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kavodseniorlife.org

March 16, 2017

To: Lila Cummings for the HCBS Review

From: Kavod Senior Life

Dear Lila,

Kavod Senior Life is a nonprofit organization that provides housing and services for Independent Living and Assisted Living level. Our primary focus is on low-income seniors age 62 and older.

Our Assisted Living program consists of 27 residents. The services provided within Assisted Living include care coordination, medication administration, bathing assistance, daily activities, three meals per day, laundry, housekeeping, and assistance with such ADLs as dressing and grooming.

If all of our 27 Assisted Living residents received a Medicaid reimbursement, the estimated annual revenue would be \$687,010 (calculated at 95% occupancy). The operating expenses at our current level of care is nearly \$740,000. That leaves a deficit of \$52,990 annually. To cover this deficit, facilities such as ours only designate a certain number of units as eligible for Medicaid. This ensures that enough market-rate apartments are available to help us cover expenses. Should the market-rate apartments still leave us with a shortfall, Kavod raises additional funds through development efforts and grants.

Over the past several years, we have had to decrease the number of Medicaid units available in order to ensure that we are able to cover the costs associated with providing Assisted Living level of care.

As market rate facilities continue to increase services such as incontinent care, transfer assistance and memory care, costs now are ranging from \$4,000 – \$6,000 per month. As such, facilities that work with Medicaid are not able to keep up with



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these services within our market-rate units because of the costs associated (largely due to staff/resident ratios).

We also believe that the number of Medicaid-eligible Assisted Living units continues to decrease across the State because providers cannot operate them within the Medicaid reimbursement we receive. When a Medicaid resident requires assistance such as memory care, incontinence or transfer assistance (the same services now being provided at the market rate Assisted Living facilities described above), they need to look to nursing home level of care to ensure proper management of their non-medical needs.

At Kavod, the average assisted living apartment paid by Medicaid is \$2,232 per month while the average nursing home is \$6,900 a month. Over the past few years, the Medicaid rate has only increased by less than 1% while our expenses have increased by approximately 4% each year.

Unless the State reconsiders the reimbursement rate by which Assisted Living providers who accept Medicaid are paid, the State will find that the number of available Medicaid apartments will continue to decrease and cause a continued shortage in this segment of the population needing these necessary services.

I regret that I am unable to attend the meeting being held on March 17, but would be more than happy to attend future meetings or assist in whatever way I can with this important issue. Please keep me in the loop and feel free to contact me at any time.

Sincerely,

Jennifer Grant
Director of Assisted Living
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