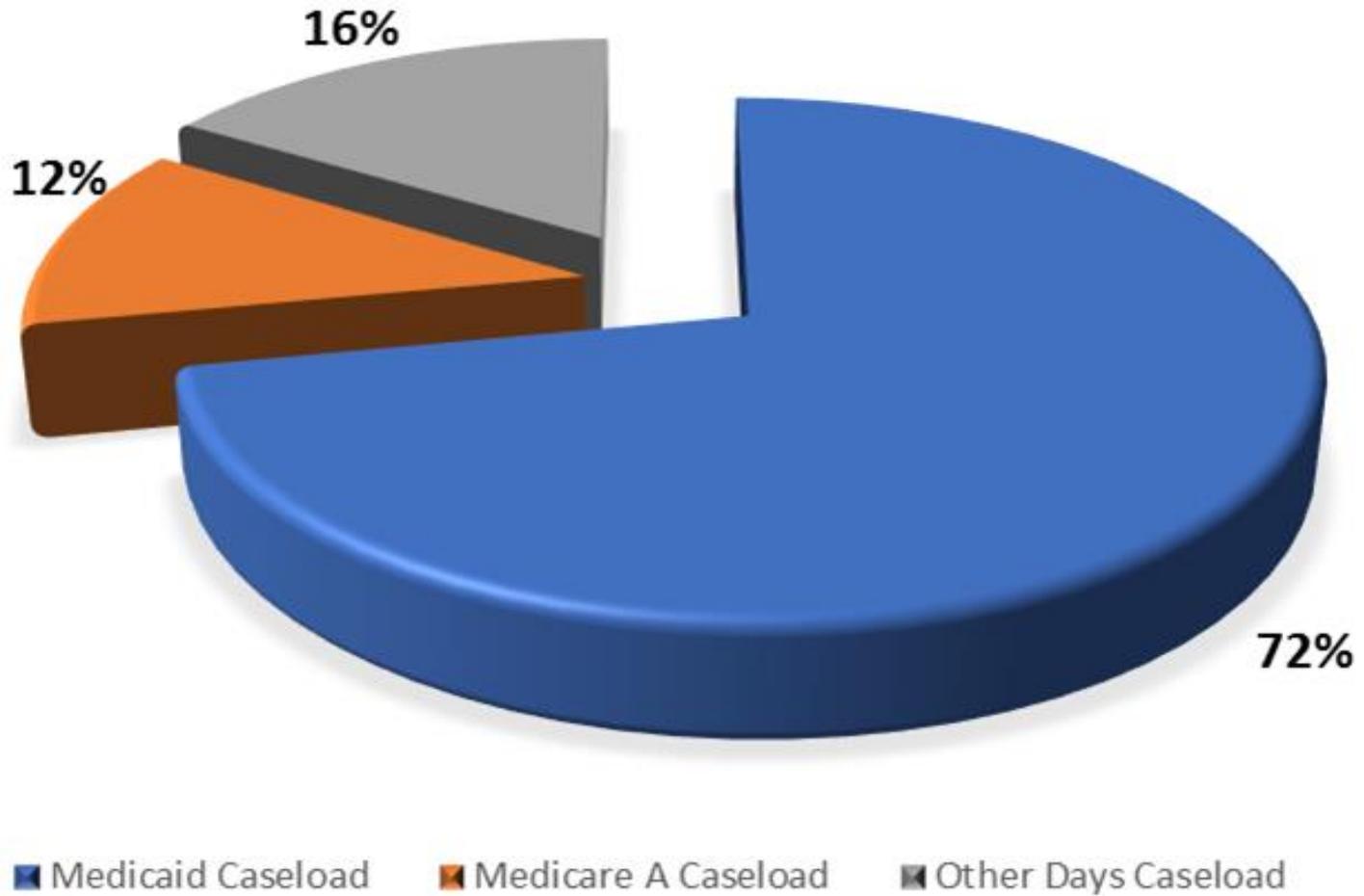
Number of People 85 and Over (2010 and 2030)

State	2010	Percent of total population	2030	Percent of total population	Percent change (2010 – 2030)
Georgia	122,818	1.3%	224,926	1.9%	83.1%
North Carolina	155,537	1.7%	266,881	2.2%	71.6%
Tennessee	110,070	1.8%	180,192	2.4%	63.7%
South Carolina	78,253	1.8%	141,286	2.7%	80.6%
Kentucky	73,633	1.7%	106,052	2.3%	44.0%
Mississippi	52,056	1.8%	73,646	2.4%	41.5%
Alabama	88,211	1.9%	132,070	2.7%	49.7%
Florida	537,846	2.8%	943,675	3.3%	75.5%

Census Trend

Year	Medicaid	Total
07	75.16%	90.21%
08	73.70%	91.10%
09	73.33%	89.48%
10	72.69%	88.20%
11	72.38%	87.20%
12	71.99%	87.56%
13	72.18%	86.10%
14	73.44%	85.86%
15	72.25%	85.74%
16	72.10%	85.4%

■ Medicaid ■ Total

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SKILLED NURSING CENTER PAYOR MIX

16%

12%

72%

- Medicaid Caseload
- Medicare A Caseload
- Other Days Caseload

Data from 2016 Free Standing
Medicaid cost reports

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PAYOR MIX IN COUNTIES LESS THAN 40K POPULATION

13%

8%

79%

■ Medicaid Caseload   ■ Medicare A Caseload   ■ Other Days Caseload
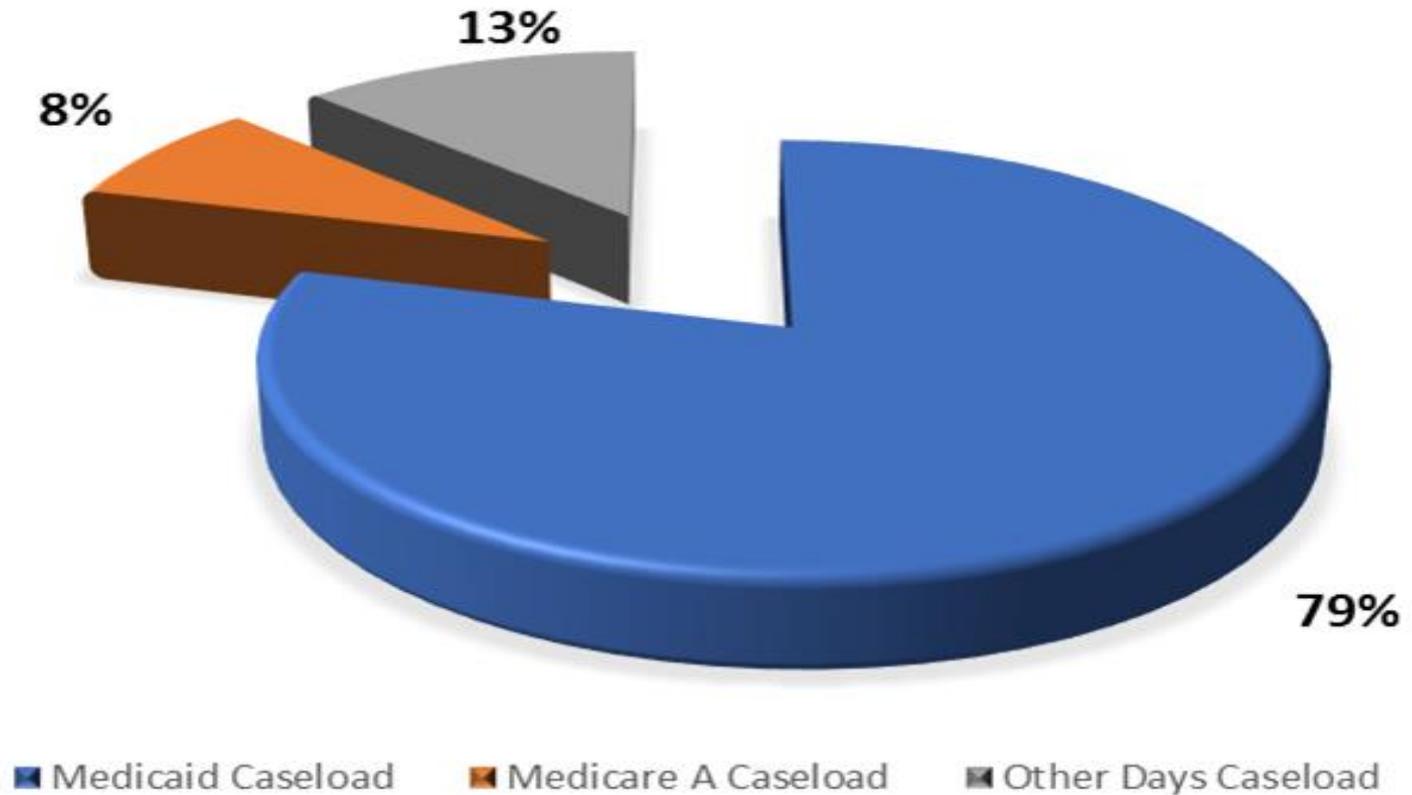
Data from 2016 Free Standing
Medicaid cost reports

PAYOR MIX IN COUNTIES GREATER THAN 40K POPULATION

18%

14%

68%

■ Medicaid Caseload   ■ Medicare A Caseload   ■ Other Days Caseload

Data from 2016 Free Standing
Medicaid cost reports

10
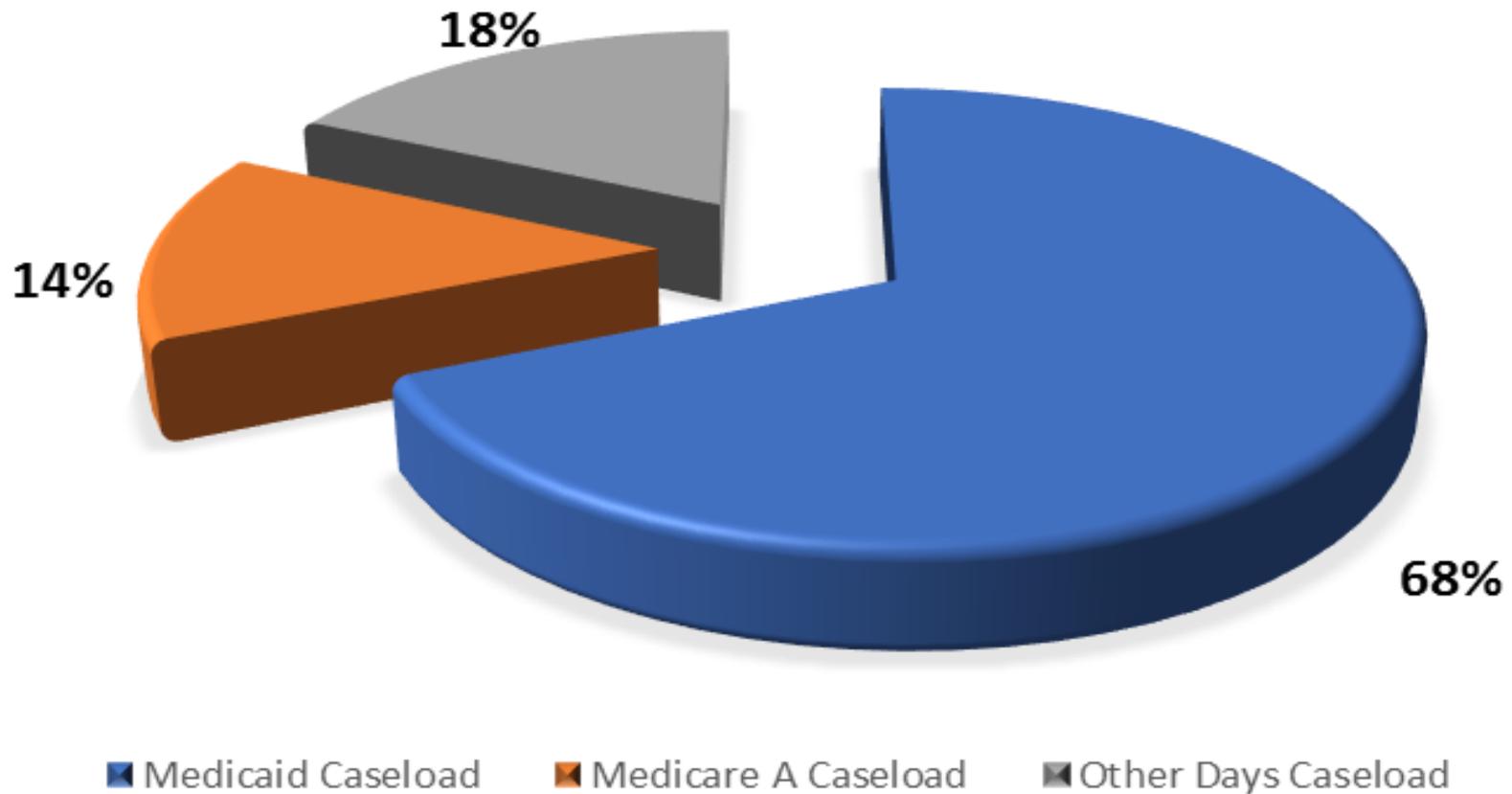
Comparison of Direct Care Productive Hrs PPD with Quality Composite Score and 5 Star Rating by Rural and Urban

Avg Composite Quality Score
- Counties with Population less than 40K: 8.2
- Counties with Population 40K or greater: 8.5

Avg 5 Star Rating
- Counties with Population less than 40K: 2.6
- Counties with Population 40K or greater: 2.7

Avg DC Prod Hrs PPD
- Counties with Population less than 40K: 3.42
- Counties with Population 40K or greater: 3.70

■ Counties with Population less than 40K   ■ Counties with Population 40K or greater

Data from Quarter 3/2017 Quality and 3/2017 DCH Quarterly Report Information

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Data from 3/2017 Quality Reports, 3/2017 DCH Quarterly Reports and SFY 2017 Average Medicaid Rates

FY 2015 Medicaid Per Diems

Component	Cost	Payment	Profit (Loss)	% with Loss
Routine	$ 85.53	$ 82.42	$ (3.11)	49.34%
Dietary	$ 17.52	$ 16.29	$ (1.23)	78.95%
Lndry, Hskpg, Maint	$ 19.73	$ 18.58	$ (1.15)	59.54%
A & G	$ 27.29	$ 20.16	$ (7.13)	85.86%
Property	$ 14.14	$ 10.45	$ (3.69)	60.20%
Total	$ 164.21	$ 147.90	$ (16.31)	71.05%
Taxes and Insurance	$ 1.22	$ 1.09	$ (.13)	
Provider Fee	$ 14.04	$ 17.10	$ 3.06	
TOTAL	**$179.47**	**$166.09**	**$ (13.38)**	

Cost data from 2015 Medicaid cost reports without audit adjs; payment based on 2012 cost reports and provided by DCH

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FY 2016 Medicaid Per Diems

Component	Cost	Payment	Profit (Loss)
Routine	$ 87.84	$ 84.63	$ (3.20)
Dietary	$ 17.70	$ 16.40	$ (1.29)
Lndry, Hskpg, Maint	$ 20.03	$ 18.72	$ (1.31)
A & G	$ 28.74	$ 20.56	$ (8.17)
Property	$ 14.30	$ 10.60	$ (3.71)
Total	$ 168.60	$ 150.92	$ (17.69)
Taxes and Insurance	$ 1.33	$ 1.10	$ (.24)
Provider Fee	$ 15.13	$ 17.10	$ 1.97
TOTAL	**$185.07**	**$169.11**	**$ (15.95)**

Cost data from 2016 Medicaid cost reports without audit adjs.
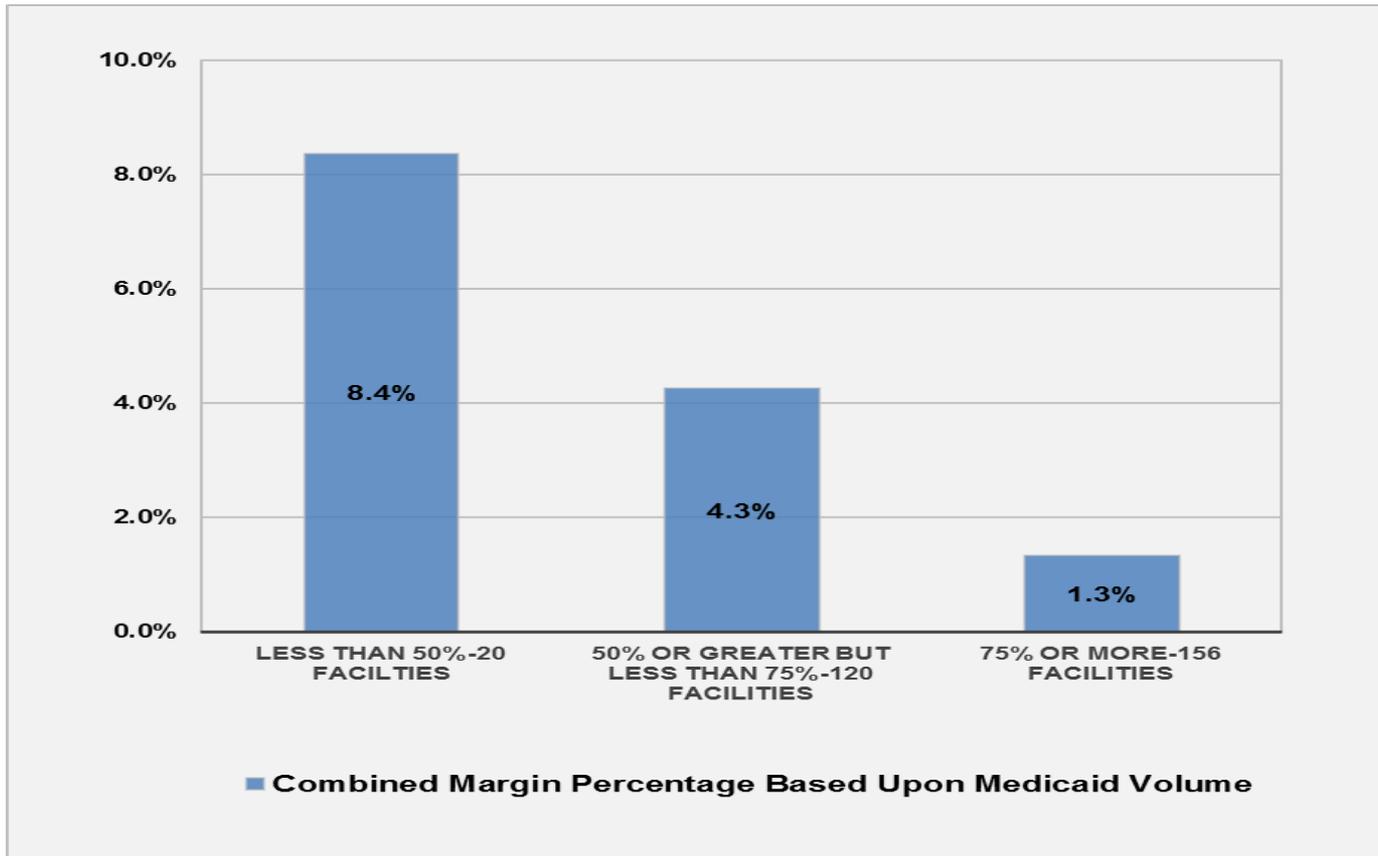Payment based on SFY 2016 Payment Rates

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FY 2017 Medicaid Per Diems

Component	Estimated Cost	Actual Payment	Estimated Profit (Loss)
Routine	$ 90.47	$ 87.48	$ (2.99)
Dietary	$ 18.23	$ 16.87	$ (1.35)
Lndry, Hskpg, Maint	$ 20.63	$ 19.29	$ (1.34)
A & G	$ 29.60	$ 21.09	$ (8.51)
Property	$ 14.30	$ 11.04	$ (3.26)
Total	$ 173.23	$ 155.77	$ (17.46)
Taxes and Insurance	$ 1.37	$ 1.10	$ (.28)
Provider Fee	$ 15.13	$ 17.10	$ 1.97
TOTAL	**$189.74**	**$173.97**	**$ (15.77)**

Cost data from 2016 Medicaid cost reports without audit adjs; includes 3% annual inflation. Payment based on actual SFY 2017 Medicaid Payment Rates

FY 2018 Medicaid Per Diems

Component	Estimated Cost	Estimated Payment	Estimated Profit (Loss)
Routine	$ 93.11	$ 89.77	$ (3.34)
Dietary	$ 18.76	$ 17.32	$ (1.44)
Lndry, Hskpg, Maint	$ 21.24	$ 19.80	$ (1.44)
A & G	$ 30.46	$ 21.64	$ (8.82)
Property	$ 14.30	$ 11.33	$ (2.97)
Total	$ 177.86	$ 159.85	$ (18.01)
Taxes and Insurance	$ 1.41	$ 1.12	$ (.29)
Provider Fee	$ 15.13	$ 17.10	$ 1.97
TOTAL	**$194.41**	**$178.08**	**$ (16.33)**

Cost data from 2016 Medicaid cost reports without audit adjs; includes 3% annual inflation. Payment based on estimate of SFY 2018 Medicaid Payment Rates provided by DCH.
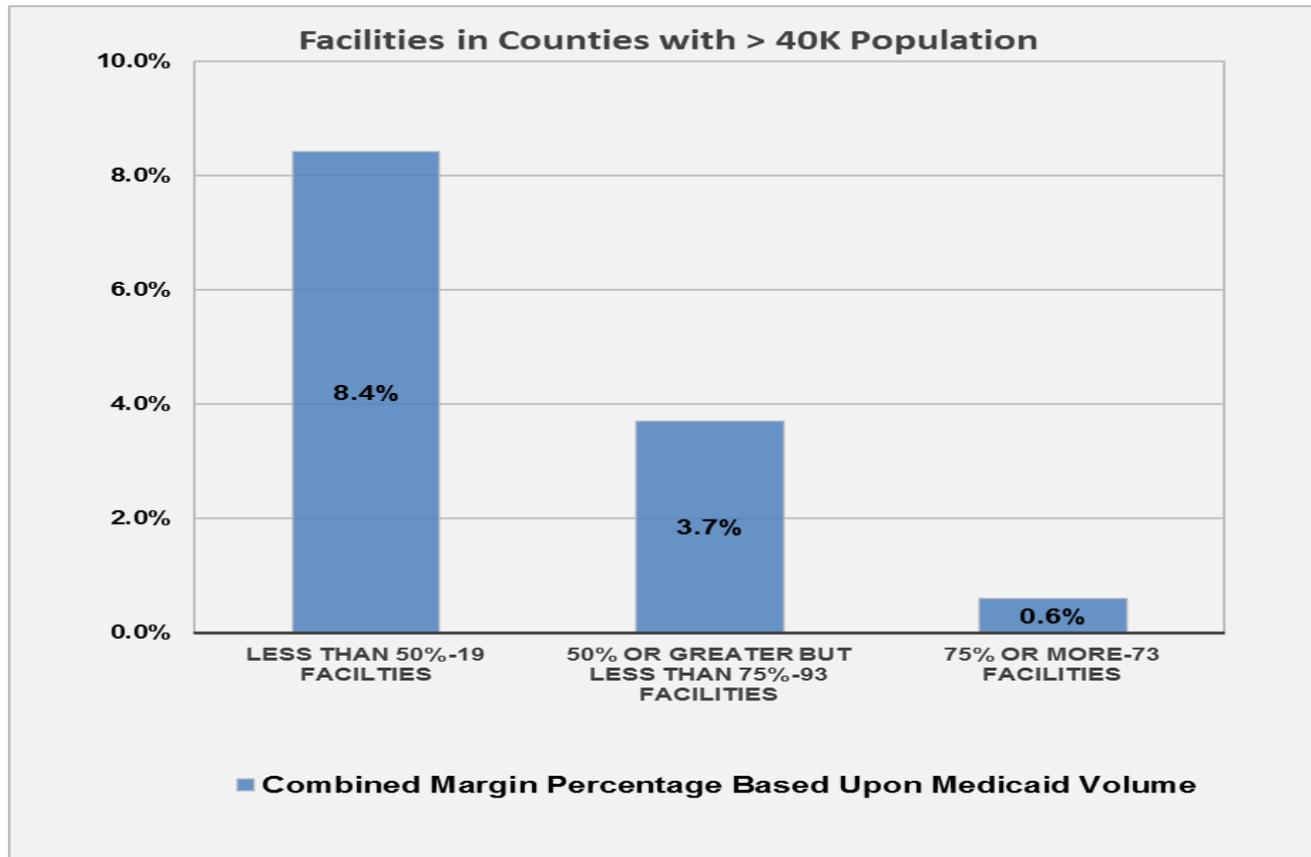
Combined Margin Percentage Based Upon Medicaid Volume

Data from free standing (FS) nursing center cost reports only.

# Combined Margin Percentage Based Upon Medicaid Volume

Facilites in Counties with <40K Population

Data from free standing (FS) nursing center cost reports only.

Combined Margin Percentage Based Upon Medicaid Volume

Facilities in Counties with > 40K Population

- LESS THAN 50%-19 FACILTIES: 8.4%
- 50% OR GREATER BUT LESS THAN 75%-93 FACILTIES: 3.7%
- 75% OR MORE-73 FACILITIES: 0.6%
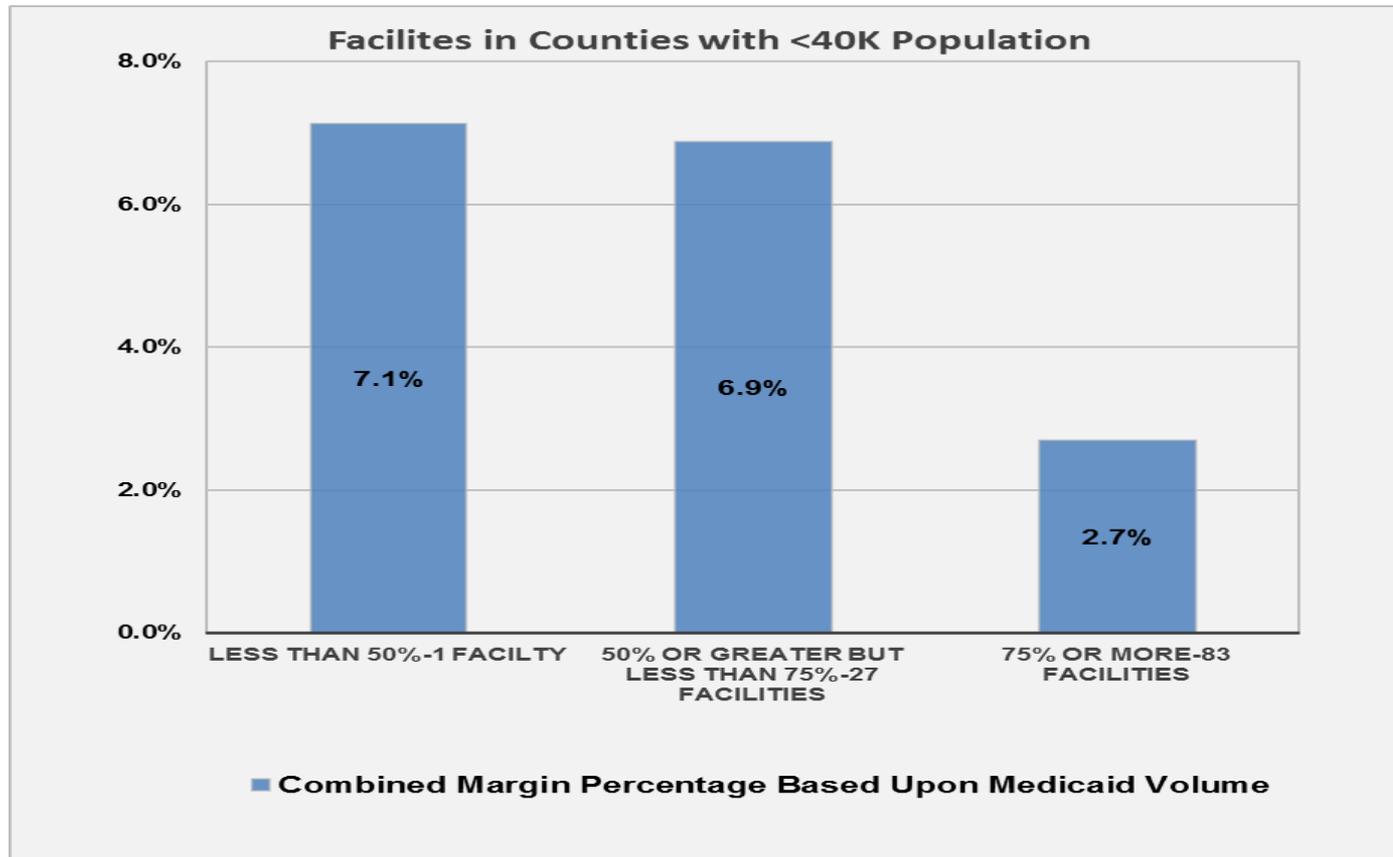
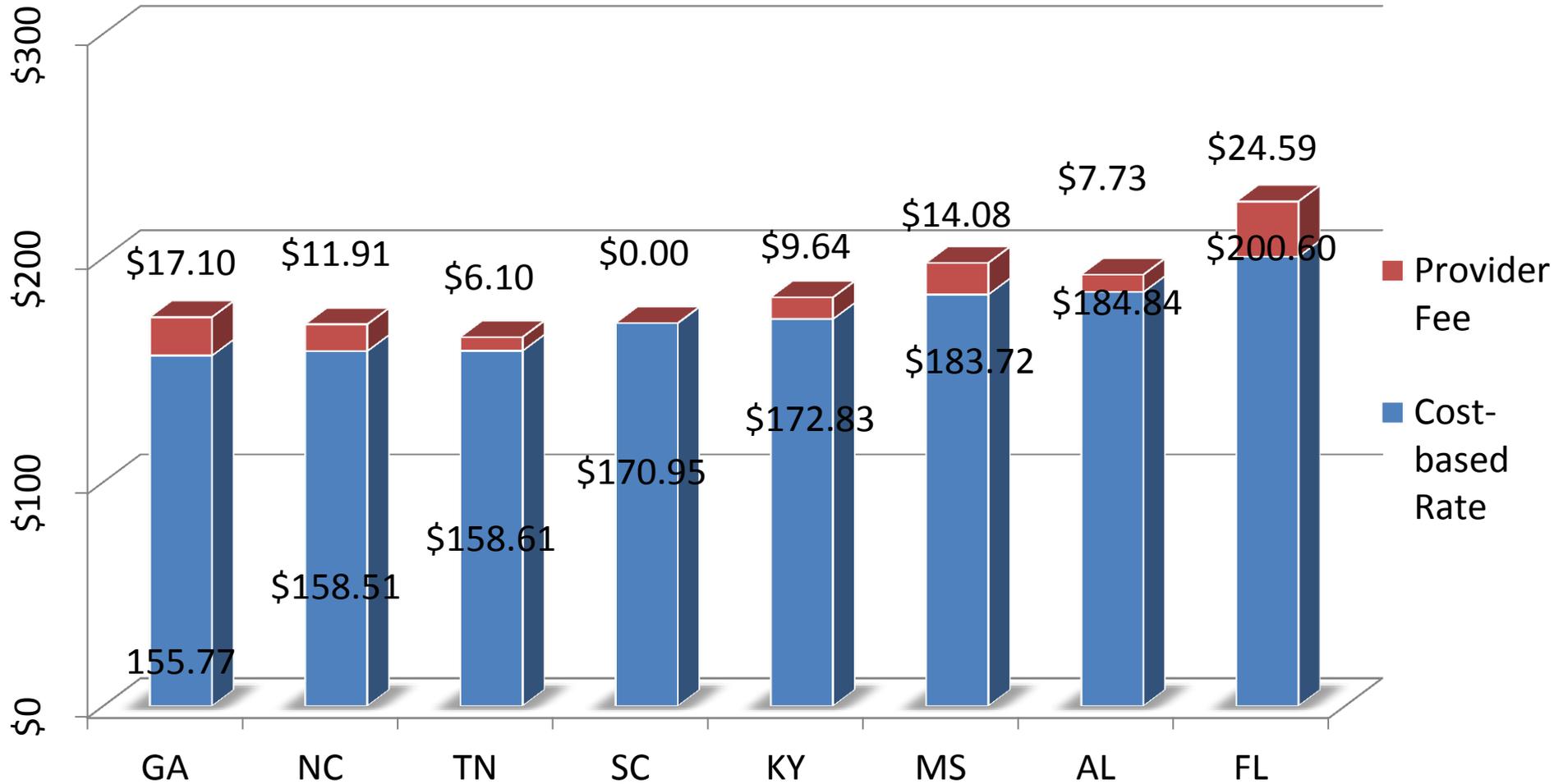■ Combined Margin Percentage Based Upon Medicaid Volume

Data from free standing (FS) nursing center cost reports only.

Margin and Revenue Percentages Based Upon Medicaid Volume
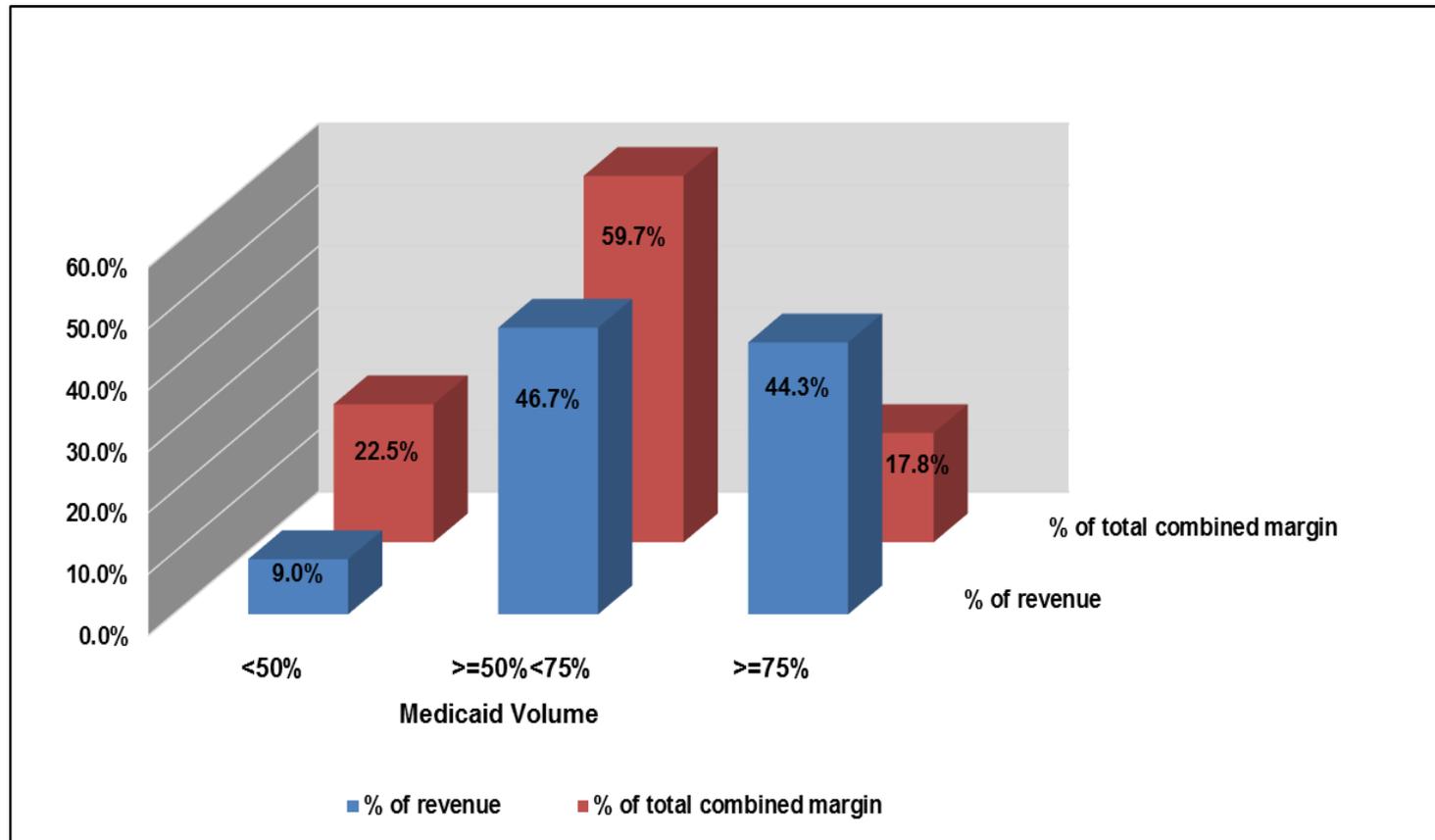
Data from free standing (FS) nursing center cost reports only.

Medicaid Rates of SE States - latest data available

SE States - Average Direct Care Hours per Patient Day

	US	GA	NC	TN	SC	KY	MS	AL	FL
RNs	0.52	0.27	0.44	0.42	0.54	0.53	0.43	0.42	0.45
LPNs/LVNs	0.86	1.11	0.90	1.07	0.98	0.92	1.01	0.99	0.96
Aide Staff	2.48	2.16	2.45	2.25	2.57	2.45	2.39	2.61	2.85
Total Direct Care Staff	3.86	3.54	3.80	3.73	4.09	3.89	3.83	4.01	4.26
Avg 5 Star Rank - May, 2017		2.79	2.83	3.09	3.20	2.89	3.04	3.52	3.53

Note: Aide staff includes certified nurse aids, nurse aides in training, and medication aides.
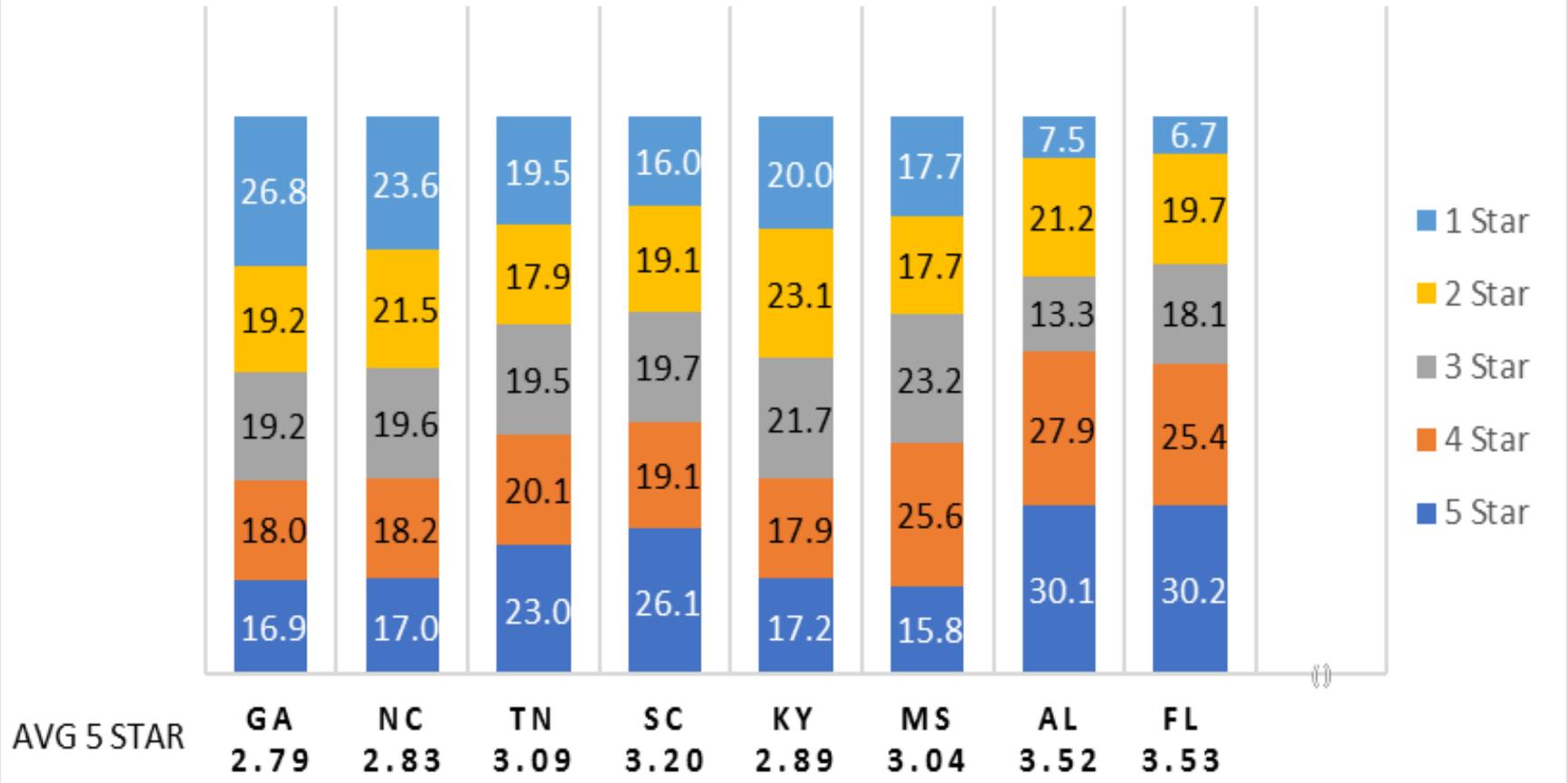
DC Hrs PPD Information pulled from:

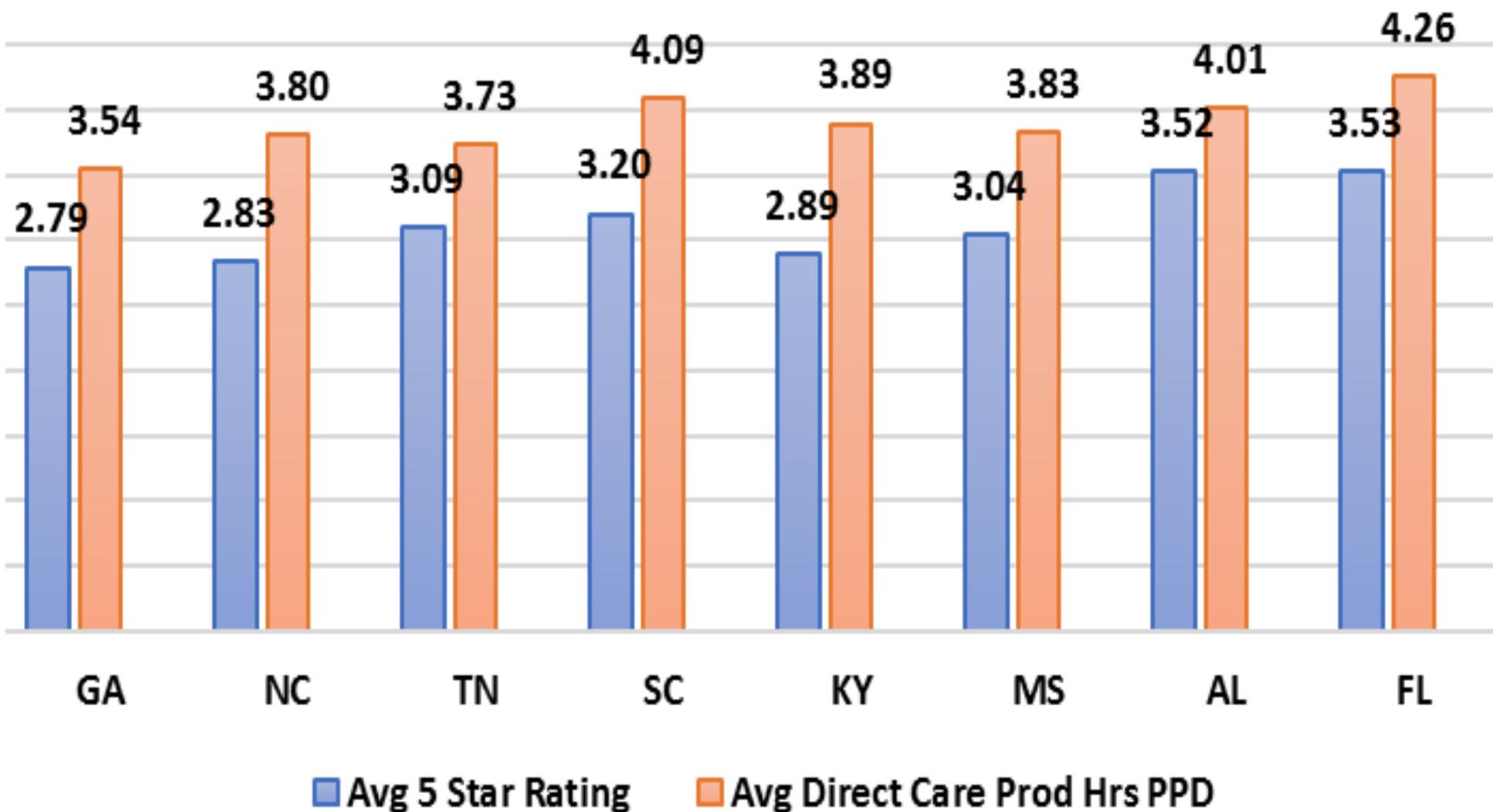AHCA/NCAL Research Division, Long Term Care (LTC) Stats

Nursing Facility Operational Characteristics Report, December 2016

5 Star Scores from LT Trend Tracker - 5/17

SE STATES % BY STAR RATING WITH OVERALL AVG 5 STAR SCORE

	GA	NC	TN	SC	KY	MS	AL	FL
1 Star	26.8	23.6	19.5	16.0	20.0	17.7	7.5	6.7
2 Star	19.2	21.5	17.9	19.1	23.1	17.7	21.2	19.7
3 Star	19.2	19.6	19.5	19.7	21.7	23.2	13.3	18.1
4 Star	18.0	18.2	20.1	19.1	17.9	25.6	27.9	25.4
5 Star	16.9	17.0	23.0	26.1	17.2	15.8	30.1	30.2
AVG 5 STAR	2.79	2.83	3.09	3.20	2.89	3.04	3.52	3.53

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SE States Direct Care FTEs and Direct Care Productive Hrs PPD

Patient, Resident & Family Satisfaction
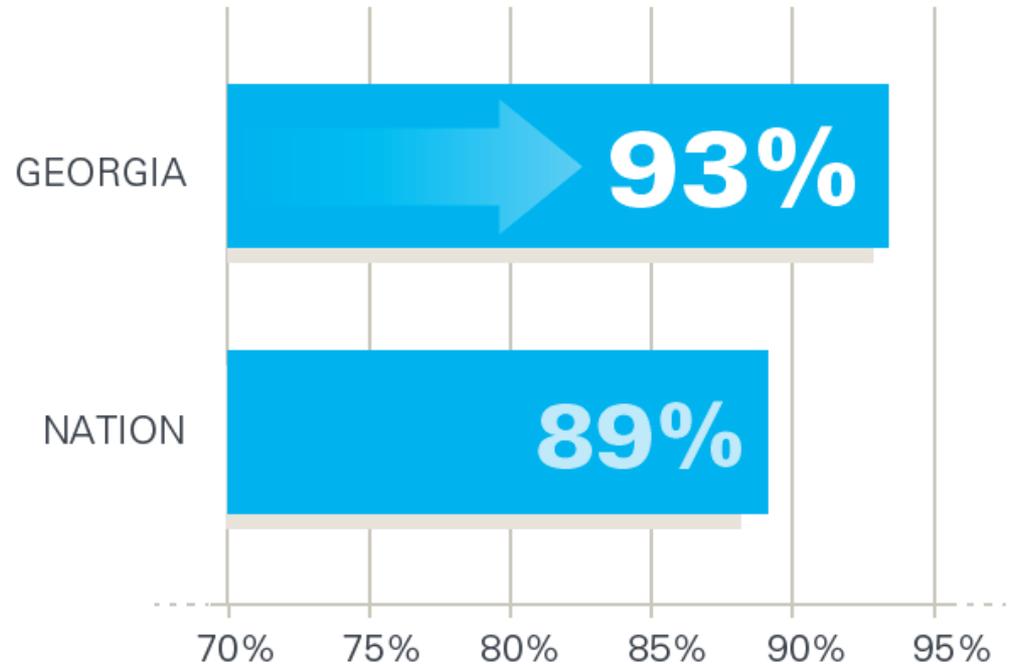
RESIDENT

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- Georgia holds the distinction of having the longest-running statewide satisfaction measurement & improvement program in the US

- 2016 Satisfaction Survey generated over 17,000 responses

- Greater than 35% of resident respondents rated centers as a "10," the highest possible score, for best place to live

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Consumer Satisfaction

FAMILY

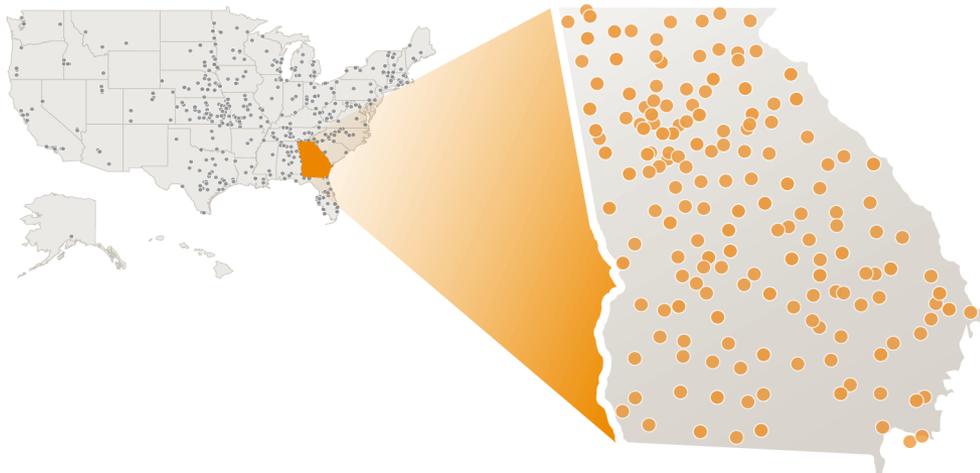**WOULD RECOMMEND**

GEORGIA — 93%

NATION — 89%

70% 75% 80% 85% 90% 95%

Excellence in Action Award

2017 Award Winners | Georgia

GEORGIA has more Excellence In Action Award winners than any other state.

*The map reflects combined winners from either or both customer and workforce satisfaction categories. Markers appearing darker in color indicate a location with multiple winners within the same zip code. **Source:** Customer and workforce satisfaction surveys conducted in 2016 by NRC Health.*

What We Know

- There is a validated correlation of resource to quality—SNFs/States with higher staffing levels & reimbursement rates demonstrate improved quality outcomes

- Payor source is a greater predictor of quality outcomes than other factors such as geographic location

- Consumer, legislative and oversight agencies' expectation for value-based purchasing continues to grow

- Volume of admission & discharge of patients has dramatically increased related to focus on home and community based service models and goal to serve patient in lowest cost/level of care setting possible

- Patient migration patterns and acuity have significantly impacted clinical operations in SNF setting

- Unfunded mandates, necessity of enhanced clinical competency and required licensure or certifications have significantly increased operational costs (higher costs related to training, certifications and RN staffing)

Workforce Challenges

- Nationally, projections indicate more than one million additional direct-care workers will be needed by 2018

- Approximately 55,000 social workers are currently needed in long-term care. By 2050, this number will nearly double to approximately 109,000 (DHHS, 2006). While nearly 75% of licensed social workers work with older adults in some capacity, many have not received training or education in gerontology (NASW, 2006a). In 2009–2010, only 2.8% of BSW graduates and 6.7% of MSW graduates completed a specialization in aging, or an average of 5% across all social work graduates (CSWE, 2011).

- By 2020, the nursing workforce is expected to drop 20 percent below projected requirements.

https://eldercareworkforce.org/research/issue-briefs/research:geriatrics-workforce-shortage-a-looming-crisis-for-our-families

Georgia DOL 2016 Annual Report

These charts detail the top twenty-five occupations expecting the fastest and largest growth. All jobs on the fastest growth chart have annual growth rates exceeding the overall rate. Jobs listed on the largest growth chart will account for 39% of all new positions.

Top 25 Occupations – Fastest Growth

Occupational Title	EDU Code	Annual Growth Rate	Annual Openings from Growth
Physician Assistants	2	5.3%	190
Health Specialties Teachers, Postsecondary	1	5.2%	320
Agents and Business Managers of Artists, Performers, and Athletes	3	5.0%	30
Personal Care Aides	8	4.9%	1,020
Interpreters and Translators	3	4.7%	100
Nursing Instructors and Teachers, Postsecondary	2	4.5%	80
Psychiatric Aides	7	4.5%	80
Home Health Aides	8	4.5%	440
Nurse Practitioners	2	4.4%	180
Nurse Midwives	2	4.4%	10
Ophthalmic Medical Technicians	5	4.2%	40
Medical Secretaries	7	4.2%	680
Medical Assistants	5	4.1%	880
Audiologists	1	4.1%	10
Meeting, Convention, and Event Planners	3	4.1%	110
Philosophy/Religion Teachers, Postsecondary	1	4.0%	30
Diagnostic Medical Sonographers	4	4.0%	70
Dental Hygienists	4	4.0%	240
Mental Health Counselors	2	4.0%	100
Occupational Therapy Assistants	4	4.0%	20
Stonemasons	7	4.0%	30
Brickmasons and Blockmasons	7	3.9%	30
Mental Health and Substance Abuse Social Workers	3	3.8%	70
Law Teachers, Postsecondary	1	3.8%	10
Surgeons	1	3.8%	70

Georgia Statewide Average Annual Growth Rate is 1.5%

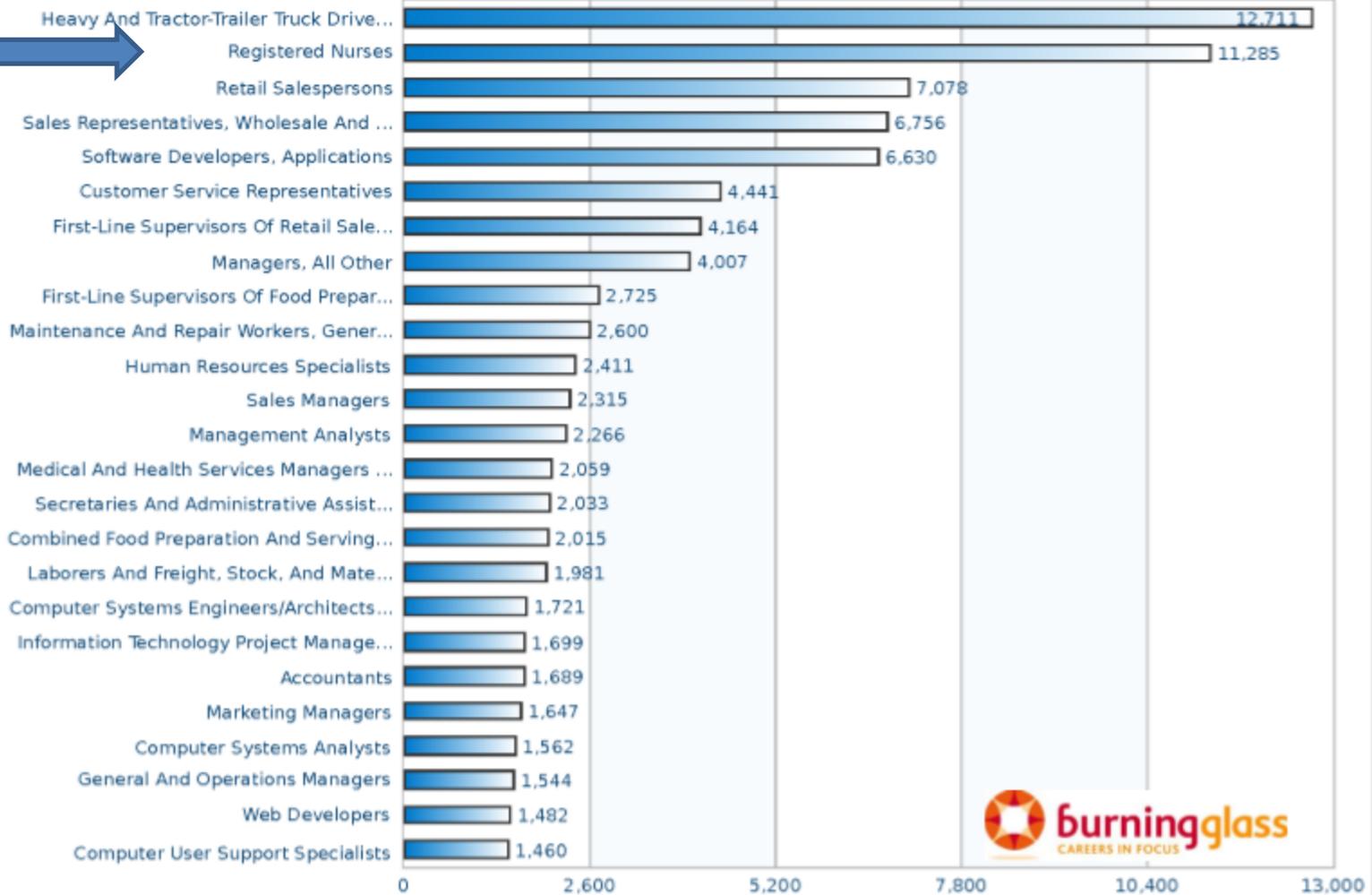| Education Codes |
|---|
| 1 Doctoral or professional degree |
| 2 Master's degree |
| 3 Bachelor's degree |
| 4 Associate's degree |
| 5 Postsecondary non-degree award |
| 6 Some college, no degree |
| 7 High school diploma or equivalent |
| 8 Less than high school |

- 18 of 25 fastest growing occupations in GA relate to health care
- Supply v Demand issue
- SNF operators are at a competitive disadvantage related to resource deficit

Georgia DOL DEPARTMENT OF LABOR

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Postings: Available= 199,544 | Unclassified= 6,786

Occupation	Postings
Heavy And Tractor-Trailer Truck Drive...	12,711
Registered Nurses	11,285
Retail Salespersons	7,078
Sales Representatives, Wholesale And ...	6,756
Software Developers, Applications	6,630
Customer Service Representatives	4,441
First-Line Supervisors Of Retail Sale...	4,164
Managers, All Other	4,007
First-Line Supervisors Of Food Prepar...	2,725
Maintenance And Repair Workers, Gener...	2,600
Human Resources Specialists	2,411
Sales Managers	2,315
Management Analysts	2,266
Medical And Health Services Managers ...	2,059
Secretaries And Administrative Assist...	2,033
Combined Food Preparation And Serving...	2,015
Laborers And Freight, Stock, And Mate...	1,981
Computer Systems Engineers/Architects...	1,721
Information Technology Project Manage...	1,699
Accountants	1,689
Marketing Managers	1,647
Computer Systems Analysts	1,562
General And Operations Managers	1,544
Web Developers	1,482
Computer User Support Specialists	1,460

burningglass
CAREERS IN FOCUS

This chart details the top twenty-five occupations according to real-time job postings data.

Ninety-seven percent (97%) of job postings were classified and ranked from largest to smallest. The top twenty-five occupations are shown here.

The remaining % of all postings found did not have SOC (Standard Occupational Classification) codes assigned due to the lack of job posting detail available.

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Innovations in Care Delivery

- Enhanced telehealth capacity

- Top of license practice

- Care coordination networks- i.e., direct admissions to SNF from ED

- Service models aligned with community and health system needs- i.e., Ventilator care communities, behavioral health centers

Timeline of Florida Legislative Action to Increase Nurse Staffing in Nursing Centers

Session	Effective Date	Legislative Action	CNA Hours PPD	RN/LPN Hours PPD
	Prior to 2002	Staffing defined in regulation (no minimum statutory requirement)	1.7	0.6
2001	01/2002 01/2003 01/2004	Mandated new staffing standards over 36 months (RN/LPN: 01/2002	2.3 2.6 2.9	1.0
	01/2002	Increase CNA and RN/LPN staffing standards	2.3	1.0
	01/2003	Increase CNA staffing standard	2.6	1.0
2003/2004/2005		Delayed implementation of 2.9 CNA hours to July 2004/to July 2005/to July 2006	2.6	1.0
2006	01/2007	Amended to weekly average of 2.9 CNA hours and daily minimum of 2.7 CNA hours	2.7 daily 2.9 weekly	1.0
2008	07/2008	Maintains 2.9 CNA hours standard, but does not allow sanction unless center falls below 2.6 CNA hours daily	2.9 weekly	1.0
2010	07/2010	Amended to establish minimum weekly combined staffing standard of 3.9 CNA and RN/LPN hours and daily minimum of 2.7 CNA hours and daily minimum of 1.0 RN/LPN hours	3.9 Combined 2.7 daily	1.0 daily
2011	07/2011	Amended to minimum weekly combined staffing standard of 3.6 CNA and RN/LPN hours and daily minimum of 2.5 CNA hours and daily minimum of 1.0 RN/LPN hours	3.6 Combined 2.5 daily	1.0 daily

Numbers of Employed Direct Care Staff in Florida Nursing Homes (2002-2008)
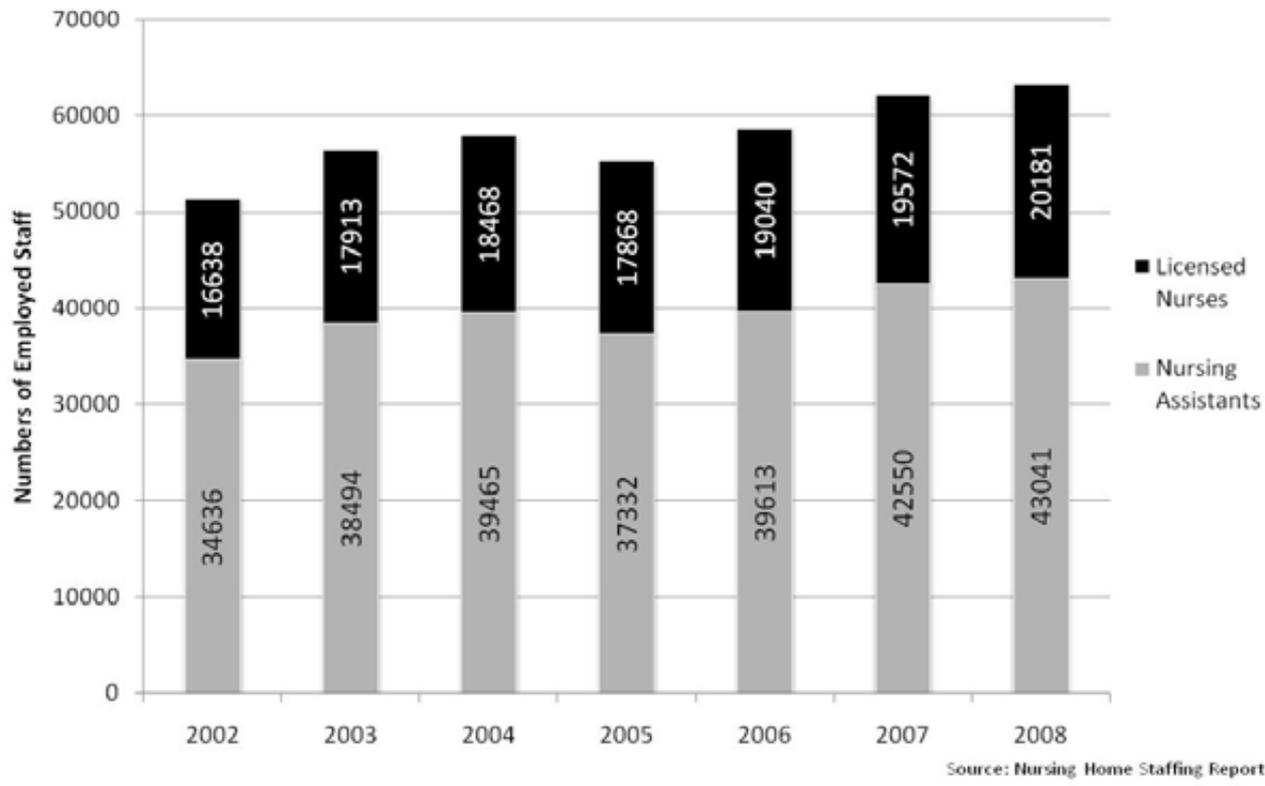
Percent of Facilities Receiving a Deficiency for Actual Harm or Jeopardy of Residents (1999-2007)
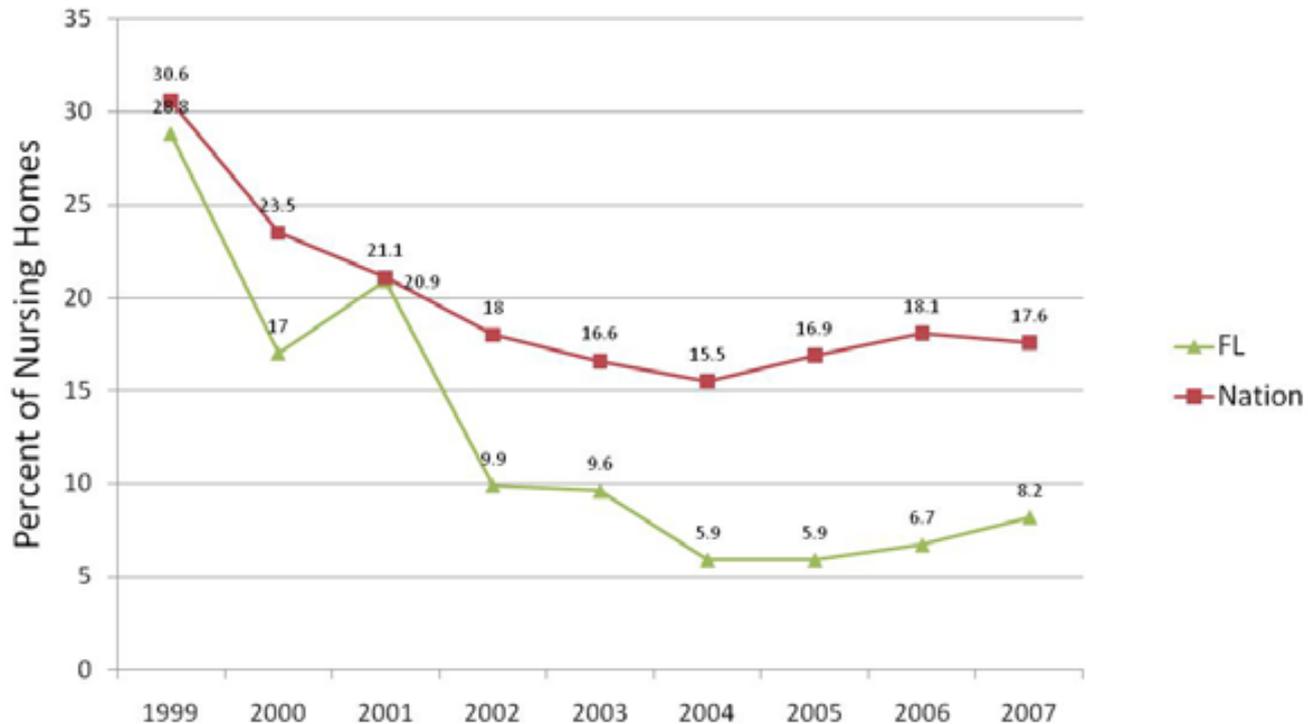
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FY 2016 Analysis of Financial Margins

- Eljay, LLC, report on the financial margins of Medicaid nursing facilities in Georgia.

- The combined margin for the 296 nursing facilities in the database was $76.2 million, representing a margin percentage of 3.3% on reported revenue of almost $2.3 billion.

- 94 facilities (32%) incurred negative margins, reflecting a combined negative margin of 5.2%. Another 32 facilities had positive margins of 2% or less.

- The 148 facilities that rank in the bottom half of all facilities relative to margin had a combined <u>negative</u> margin percentage of 2.8%.

- **The 156 facilities with high Medicaid volume (75% Medicaid volume or greater) have financial margins that are six times lower than low volume Medicaid providers (less than 50% Medicaid volume)**. High volume Medicaid providers reflect an average margin of just 1.3% compared to 8.4% for low volume Medicaid providers.

- **The 20 facilities with less than 50% Medicaid volume represent just 9.0% of the total revenue of all facilities yet constitute almost 22.5% of the total combined margin for all facilities. In contrast, the 156 facilities with Medicaid volume of at least 75% represent almost 44.3% of total revenues, but just less than 17.8% of the total combined margin.**