

CHOICES:

**THE FUTURE OF LONG TERM
CARE IN ALBANY COUNTY**

September 9, 2009

**MICHAEL G. BRESLIN
ALBANY COUNTY EXECUTIVE**





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DEPUTY COUNTY EXECUTIVE

September 9, 2009

Hon. Charles E. Houghtaling, Chairman
Albany County Legislature
112 State Street, Room 700
Albany, NY 12207

Dear Mr. Houghtaling,

Enclosed please find a copy of my comprehensive long term care plan per Resolution No. 205 of 2009.

I look forward to discussing the plan with you and the members of the County Legislature. If you have any questions, please contact me at 447-7040.

Sincerely,

Michael G. Breslin

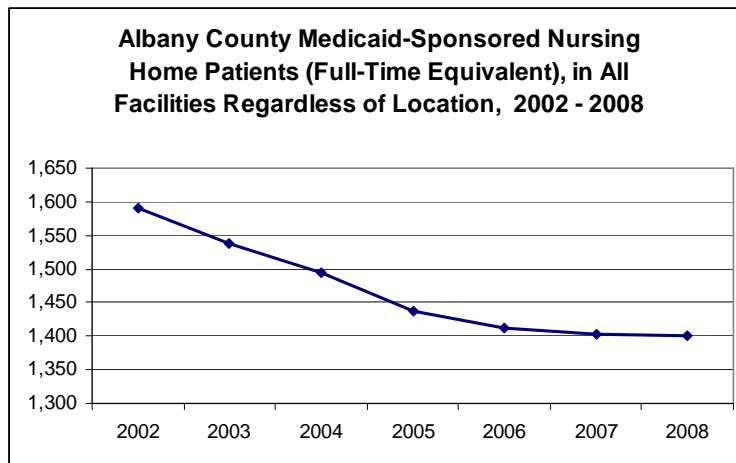
cc: Members of the County Legislature
William J. Conboy, II Majority Counsel
Thomas Marcelle, Minority Counsel

Choices: The Future of Long Term Care in Albany County

Executive Summary

Albany County has a unique opportunity to develop a 21st century innovative long term care system that supports independence, choice and dignity for the county's elderly and individuals with disabilities as well as one that is responsible to the County property taxpayers.

Historically, the County's role in long term care has been limited to providing institutional care for a limited number of residents in the Albany County Nursing Home and, before closing, the Ann Lee Home. However, the needs of our community are changing. People want more choices that allow them to remain independent. As the chart below illustrates, the need for skilled nursing facility care has been declining while more and more people are using or wish to use home and community based services.



The County has progressively expanded its role to meet these community demands by providing support for home and community based programs, such as home delivered meals, adult day care and Expanded In-Home Services for the Elderly Program (EISEP). However, the County only has limited resources. If the County continues to operate a nursing home, no resources will be available for these other alternatives. Those needing long term care services will be left with little choice other than to go into a nursing home.

The timing is appropriate for this transition because the County nursing facility is nearing the end of its useful life and in June 2009 the County Legislature passed Resolution 205, asking the County Executive to develop a comprehensive long term care plan.

At a time when the County faces a \$20 million budget gap, it is more important than ever that the County's limited resources are used in the most effective manner to serve the most people. Last year, the County Nursing Home cost real property taxpayers over \$18 million. That is a subsidy of more than \$80,000 per patient and approximately 30 percent of the property tax levy.

The most significant impact to long term care due to the rising costs of operating a nursing home is the drastic cuts the County would have to make to the very programs people currently demand--home and community based services. It is clear the County cannot build and operate a nursing

home and commit resources to home and community based services without massive cuts to services, or dramatic double-figure tax increases.

In short, we cannot afford to do both. This plan implements a system that provides the services people want and makes nursing home care available for those who need it, without the County operating an expensive facility.

The recommendations in this report are not only inspired by the community’s changing needs and the County’s financial limitations, but, most importantly, by a set of core values to provide independence, choice and dignity to all residents. This plan expands support for home and community based services, creating a range of alternatives for individuals to choose long term care that enables them to live as independently as possible for as long as they can. The County can also ensure the availability of nursing home care for those individuals who need it. The broad spectrum of services outlined in this plan will serve hundreds of more individuals with the services they prefer, more cost effectively than either the current system or one based on the construction of a new nursing home.

Comparison of Current to Estimated Hypothetical System Costs and People Served with Either Home and Community Based Service (HCBS) Emphasis Contrasted to Building a New ACNH

| | Total Cost Millions of \$ | County Cost Millions of \$ | Number People Served |
|--|---------------------------|----------------------------|----------------------|
| Current System | \$ 145.8 | \$ 32.4 | 4,942 |
| Build a New Nursing Home & Reduce HCBS | \$ 154.9 | \$ 36.1 | 4,711 |
| Proposed Plan Emphasizing HCBS | \$ 131.0 | \$ 14.0 | 5,830 |

The additional home and community based alternatives will mean fewer people will need skilled nursing home care to the point that the County does not need to continue owning and operating its own facility. Most importantly, the components of this plan provides individuals with flexibility and the ability to choose the long term care services that best meet their needs.

The key elements of the plan are as follows:

- Through collaboration with the New York State Department of Health (DOH), and a partnership with local skilled nursing facilities, Albany County can establish a system that will reimburse private providers with a supplement to the Medicaid rate for certain Medicaid eligible individuals that would otherwise be “hard to place.” This program would be for up to 100 patients and would be administered through the County Department of Social Services. Day-to-day functions would be handled through its Albany County – New York Connects and related DSS staff (such as Adult Protective Services) and supplemental payments approved by the Commissioner. The details of this program must still be worked out with the State and with local providers. However, there is significant interest, even excitement from both. In informal discussions, no local providers rejected the idea. Responses ranged from willingness to accept a few patients (5 to 15), to interest in building an entire new unit of 40 beds. The maximum liability for this supplement program is estimated to be \$1.3 million total with the County’s share being 10 percent or \$130,000. It would require a

waiver of the cap on growth in overall Medicaid liability and potentially a minor change in State Law.

- The County will conduct a competitive process to establish at least 100 additional Medicaid eligible assisted living program (ALP) beds in the county. Many current nursing home patients could be served in less restrictive residential settings if the capacity were available. New York State would also support this initiative, as they are currently seeking proposals to convert 6,000 nursing home beds to ALP beds.
- The County has been supporting the expansion and establishment of managed long term care plans, including PACE (Program of All-Inclusive Care for the Elderly) and Special Needs Plan. These programs enable frail elderly to live independently at home by providing comprehensive medical and personal care. In addition, Medicaid pays the monthly premium, which is about half the cost of nursing home care. These programs have been proven in other communities to reduce the need for nursing home beds.
- The County will continue to expand support for in-home care, such as EISEP, home delivered meals, adult day care, consumer directed care, Albany County NY-Connects and respite programs. Home care services delay the time when higher levels of care, such as nursing home placement, are needed.

| Current ACNH Capacity Compared to Conservative Estimate of New System Capacity | |
|---|---------|
| Current ACNH Capacity | 250 |
| | |
| New Capacity | |
| - PACE and Special Needs Plan (SNP)* | 135 |
| - Assisted Living Program | 100 |
| - New Public-Private Partnership for Hard-to-Place | 30-100 |
| Total New Capacity | 265-335 |

By taking these steps the County can lead the transformation of our long term care system and actually increase capacity without building a new skilled nursing facility. These components will help to create a modern long term care system that provides more alternatives—most importantly, the alternatives people prefer--to more people and at a lower cost to the patients and to County taxpayers. The County’s current system restricts the County’s role to caring for 250 residents in an outdated one size fits all institutional model. The County cannot do both. The path of this plan will maximize the County’s ability to serve those in need of long term care, particularly the most vulnerable, and improve the quality of life for the entire community.

Choices:

The Future of Long-Term Care in Albany County

Part 1: Background and Context

Albany County has a tremendous opportunity to progressively reshape its long term care system from one focused on an outdated institutional care model to one grounded in the values of independence, choice and dignity for all residents. Now is the time to create a 21st century long term care system that best utilizes the County's resources to serve the most people, in ways they prefer.

This decision will affect far more than the Albany County Nursing Home (ACNH) or Albany County Government. The decisions we make now will either give us the flexibility to change quickly as medicine advances and as the long-term care needs of County residents change or they will limit us for the next 30-40 years. These decisions will either reinforce an already out-of-date system or they will provide us a 21st Century long-term care system. Yet, the world of long-term care has changed during the past 40 plus years and it will change during the next 40.

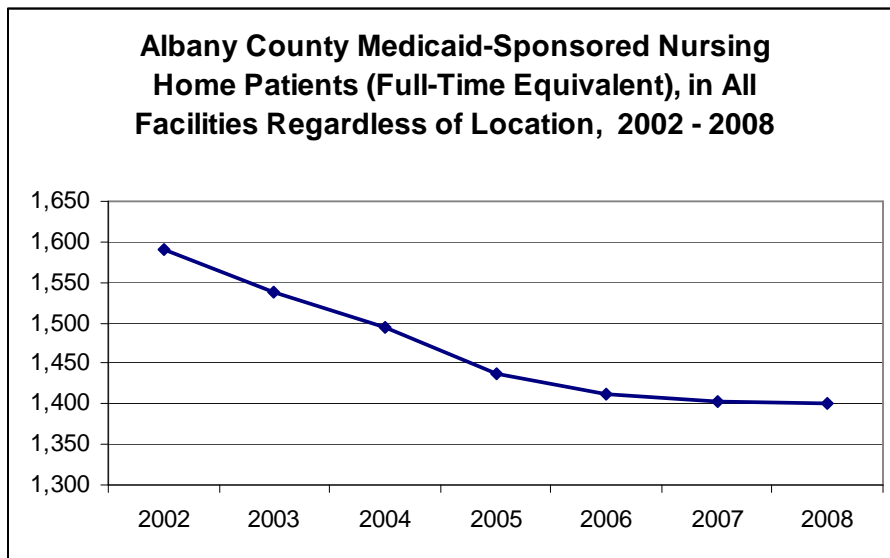
The current county nursing home facility is nearing the end of its useful life and there has been much debate about whether the County should build a new nursing home. Much has changed since Albany County began operating the Ann Lee Home and even since it opened the Albany County Nursing Home in 1973. Just a few of these changes include:

- Creation of Medicare and Medicaid which provide funding to serve low income persons. For nearly half the life of the Ann Lee Home, operating it with County financing was the only means to care for indigent persons needing long-term care. Medicare and Medicaid are now overwhelmingly the primary sources of payment for such care . Currently there are 10 nursing homes other than Albany County Nursing with 1,597 beds all of which serve Medicaid patients.
- Public attitudes and the law have changed. The landmark 1999 Olmstead (Olmstead v. L.C. and E.W) decision supported the rights of individuals to live in the community rather than to be institutionalized. This decision was based on the Americans with Disabilities Act of 1990 (ADA) which requires that public agencies provide services in the “most integrated setting appropriate to the needs of qualified individuals with disabilities.” On September 8, 2009 Judge Nicholas Garaufis of the U.S. Court for the Eastern District of N.Y. issued a landmark ruling in Disability Advocates, Inc. v. Paterson. The Court found that the State's placement of mentally ill persons in segregated institutional settings violated the integration mandate of the Americans with Disabilities Act, because these individuals could be served by existing community-based housing programs. This decision will undoubtedly influence State policy and the delivery of services by state and local government to senior citizens and others with disabilities who are able and willing to live in their communities with support.

- A generation of much healthier elderly who, if they do enter a nursing home, enter later in life.
- Striking differences in the profile of the typical nursing home patient. When ACNH was opened a typical nursing home patient lived out their last years there. Today the more typical patient is admitted for post-hospital rehabilitation and then are discharged home. As a result, the average time patients spend in nursing homes has fallen dramatically.
- Medical advances enable people to not only live longer, but to live differently, less encumbered by disability than they might have been two generations ago.
- Many new organizational models of health care services have been developed.

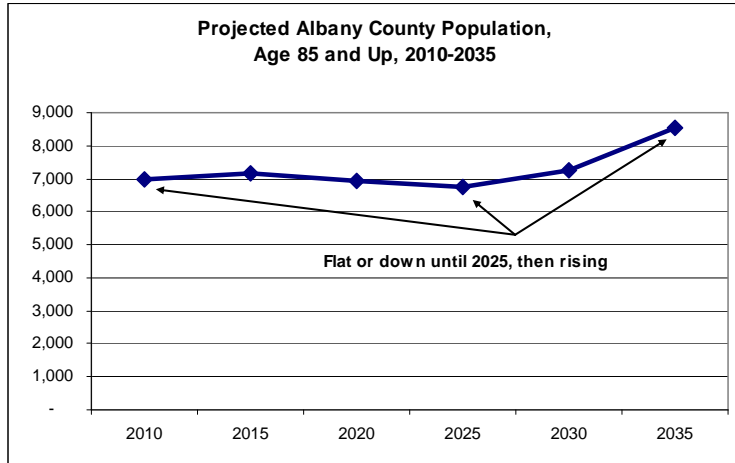
The manner in which the County fulfills its historical mission of serving those less fortunate has evolved in the past and will continue to do so. The County’s role is to ensure that a “safety net” is available for those who have no alternative. The following graphic shows the long term trend in nursing home patients whose care is paid for by Medicaid.

The graphic excludes residents of other areas who come to a nursing home in Albany County. The number of Albany County citizens who are nursing home patients *anywhere* whose care is paid for by Medicaid has declined.



From 2002 through 2008, the number of Albany County full-time equivalent citizens residing in nursing homes has declined by 191 (12.0 percent). Early indications are that this trend is continuing in 2009.

While the population is aging, this is not a cause to build a new nursing home anytime during the next 15 years. The population most likely to require such care is age 85 and older. Even “baby boomers” will not start reaching that age until 2025. In the meantime, the 85 and older population is projected to slightly decline.



Albany County could build a new nursing home. However, while the increased financial cost of continuing to operate the Nursing Home and the burden on taxpayers will be very significant, the cost of re-building will not be limited to the financial. If we lock our financial resources into a single building and a single model of institutional care, we will be unable to take advantage of new choices, we will be forced to reduce funding for all other County operations, and we will be unable to provide more long-term care choices to more of Albany’s citizens of all ages.

Building a new Nursing Home will result in a lost opportunity to dramatically improve the care and support of people living in their own homes and the family members and others who care for them. It will result in a lost opportunity for many who would much prefer to remain at home but who have available to them neither adequate supports at home nor residential alternatives to institutional placement. It will result in a lost opportunity to live in less institutional residential settings. And for others, including those considered “hard-to-place” for whom a nursing home is the preferred or only appropriate care, it will result in a lost opportunity to have more than one nursing home choice.

Some believe that Albany County can both build a new nursing home and expand home and community based services but that cannot be done successfully because expanding home and community based services and building institutional capacity work at cross-purposes. The County cannot afford to do both. Even more important, if the County builds a new building, its organizational and financial motivation will necessarily be to keep it filled – exactly the opposite of what the public and individuals prefer.

Rather than building a new nursing home, Albany County can and should use this once-in-a-lifetime opportunity to change the direction of all of long-term care in Albany County and be a model for many other areas of New York State. While significantly reducing what would otherwise be very large property tax increases, Albany County can provide for new opportunities especially for patients needing care in the future, opportunities that current patients never had.

Even conservatively measured, at a minimum this plan will lead to the development of significant new capacity more than offsetting that currently available in the Albany County Nursing Home. There will be new capacity in the broad spectrum of health and support services to allow people to remain at home, much more than that shown in the

following table which does not even take into account increased home and community based services other than in PACE programs (Programs of All-Inclusive Care for the Elderly) and Special Needs Plans (SNPs).

| Current ACNH Capacity Compared to Conservative Estimate of New System Capacity | |
|---|---------|
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* Assumes only one PACE day center enrolling 150, with approximately 15 enrollees in a skilled nursing home at any given time. After initial implementation, second center could be opened and/or the SNP or another PACE could readily provide additional home and community based capacity.

As we prepared this plan, we have listened to the ideas and concerns of hundreds of people. We have listened to:

- The public, which both in direct conversation and in an AARP poll, has expressed its overwhelming preference for choices that allow them to remain living at home even when they have disabling conditions. These sentiments have been particularly strong among the elderly and those with disabilities.
- Family members and other informal caregivers who just want some help, some guidance, and some respite, some time off, so that they may continue to aid their loved ones in remaining at home.
- Providers of health care and other services who have indicated their willingness and desire to assume new and different roles, especially if we make it administratively and financially easier for them to do so.
- Legislators who have expressed their primary concern for the most vulnerable, the “hard-to-place.”
- Taxpayers who have repeatedly expressed their desire that we find a more cost-efficient and cost effective means of serving even more people than we do today.
- Individuals in more remote areas of the County who expressed their concern that too few supports are available in their communities and that the Albany County Nursing Home is inconvenient for family members.
- Family members of current Albany County Nursing Home patients who labored, without enough help to care for their loved ones at home and then had no nursing home choice except for one.
- Health care experts who have repeatedly warned us that the entire health care system, including the long-term care system is in flux and that making a 30-40

year capital and operating commitment to an increasingly out-of-date model of care is highly risky, even foolhardy.

The current long-term care system in Albany County was not designed based on a comprehensive vision. It developed over time, without consideration for key factors such as the needs of the community as a whole, the preferences for care of the elderly and people with disabilities, the needs of family members and other informal caregivers, and the costs that accrue to the community for providing different configurations of care. As a result, we have a system that is far too close to all-or-nothing, a system in which nursing home care is the “first choice” not because it is preferred, but because it is the only available choice.

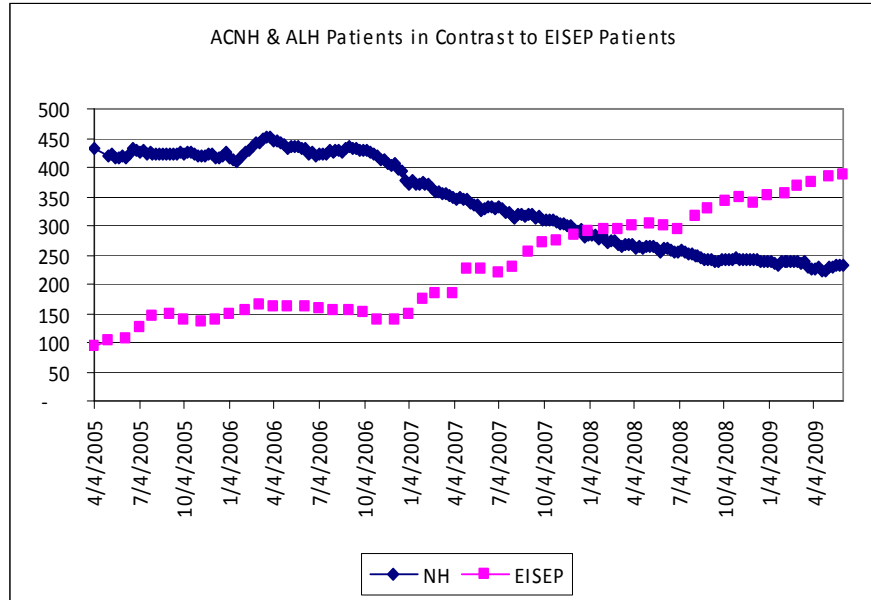
In recent years, we have made substantial progress in modernizing the system. For example, we:

- Created Albany County – New York Connects, our “point-of-entry” system, which provides information, guidance, and referral to thousands of people.
- Funded a rapid response team, a field staff to complement Albany County – New York Connects, and conducted a competitive bidding process to select an organization to provide these services.
- Eliminated the waiting list for Expanded In-home Services for the Elderly Program (EISEP), by deciding that we would devote more County dollars to the program than the minimum necessary to draw State reimbursement.

People prefer home and community based services, and the long-term care system is adapting to the public’s preference. For example, use of the Adult Day Health Program (which is only for nursing home eligible patients) grew from 43 in 2007 to 58 full-time equivalent (FTE) patients in 2008. Should patterns through July continue, the number of FTE patients in 2009 will be 109, more than double the patients a mere two years before. Similarly, use of the Consumer-Directed program has grown from 133 patients in January of 2007 to 167 in June of 2009.

Other home based programs have shown similar growth. From 2007 to 2008, the number of Medicaid clients in the Long-Term Home Health Care Program grew from 614 to 716, the number of clients receiving regular home health nursing grew from 1,264 to 1,363, those receiving Medicaid funded personal care (including shared aide) grew from 471 to 499 and those using the Personal Emergency Response System (PERS) grew from 237 to 269. The total number of Medicaid clients receiving any home care services grew from 3,962 to 4,494. But the home care growth was not only for Medicaid clients.

Since the 2007 County Budget decision to eliminate the waiting list, EISEP has been growing rapidly, increasing from 150 clients in January of 2007 to 387 in June, an increase of 237, or 158 percent. During the same period, EISEP growth alone has exceeded the decrease in ACNH census



As all of the growth in EISEP has been paid for with County funds, this is an example of program that would be financially threatened were the County to devote millions more to operating its Nursing Home. Thus, reverting to the pre-2007 policy would cause between 200 and 250 people to lose services. Another example would be the reversal of recent increases in County funding for Home-Delivered Meals.

The Albany County Nursing Home suffered a loss of \$18.7 million in 2008.¹ Due to one-time retroactive Federal Funds, that loss will be lower in 2009 (budgeted at \$4.5 million) and 2010. But once those funds are gone and the new Medicaid nursing home reimbursement system is implemented in 2010, the deficit will jump to \$11.2 million in 2010 and \$21.3 million in 2011.

Building a new nursing home will not reduce the operating deficit. In 2014, after building a new Albany County Nursing Home, the loss – and the burden on Albany County property taxpayers – is estimated to be over \$24.2 million, equivalent to 38 percent of today’s property tax levy. Due to increasing public pension costs and the potential for further revenue reductions due to implementation of a new Medicaid reimbursement system in 2010, the loss would likely be higher.²

We simply cannot afford tax increases of that scope. Thus, devoting the County’s financial resources to an increasingly expensive nursing home precludes our making any

¹ Some have questioned why the deficit at Albany County Nursing Home is as high as it is, even higher than those for other counties’ facilities. The answer is primarily the very high staffing levels at ACNH. For example, in February of 2009, ACNH had more full-time equivalent positions than Van Rensselaer Manor, but Van Rensselaer Manor had many more patients. ACNH is certified at 250 beds and VRM is at 362. On a per patient basis, ACNH has 71 percent more staff than VRM. That difference costs \$4.3 million.

² The 2014 estimated loss was prepared with the assistance of Richard Lipman of UHY Advisors, the County’s financial consultant in preparing a Certificate-of-Need application. Assuming a staffing reduction of between 200 and 300, a new facility of 120 beds would generate a loss of \$16.7 million.

new investments in home and community based services and most importantly, it risks undoing much of the progress we have made during the past few years.

Part 2: Choices in a New Long-Term Care System

We need not undo the progress of the past few years. We can build on that progress by redirecting resources to a re-designed long-term care system.

Albany County has a chance to develop a comprehensive vision for a long term care system. This Plan examines what the components of a long term care system should be and why, and how the County can move from the current system to a much improved system that offers more choices and more and better care and support.

Albany County must have a system that provides much greater in-home support of those with disabilities, be they old or young, and their families and other caregivers. Long term care services and supports must be robust, flexible, and well coordinated. The system of services must be person centered, accessible regardless of income level and geographic location, and must foster an adequate labor supply and workforce development. There must be a broad array of service options available that can be tailored to meet the diverse needs for individuals with a variety of needs and preferences in the most appropriate and least restrictive manner possible.

Our first goal is to give people who need long-term care services and supports the choice of receiving those services at home. For people who are unable to remain at home, there should be a range of alternatives, including non-institutional residential care. For those who need and prefer nursing home care, there should also be a choice. Nursing home care should be a choice not a default because there are no alternative services available.

This approach will match resources to the public's preferences so that when long-term care services and supports are needed, there is an array of choices. This will reduce the need for institutional care. The public overwhelmingly chooses institutional care last, but in far too many cases, it is the only choice not for clinical or other personal reasons, but because there are no other choices available.

The key to needing long-term care is not age per se. It is disability and that should be the key criterion. Moreover, although the County's direct operational concern should provide more support to those with low income, in planning for a new system, the County should concern itself with all residents.

We can and should provide for more choices for individuals and reduce the overall need for institutional care by taking the following steps:

Programs of All-Inclusive Care and Special Needs Plans

Strongly support the introduction and expansion of organized systems of long-term care such as PACE programs (Programs of All-Inclusive Care for the Elderly) and Special Needs Plans (SNPs) which combine medical and long-term care services and which coordinate care for individuals needing a range of services. Three such organizations are

actively seeking to serve Albany County residents: the Eddy, part of Northeast Health and Care for Life (affiliated with St. Peter's Hospital and with Seton Health), both planning to operate a PACE program and Senior Whole Health which already operates a SNP. Within a relatively short time, these three organizations can and very likely will reduce the need for nursing home beds by at least several hundred. Senior Whole Health already has nearly 200 elderly enrolled in Albany County and the two others expect to begin serving Albany County clients in 2010.

Expand Home and Community Based Services

Provide much expanded supports for those who prefer to live in their own homes, but who choose not to enroll in either a PACE or SNP. Utilization of these services is growing, and must be coordinated and integrated with medical care and personal care. Home Health Care, the Long Term Home Health Care Program (also known as Nursing Home Without Walls), Adult Day Health Care, Personal Care and Consumer Directed Personal Assistance Services are critical components of home and community based services that are already in place in the community and can be expanded in conjunction with the following programs.

- Further expansion of Expanded In-home Services for the Elderly Program (EISEP), including the new consumer-directed EISEP which will allow clients to hire and direct their own caregivers. This will be particularly helpful in more remote areas of the County where transportation of agency personnel is costly, but where neighbors and relatives are close by and could then be hired to assist those wanting to remain at home.
- Opening the Home Delivered Meals program to homebound persons who except that they are under age 60, would be eligible for the current program.
- Expanded supports for volunteer programs, as they also aid those preferring to remain at home. Such expanded supports might include training, coordination, and potentially mileage reimbursement.
- Further strengthening of Albany County – New York Connects (the Point-of-Entry system) by implementing a rapid response team of field staff, who can, particularly in response to crises, aid patients and families in finding and coordinating care and support. That program, the Transitional Case Management Program, is already funded and the procurement process is nearly complete.

Streamline Administrative Processes

Too often it is administratively easier for a new long-term care patient to be admitted to a nursing home rather than be admitted to home health care. By administratively streamlining and accelerating the processes of eligibility determination and functional and environmental assessments of potential candidates for the Long Term Home Health Care Program, EISEP, Home-Delivered Meals and other home care programs, the County can not only give patients more choices, by reducing dependence on expensive institutional care it can slow the financial drain on individuals and families. Albany County is currently paid by two local hospitals for out-stationing Social Services eligibility workers to accelerate the eligibility determination and hospital revenues. The

County should evaluate similar process improvements for home health care, EISEP, and other services.

Create Aging Friendly Communities

Take a variety of steps to expand the number of private residences and communities in the County that are “aging-friendly.” The County should follow the example of Suffolk County and require adherence to “universal design” architectural and building standards that make it much easier for a person with a disability to live in a particular residence. The County could, for example, require that all tax foreclosed properties that are donated or sold at less than auction price to either a charitable or municipal organization for housing development must in the renovation or new building process, use universal design principles. The County can also encourage municipalities to adopt such principles as part of local building codes as well. Essential universal design features include:

- No-Step Entry: At least one entrance into the home either through the front, back or garage door that is step free lets everyone, even those who use a wheelchair, enter the home easily and safely.
- Single-Floor Living: A bedroom, kitchen, full bathroom with room to maneuver, and an entertainment area on the main floor is convenient for all families.
- Wide Doorways and Hallways: Thirty-six inch wide doorways allow large pieces of furniture or appliances to easily pass through and hallways that are 42-inches wide and free of hazards or steps let everyone and everything move in, out and around easily.
- Reachable controls and switches such as light switches, thermostats and electrical outlets that are easily reachable by anyone.
- Easy-to-use handles and switches such as lever-style door and faucets and rocker panel light switches that make turning on water, and lighting a room easier for people of every age and ability.

Support and Expand Healthcare Information Technology

Participate in and support expanded use of new information technologies that enable persons with disabilities to remain safely in their own homes, enable much improved care coordination and case management, and enable improved communications between all involved in the care and support of an individual, including that individual and family members and others providing informal supports. The ever increasing speed of the Internet, the widespread diffusion of personal computer technology, the current quality of video and dramatic improvements in tele-medicine and tele-home health care all make it possible for Albany County to consider options for care that were not possible when the original concept of a nursing home was developed. These technologies enable improved care and quality of life beyond what is possible in the confines of a nursing home.

Further Innovation

Albany County should be prepared to develop and test a variety of innovative programs that might further support those who require assistance in their desire to live in their own homes and other community settings. Such experiments might include:

- Program modifications that would enable persons living in Community Residences licensed by the State Office of Mental Health to receive health services when they develop medical problems that would otherwise require them to leave the community residence for a skilled nursing or other health care facility. This would enable persons living in Community Residences to age in their home in the same manner as others living in their own homes
- Financial support of physicians willing to make home visits to persons with disabilities.
- New program designs such as adult foster care for those who can no longer live in their own homes, but who would prefer to live in small residential settings.

Expand Assisted Living Program Capacity

For those who would prefer to live in a non-institutional residential setting other than their own home, there is another option, supporting the expansion of Assisted Living Programs (ALPs) in Albany County. Many current nursing home patients could be served in less restrictive residential settings if capacity were available. Albany County Nursing Home has dozens of such patients, but it is not the only facility with patients who could be served by an ALP. Administrators of other nursing homes in the County have indicated that they have significant numbers of patients who could and should be served in other residential programs. While there are already several adult homes and other forms of assisted living in the County, they are not eligible for Medicaid payments and thus cannot serve lower income persons. Currently, there is only one ALP in the County and it has 48 beds.

New York State is currently seeking proposals to convert 6,000 nursing home beds to ALP beds. Albany County can readily propose such a conversion by trading some of its current certified capacity, say 100 beds, through a competitive process that will lead to a public-private partnership.

This competitive process would solicit proposals from organizations wishing to develop ALP capacity. The County would agree to give up nursing home bed capacity in return for an equal expansion of ALP bed capacity and for commitments for program enhancements that exceed the minimum State regulatory requirements. Such enhancements should include willingness to serve a given level of Medicaid residents, ensure consumer protections, adhere to agreed upon staffing standards, and recruit among Albany County Nursing Home staff.

This could be done by integrating into the request for proposals (RFP) requirements and preferences that the County would use selecting from among competing organizations. In effect, the State regulatory requirements would provide the floor. Program enhancements above that floor would be the result of a competitive process among those wishing to benefit from the County's willingness to give up certified SNF capacity.

The RFP should include at least the following mandatory criteria:

- Willingness to accept Medicaid as payment for at least a specified number or proportion of residents.
- Ability to meet all State program and regulatory requirements.

- Willingness to specify the number or proportion of new residents it will accept who are high priority as determined by the Albany County Commissioner of Social Services.
- Ability and willingness to operate in a manner than supports “aging in place.” That is, residents should not unnecessarily be forced to move out as their functional capabilities decline due to memory or other impairments.
- Having a policy for pre-admission disclosure of a prospective resident’s and the facility’s contractual obligations.
- Having a process and format for preparing and updating individualized service plans.

The RFP should include at least the following criteria for preference (by means of the weighting in the evaluations) among competing bids:

- Willingness to hire and re-train former Albany County Nursing Home staff.
- Proposed staffing standards.
- Plan for adequate nursing supervision and monitoring.
- Speed of opening new capacity.

Upon receipt of proposals to open ALP capacity in Albany County under the conditions specified in the RFP, the County would evaluate the proposals and the proposed operators. After selecting one or more potential operators, the County would propose specific trades to the State Department of Health for its evaluation and approval.

Establish a Nursing Home Program for the Hard to Place

Historically Albany County Nursing Home admitted some patients that other facilities could not or would not admit even when it was the individual patient’s preference. This need not be the case any longer. The County can continue to provide a safety net and fulfill its traditional mission without owning and operating a nursing home. Where institutional care is the only realistic option and the person’s choice, Albany County can fulfill its traditional role of serving the “hard-to-place” by another public-private partnership:

Through collaboration with the New York State Department of Health (DOH), and a partnership with local skilled nursing facilities, Albany County can establish a system that will reimburse private providers with a supplement to the Medicaid rate for certain Medicaid eligible individuals that would otherwise be “hard to place.” This program would be for up to 100 patients and would be administered through the County Department of Social Services. Day-to-day functions would be handled through its Albany County – New York Connects and related DSS staff (such as Adult Protective Services) and supplemental payments approved by the Commissioner. The details of this program must still be worked out with the State and with local providers. However, there is significant interest, even excitement from both. In informal discussions, no local providers rejected the idea. Responses ranged from willingness to accept a few patients (5 to 15), to interest in building an entire new unit of 40 beds. The maximum liability for

this supplement program is estimated to be \$1.3 million total with the County's share being 10 percent or \$130,000. It would require a waiver of the cap on growth in overall Medicaid liability and potentially a minor change in State Law.

- The combination of a nursing home supplemental payment and a competitive bidding process might also be used to secure a unit dedicated to “hard to place” nursing home patients with more intensive staffing needs. Some providers have expressed interest in either dedicating an existing unit or constructing a new unit for the purpose of serving individuals that meet the criteria for hard to place, both in terms of nursing care need and financial need. This arrangement has the potential to expand choices for patients. In conjunction with the Supplement Program, the County could, through a competitive bidding process similar to that described above for ALP capacity, seek to secure dedicated beds equal to the number of hard to place residents currently being served at ACNH, both for the purpose of transitioning current residents and for future capacity. This would require working with the State and others to carefully specify a program definition and an independent assessment of patients currently at Albany County Nursing Home. To maintain flexibility and to provide patients with choices, such dedicated units need not be limited to a single facility. For further flexibility, contracts might be for a range of patients, providing a floor for financial stability and allowing some room for expansion.
- To some degree, the proposed Supplement Program might reduce the number of residents being served in out-of-county facilities. It should be recognized that those currently in out-of-state facilities are disproportionately young (under age 60) and in specialty facilities, often providing services not currently provided by Albany County Nursing Home (ventilator, traumatic brain injury, severe neuro-degenerative diseases).³

As described above, the transition to a system that provides more choices has already begun. The transition from this point will take care, effort, and time.

- The changes described in this plan cannot happen instantly, but over the course of months and years.
- No patient currently at the Albany County Nursing Home will be forced out. Caseload will diminish over time and patients will have choices they did not formerly have, enabling them to move voluntarily.
- Nursing Home staff has served their patients long and well and they will be assisted with the transition. The County has already sought HEAL-NY grant funds for severance, continued health insurance, re-training and other assistance. Albany County will reach out to nearby counties that operate nursing homes to transition staff to other employment opportunities, and assist those facilities where attracting and retaining sufficient staff is an on-going challenge.

³ This patient migration would likely be offset by the end of Albany County's admitting non-Albany County residents to Albany County Nursing Home. In July, there were 46 patients at ACNH whose care was paid for by Medicaid, but who were not legal residents of Albany County. As ACNH does not break even financially, the County is currently subsidizing the care of residents of other counties approximately \$4.3 - \$4.6 million per year.

Employment with other counties would provide continuity of participation in the New York State Employment Retirement System. As discussed elsewhere, we will also take into account, the willingness and ability of organizations interested in assuming some of the current ACNH bed capacity in either Assisted Living Programs or skilled nursing facilities, to hire and retain current ACNH staff.

The system we propose will serve more people, in settings they overwhelmingly prefer. Building a new Albany County Nursing Home however would require cutbacks in the home and community based services to the minimum required by State law and regulation. Even then and even with a new building, the increasing costs of operating ACNH would overwhelm the County’s financial capacity. And as discussed above, increased home and community based services and institutional capacity can work at cross purposes. Once the County makes the financial commitment to build a facility, the organizational and financial imperatives will be to ensure that it is occupied – even by those who, had they had a choice, would have chosen otherwise.

The following table considers hypothetical system-wide costs today.

Comparison of Current to Estimated Hypothetical System-wide Costs and People Served with Either Home and Community Based Service (HCBS) Emphasis Contrasted to Building a New ACNH⁴

| | Total Cost Millions of \$ | County Cost Millions of \$ | Approximate Number People Served |
|--|---------------------------|----------------------------|----------------------------------|
| Current System | \$ 145.8 | \$ 32.4 | 4,800 |
| Build a New Nursing Home & Reduce HCBS | \$ 154.9 | \$ 36.1 | 4,500 |
| Proposed Plan Emphasizing HCBS | \$ 131.0 | \$ 14.0 | 5,700 |

We are at a cross roads. We can narrow the County’s role to caring for 250 and no more in an inflexible costly institution and provide patients fewer choices. Or we can develop a much more flexible and responsive system expanding the County’s role to serve many more people, to serve them where they would prefer to be, at home or in other residential settings and to do so at much less cost. In doing so we can continue to ensure that the most vulnerable are still well served.

Thus our strong recommendation is that we choose the latter path. By providing more home and community based alternatives, fewer people will need nursing home care, increasing the availability of nursing home beds and reducing the demand for nursing home placement to the point that the County does not need to continue owning and operating its own facility.

The changes discussed in this plan cannot occur instantly. Starting the process will take months and some of the changes could take years. Even ending operations at the current Albany County Nursing Home will take at least two years. But the new path that we propose can serve us well for many afterwards and provide us a system that offers real choice, is capable of serving many more people, serving them in ways they prefer, and that is more flexible and more cost-effective than the system we currently have.

⁴ Supplements to this plan with detail will be issued in the future.