House Bill 11 deals a devastating blow to tens of thousands of elderly and disabled persons in our state. HB11 reduces funding that would displace Missouri’s disabled and elderly currently residing in nursing facilities across the state by drastically increasing the eligibility requirements for this population to remain in nursing homes. The cuts proposed in HB11 leave no other option to receive these skilled nursing services but in-patient hospitalization, as eligibility for alternative care in assisted living or their own homes has been raised as well. HB11 also rolls back funding for nursing home provider rates by 3.5% for those residents who remain eligible for care, which would be the highest care need residents, making it unaffordable for many facilities to remain in business.

If HB11 is passed as filed with the Skilled Nursing Facility (“SNF”) Medicaid funding cut and funding cuts that would increase level of care eligibility requirements, the elderly and disabled will be discharged from long term care facilities and will no longer be able to receive these services in any other setting except a hospital. Nursing facilities will close throughout the state, and remaining residents will have no place to live or receive care, jobs will be lost and Medicaid hospital admission costs will soar. Here are the facts:

1) Funding cuts proposed in HB11 would increase the level of care eligibility requirements for skilled nursing patients, requiring a resident to receive a 27 point level of care score in lieu of the current 21. The disabled and elderly residents of these facilities will no longer qualify for care and will be forced to leave their facilities, which are their homes.  Most residents will have no place to go as they no longer have homes and many times no family members to care for them.  Where will these residents go? They will be forced into hospitals (at a much higher cost of care) or onto the streets. These cuts also affect other services such as in-home care, assisted living and residential care, as these services are part of the same increases in eligibility.

2) Nursing facilities are already underfunded and barely able to operate. If the 3.5% SNF Medicaid rate cut contained in HB11 is approved, the amount our facilities are currently underfunded—$15 per patient per day—will increase to $20! This underfunding of the highly-regulated services nursing facilities ***must*** provide is unsustainable at this reduced funding level.  Facilities will be forced to close across the state; elderly and disabled residents will be homeless; the economy will suffer and unemployment rates will climb as the staff, so vital to the care of the residents, will be jobless. Skilled nursing facilities in Missouri employ more than 50,000 individuals.

3) Services provided in our skilled nursing facilities are some of the most efficient expenditures the state makes in providing care for the elderly and disabled. Since nursing facilities have partnered with the state by enacting the FRA tax, a self-imposed tax on the facility, the portion the state currently pays toward the SNF Medicaid rate is only 11% of the total reimbursement rate. This equates to only $24 of the $157 average per day reimbursement per resident in a nursing facility! The remainder of the reimbursement rate is paid by the FRA tax the facility pays, federal funds— which cannot be used for other purposes—and the nursing home resident. ***The state currently pays less than any other payor source toward the care of our poor, frail, disabled and elderly residents.  This means fewer state general revenue dollars are expended for care in skilled nursing facilities than any other skilled service including home and community based services. These vital, cost effective services should not be cut***.

The recommendations to cut funding and eligibility for SNF care contained in HB11 will cost the state rather than save money; will displace our disabled and elderly citizens across the state; hurt the economy and increase jobless rates across the state. Please do not cut the SNF rates or increase the eligibility requirements for this care.