February 8, 2019

Dear Assembly Member/Senator,

The Governor’s proposal to slash $246 million in funding related to nursing home resident acuity is by far the single biggest proposed Medicaid cut in the FY 2020 Executive Budget. This cut would more than wipe out a desperately needed 1.5 percent adjustment to nursing home rates to help defray ever-increasing staffing costs and new labor agreements. While the impact would vary from home to home, on average a cut of this severity would reduce Medicaid rates by more than $9 per day. With Medicaid already paying much less than the actual cost of care, this cut threatens quality of care and would be unsustainable for many homes.

The increasing ability of nursing homes to provide more complex medical care, the greater availability of community services, and State and federal efforts to reduce avoidable hospital use all combine to raise the acuity level of the nursing home population. This proposal fails to recognize that an increase in case-mix, the measure of resident acuity, means that the State’s efforts to shift the health care system are actually working. It also fails to recognize that precious nursing staff time is better spent on patient care than on additional paperwork. The Office of the Medicaid Inspector General (OMIG) audits resident assessments to ensure acuity scores are accurately documented.

Major changes to the methodology should be informed by a workgroup envisioned in last year’s budget negotiations, when the Legislature agreed to a $15 million administrative cut to acuity adjustments. Before making further changes, the Department of Health (DOH) should convene a workgroup to review acuity adjustment methodologies that would ensure integrity of the process, improve efficiency for both DOH and providers, and minimize unintended consequences.

I urge you to work with your colleagues to reject this proposal, and request that you send a letter to your conference leadership expressing your opposition. Included is a sample letter to help facilitate this. Thank you in advance for your support.

Sincerely,

 Name

Title

Organization