

IMPACT OF BUDGET AND MEDICAID CUTS ON VIRGINIA'S NURSING FACILITIES

Presented to the Senate Finance Health and
Human Resources Subcommittee

February 8, 2010

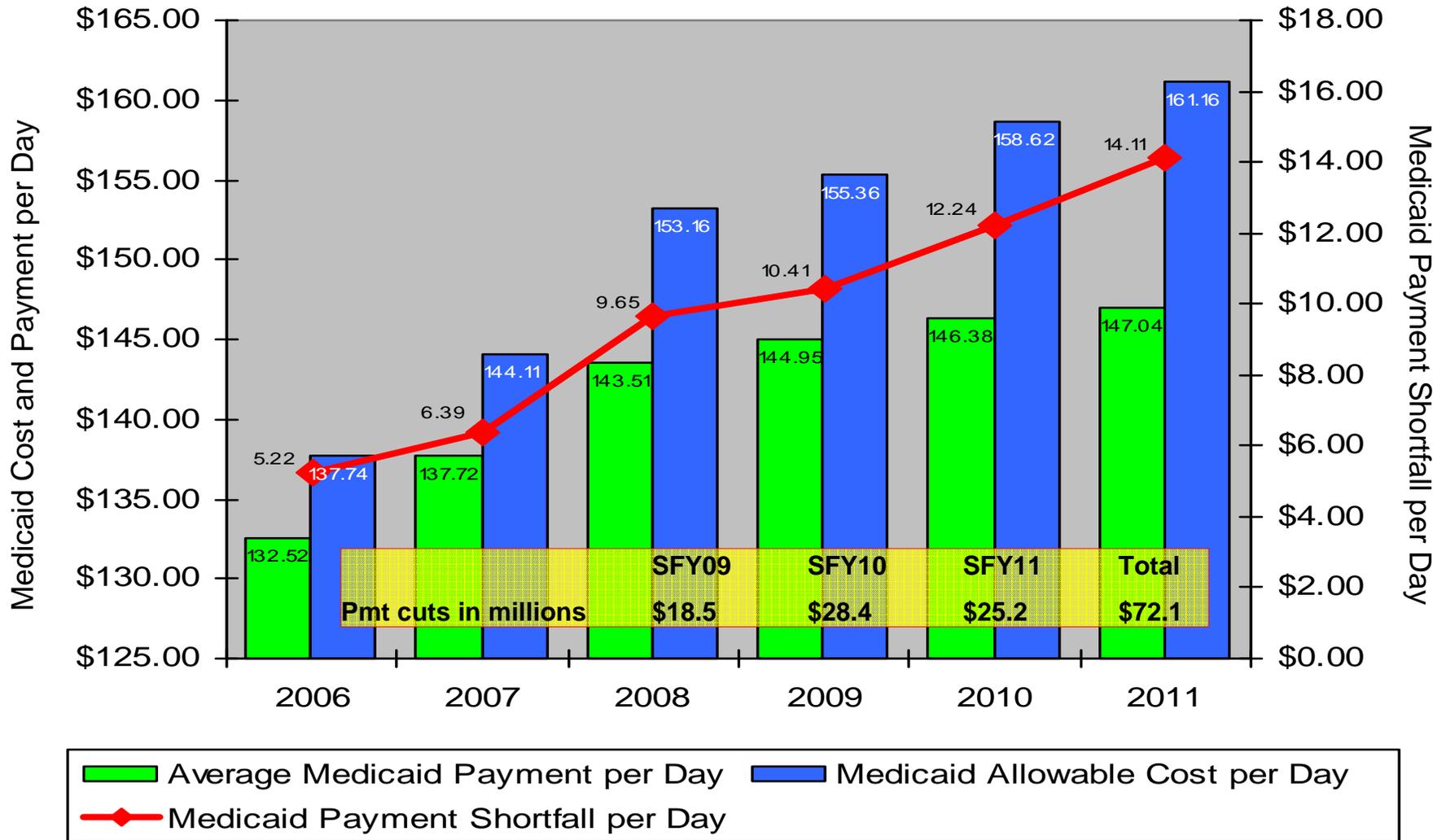
Virginia Health Care Association

SNAPSHOT

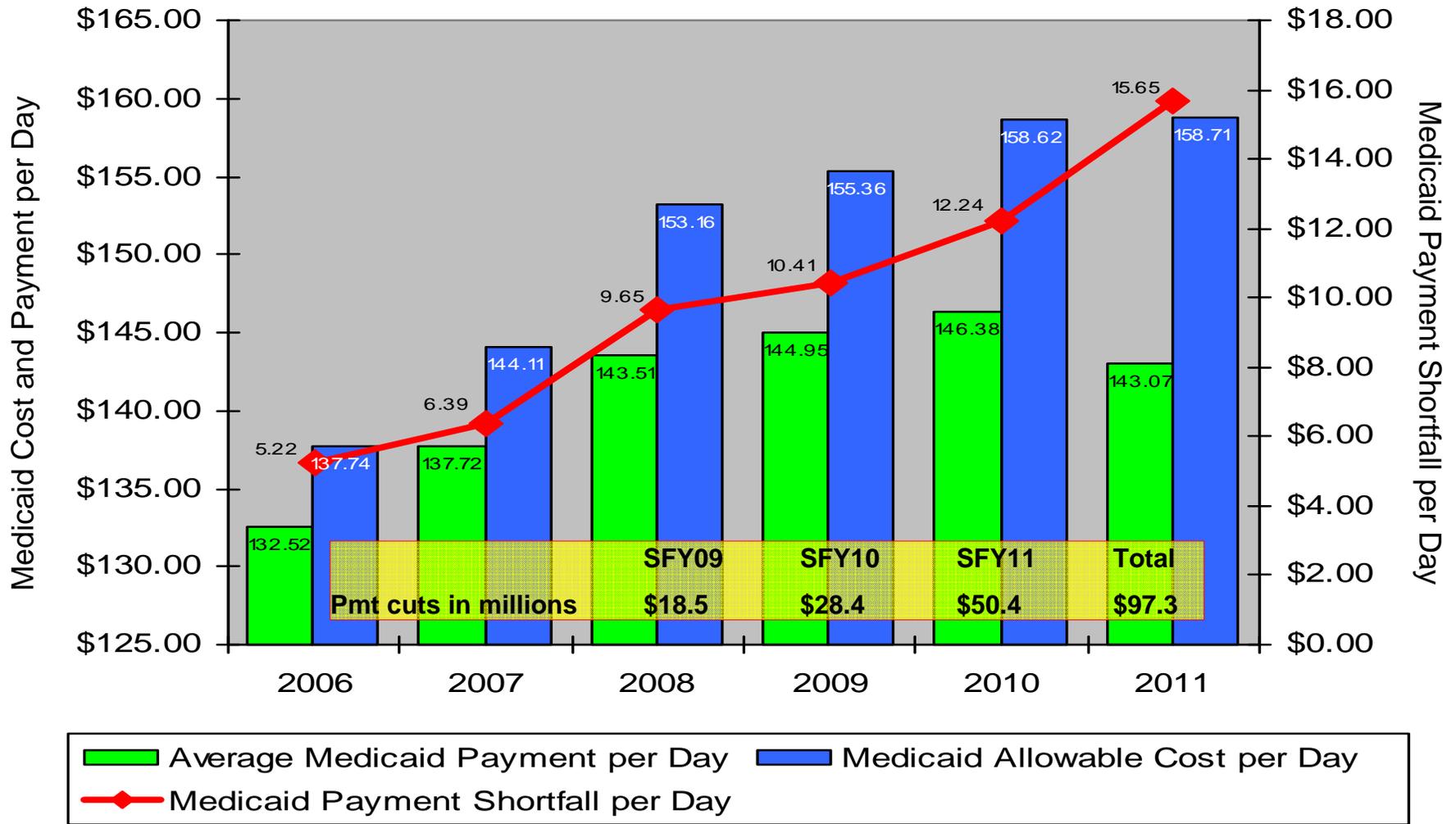
Virginia's Nursing Facilities

- Employed 30,535 FTEs in 2008 providing slightly over 10 million patient days of round-the-clock care
- Paid state, local and federal taxes totaling \$51.6 million
- Provided over 6.4 million days of care to Medicaid beneficiaries (representing about 62% of all residents)
- Care for a patient population among the sickest in the country as a result of Virginia's strict Medicaid admission criteria
- *Have an average resident acuity that has increased as Medicaid's expansion of Home and Community Based Services concentrates the sickest beneficiaries in nursing facilities*
- Provide care to a high acuity patient population at an average Medicaid payment rate that remains low compared to other states

Average Nursing Facility Medicaid Cost, Payment and Payment Shortfall Per Resident Per Day – *SFY 11 Introduced Budget Cuts*

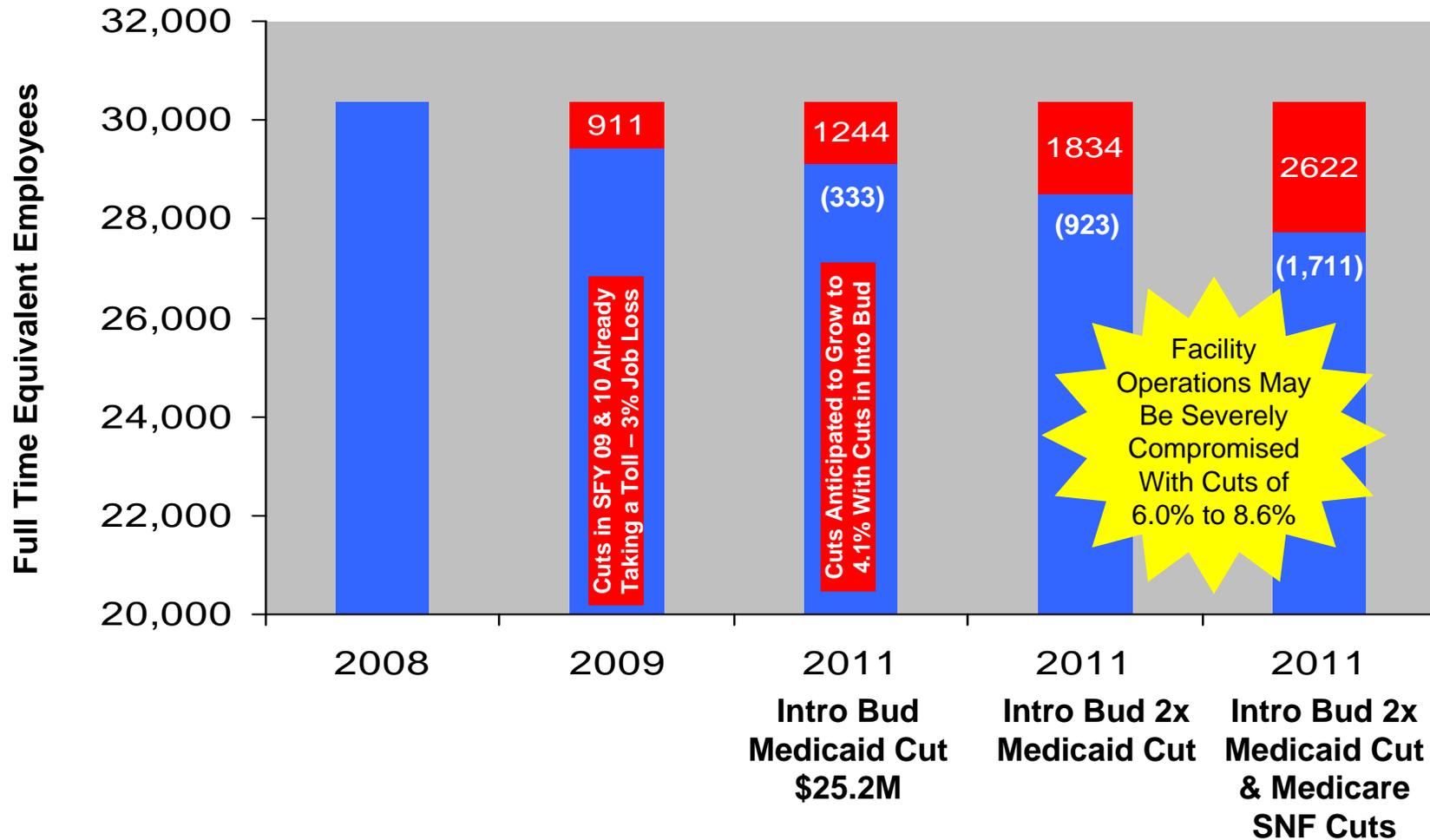


Average Nursing Facility Medicaid Cost, Payment and Payment Shortfall Per Resident Per Day – **SFY 11 Double the Introduced Budget Cuts**



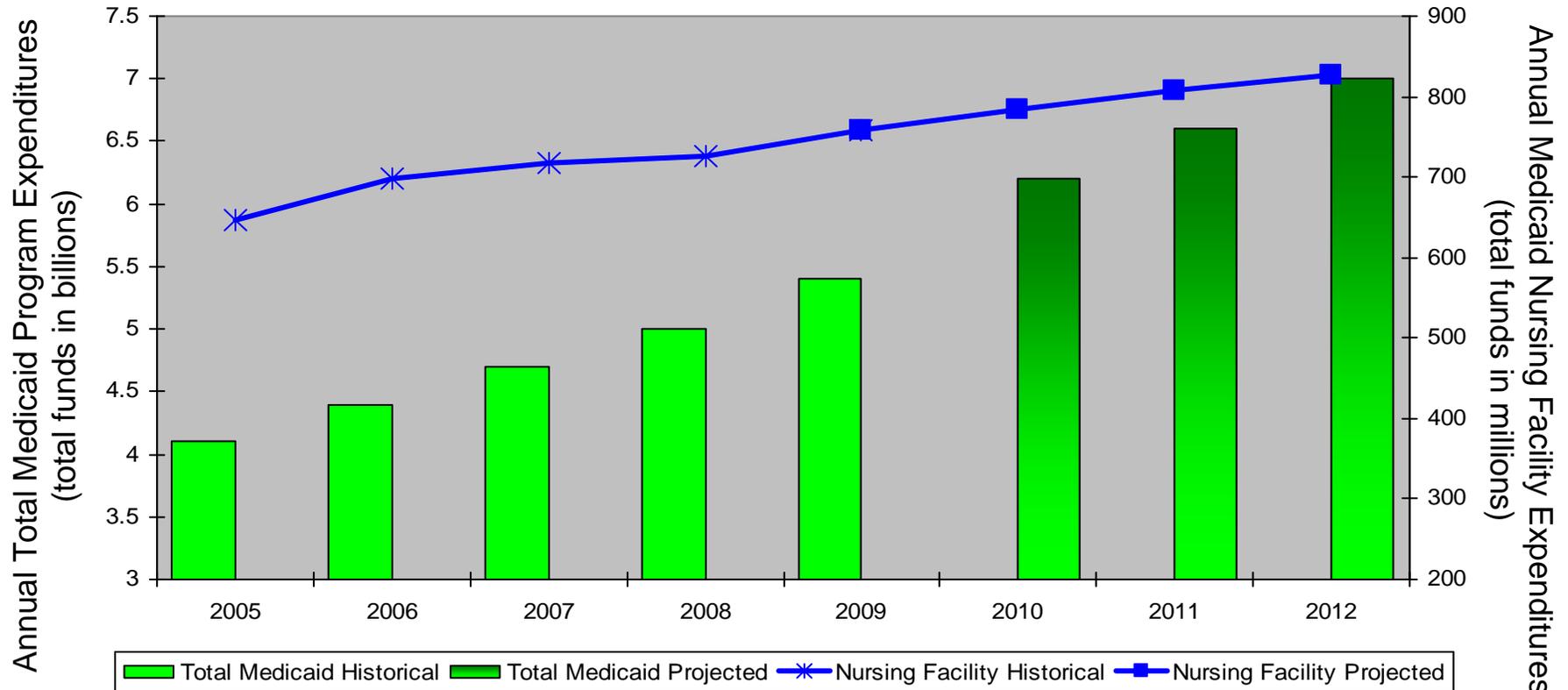
STAFFING CUTS

Facilities Forced to **Cut Jobs** As Payment Shortfall Grows



Medicaid Expenditure Growth

Nursing Facilities Compared With Total Medicaid



Nursing facility Medicaid volumes (patient days) have remained relatively stable in recent years and show a slight decline since 2005.

The average annual percent growth in Medicaid nursing facility expenditures between 2005 and 2012 (w/ introduced cuts) is projected at 3.6% less than one half the 7.9% for all Medicaid.

Medicaid Expenditures

Long Term Care Growth Driven by Waiver Expansion

