

Legislature Must Prioritize Residents and Caregivers by Preserving Medicaid Funding for Nursing Center Care

TALLAHASSEE, FL - Emmett Reed, CEO/executive director of Florida Health Care Association, testified today before the House Health Care Appropriations Subcommittee regarding nursing centers' extensive COVID-related expenses, federal funding levels received by providers, and the financial impact the pandemic has had on the long term care sector.

Reed shared highlights from a recent FHCA analysis which estimated that, in the past year, Florida's nursing centers have spent roughly \$163 million more on care and operations to fight the virus. Florida nursing centers reported cost increases associated with purchasing Personal Protective Equipment and infection control supplies at a rate 90% higher than what was used prior to COVID-19. Centers also saw significant cost increases related to implementing routine testing and hiring additional staff to protect and care for residents.

Reed also noted that nursing centers have lost \$651 million over a one-year period, resulting from a 15% decline in resident occupancy brought on by COVID-related restrictions that limited new admissions.

"Even with a boost from federal COVID funding, nursing centers lost more than \$30 million in 2020, and pandemic-related expenses continue to cause losses as beds remain empty," Reed stated.

The long term care sector has been one of the hardest hit from the COVID-19 pandemic. While vaccines are bringing hope to thousands who live and work in long term care, the pandemic is far from over and will remain at the center of how nursing homes operate for the foreseeable future.

FHCA's analysis underscores the urgency of protecting Medicaid funding for nursing center care, a 2021 legislative priority for FHCA. Data collected from one-third of Florida's nursing centers revealed the following:

Florida's nursing centers reported a significant increase in expenses from March to December 2020.

- Nursing centers experienced a 72.1% increase in Personal Protective Equipment (PPE), nursing, and essential supply costs (between 2019-2020)
- COVID testing costs averaged \$3,000-\$18,000 for one round of staff testing, depending on the federal testing requirements based on county positivity rate. January 2021 saw 62 out of 67 counties requiring twice-weekly testing; for an average 120-bed nursing center, that amounts to \$144,000 in testing costs for the month.

Staffing has been the top cost in response to fighting COVID-19 and meeting residents' care needs.

- Nursing centers saw a 7.4% increase in direct-care staff costs resulting from overtime pay, heroes pay, and other added benefits, as well as hiring additional in-house staff.
- Facilities experienced a 181% increase in agency staffing costs resulting from the prolonged workforce shortage, which forced care centers to rely on employment agencies to fill vacancies.

Nursing centers are losing an average of \$930,000 per center and nearly \$651 million total as a result of a 15% decline in occupancy. Facilities are seeing fewer new admissions, particularly in short-term rehabilitation patients.

"With the pandemic not yet behind us, long term care providers need financial support to continue protecting residents and staff. While Congress offered some relief, it was not enough to help providers recover their losses, rebuild their workforce, and continue fighting this virus," Reed said.

As the House and Senate consider their health care budgets, Florida Health Care Association is asking legislators to prioritize long term care residents and caregivers by preserving Medicaid funding for nursing center care.

"We recognize the tough decisions lawmakers have this session," Reed continued. "With two-thirds of nursing center residents relying on Medicaid to pay for their care, our hope is lawmakers will recognize the need to protect our funding to ensure their health, safety, and well-being."

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