February 13, 2017

Dear Board Members, Volunteers, Families and Colleagues,

Please help. Florida’s frail elderly are under attack!

The enclosed statement by River Garden Hebrew Home reflects our deep concerns around pending changes to the “Florida Medicaid Reimbursement Plan.” The proposed changes will result in the immediate destabilization of some providers – most of them high quality nursing facilities – and the enrichment (through windfall profits of $109 million) of others. And those providers receiving the windfall profits will be under no requirement to use the additional public dollars for care.

Please take the time to read the attached. At the end of our position statement, we provide contact information for leaders in the Florida Legislature who are in a position to STOP the Navigant proposal from becoming the “new” Florida Medicaid Reimbursement Plan.

River Garden will hold a press conference on Tuesday, February 28, at 2:30pm in its Cohen Auditorium. Our Northeast Florida facility is one of ten Florida locations holding simultaneous press conferences on that date. We hope you can join us in support of good, decent and fair public policy.

Please help. Together we can make a difference.

Sincerely,

[Signature]

Martin A. Goetz
February 13, 2017

Florida’s Frail Elderly are Under Attack

The new Medicaid Reimbursement Plan hidden in Florida’s proposed budget would decrease funding by $109 million for nursing home providers who actually spend on care, most rated 4 and 5 stars to give as windfall profits to providers who don’t spend on care, most having 1 to 2 stars*. The Plan punishes providers who spend money on care, while rewarding the worst performing providers. How did we wind up with this upside down world that will destabilize and degrade nursing home care for all our fragile elders?

For over 30 years, Florida’s Medicaid nursing home program has told providers that if they were willing to spend money on resident care, then Florida’s Medicaid program will reimburse the nursing facility for care costs up to reasonable limits and caps. The program has served our state well, and the overwhelming majority of Florida’s 690 nursing homes are adequately staffed and provide care that is compliant with state/federal laws, rules and regulations. Over the years the state of Florida has actively encouraged, and reimbursed, nursing homes to continually add staff so that frail residents are adequately cared for.

Now the Agency for Health Care Administration (AHCA) has come up with a plan to revise the nursing home Medicaid plan. AHCA would like to move Medicaid from a retrospective to a prospective payment system (PPS) which would end the need for retroactive Medicaid rate adjustments. An outside contractor, Navigant, was hired to work with AHCA and the provider community to develop the new plan.

On December 29, 2016, Navigant delivered its report to AHCA and the Legislature. Instead of recasting Medicaid reimbursements into prospective payments, it moves all nursing home payments toward the middle/median. This punishes those who spend on care and rewards those who do not. The result is that $109 million in current Medicaid reimbursement will immediately shift from mostly higher quality/higher cost nursing homes to mostly lower cost/lower quality nursing homes. The effect of this plan is that nursing home care in Florida will be degraded, care providers destabilized, jobs lost and families in an uproar. Somewhere along the way the AHCA mandate to Navigant was hijacked and turned into a Corporate Welfare Program that puts profits over people.
The board of directors of LeadingAge Florida, the statewide association representing mostly not-for-profit senior communities (and of which River Garden is a founding member) is in solid opposition to this new reimbursement scheme. So how does this plan impact our Northeast Florida community?

- St. Catherine Laboure Manor, a not for profit 4-star loses $1,178,908
- Taylor Care Center, a not for profit 4-star loses $74,776
- Moosehaven a not for profit 5-star loses $114,864
- Brooks Bartram Crossing, a not for profit 5-star loses $84,118
- Palm Garden Jacksonville, a for-profit 4-star loses $653,835

These are all well-known, high quality, Northeast Florida providers that will see a collective reduction of over $2.1 million in their Medicaid reimbursements.

Around Florida, other Jewish Homes will be negatively impacted.

- Menorah Manor in Saint Petersburg, a 4-star nursing home will lose $999,155
- Joseph Morse Jewish Geriatric (A Gold Seal Facility) in West Palm Beach, a 5-star nursing home will lose $288,428
- Menorah House in Boca Raton, a 3-star nursing home will lose $114,010

While River Garden Hebrew Home benefits slightly under the plan, our board is opposed to the Navigant scheme because it represents **absolutely atrocious public policy that will harm frail elders.** As a care community, it is simply impossible for us to support any plan that defunds care and hurts so many fine quality providers. Thanks to its Gold Seal and high Quality Measures, River Garden will have a small gain. With high ratings alone our rates would also go down.

So who benefits? In Northeast Florida there are at least 9 for-profit nursing homes that will collectively gain windfall profits of over $3.8 million, and none of them rate higher than 2 stars.

- San Jose Health & Rehabilitation Center, 1-star profits by $381,653
- Avante at Jacksonville Beach, 2-star profits by $123,028
- Regent Park nursing home, 2-star profits by $413,735
- Signature Health in Orange Park, 2-star profits by $517,964
- First Coast Health & Rehabilitation, 2-star profits by $399,781
- Lanier Terrace, 2-star profits by $375,458
- Harts Harbor, 2-star profits by $822,064
- Consulate Nursing Home in Jacksonville, 1-star profits by $345,411
- Consulate Nursing Home in Orange Park, 2-star profits by $555,970

Consulate's chain of 79 Florida nursing homes will benefit through windfall profits of over $16 million statewide— all without having to spend an additional dollar on resident care. What we are looking at is nothing short of baseless corporate welfare.
This is what we need you to do. The Florida Legislative session will convene on March 6 and the Navigant reimbursement scheme will appear within the Appropriations budget. We are asking that the Florida Legislature pull the Navigant plan from the budget, continue with the existing Medicaid reimbursement plan, and direct AHCA to consider alternative models that achieve its stated goal of a prospective payment system without destabilizing the entire long term care community along the way. LeadingAge Florida, which represents 51 Medicaid participating nursing homes has proposed just such a plan, SB712 which has been formally introduced for us by concerned legislators.

We need your help by voicing your protest to the leadership of the Florida Legislature. It is important that Floridians realize that if they don’t take the time and make the effort to reach their elected representative, then this flawed Navigant proposal will become the new Medicaid reimbursement plan and everyone except rapacious owners and stockholders will suffer for it.

Martin A. Goetz
Chief Executive Officer
River Garden Hebrew Home for the Aged

Marsha Pollock
Board President
River Garden Hebrew Home for the Aged

*Note: CMS rates nursing homes from a low of 1 star to a high of 5 stars.*
Leadership in the Florida Legislature:

Jason Brodeur, Chair, Florida House Health Care Appropriations Subcommittee:
Room 214, HOB, 402 W. Monroe St., Tallahassee, FL 32399-1300
(850) 717-5028 | jason.brodeur@myfloridahouse.gov

Travis Cummings, Chair, Florida House Health & Human Services Committee
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Carlos Trujillo, Chair, Florida House Appropriations Committee
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Jack Latvala, Chair, Senate Appropriations Committee
Room 408, SOB, 404 S. Monroe St. Tallahassee, FL 32399-1100
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Dana Young, Chair, Senate Health Policy Committee
Room 316, SOB, 404 S. Monroe St. Tallahassee, FL 32399-1100
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