

SKILLED CARE IN CRISIS: 30 YEARS IN THE MAKING

THE FACTS

- Medicaid reimbursement rates do not cover the actual cost of care for Medicaid residents in skilled nursing facilities.
- Research shows the average cost of care for a resident with Medicaid exceeds the average reimbursement rate by approximately \$41 a day.
- In Illinois, it costs an average of \$70,000 per year to care for a skilled nursing resident; however, the state only reimburses an average of \$55,000.
- A recent statewide survey shows 86 percent of respondents think adequate Medicaid funding for skilled nursing facilities is as important as Illinois' other top funding priorities, such as education.
- In the last two years, 13 skilled nursing facilities closed, and more facilities are in danger of closure.
- There is an Illinois workforce shortage in long term care, demanding sign-on bonuses of up to \$5,000 for CNAs and \$15,000 for RNs.
- The current Medicaid support rate for skilled nursing facilities is based upon 2004 costs. The rate does not account for inflation or any increased costs.
- The State can no longer rely on Medicare reimbursement rates to supplement low Medicaid reimbursement rates because Medicare rates, occupancy and length of stay have decreased.

**RESIDENTS DESERVE BETTER.
STAFF DESERVE MORE.**

THE SOLUTION

Narrow the funding gap between costs of complex medical care and reimbursement. Add \$100 million in new reimbursement dollars, which will generate \$100 million in federal match for a total of \$200 million.

Update real estate taxes from 1997 to 2018. 20-year-old property taxes are used to determine reimbursement. Real estate taxes divert funds from resident care and employee wages. \$25 million is needed to create a pass-through of actual property tax costs.

Account for minimum wage increases. The statewide minimum wage is set to increase. Medicaid reimbursement rates will need to be adjusted to take this increase into account. For example, a \$1 increase statewide could cost as much as \$110 million.

Close the remainder of the gap. Invest in resident care by further reducing the shortfall in future years.

ACT NOW
FOR OUR ELDERLY

**PLEASE SUPPORT
SENATE BILL 42/
HOUSE BILL 224**

HCCI
HEALTH CARE COUNCIL OF ILLINOIS