

# Nursing homes cope with challenges in uncertain times

Cuts in Medicaid, staff issues and recession tighten vise on long-term care facilities

BY SHEILA LIVADAS

**T**he recession and the uncertainty of Medicaid funding have squeezed some long-term care facilities in New York. Yet, local nursing home administrators say they are coping well with the challenges.

"We're in a position where absolutely these cuts will hurt, but we don't believe by any stretch that we're going to be losing staff," says Charles Runyon, president and CEO of St. John's Senior Communities. Still, he says, other nursing homes may struggle to maintain staffing budgets.

Maplewood Nursing and Rehabilitation in Webster also does not plan to reduce its staff this year, says Gregory Chambery, administrator. The recession's most apparent effects at the facility have been an increase in patients converting to Medicaid payment because of diminished personal wealth and a slight decrease in discretionary admissions, he says.

In Penfield, Hill Haven's long-term care and rehabilitation facility plans to eliminate a few support positions in the coming weeks, says administrator Stephen Ash, but none of the positions involves direct care, some are already vacant, and most of the displaced staffers will be redeployed.

Though local administrators express confidence about the strength of their facilities, industry experts worry about the triple whammy of the recession, deep cuts in Medicaid and the ongoing shortage of nurses.

nursing home and home care services.

In the governor's proposal, nursing homes would face a \$900 million hit, including the loss of \$450 million in federal Medicaid matching funds. Since 70 percent to 75 percent of nursing home budgets is spent for salaries and benefits, various health care and patient advocacy groups have predicted layoffs at some facilities.

Those same groups are pushing for funds from President Barack Obama's proposed stimulus plan to go directly to Medicaid services, not non-health-care services. The state may receive \$5 billion annually in federal Medicaid assistance for the next two years.

Daniel Heim, Albany-based vice president for public policy at the New York Association of Homes and Services for the Aging, says the organization has not formally surveyed its member nursing homes on how the recession is affecting staffing.

Still, "our member facilities in many areas of the state continue to report having difficulty in attracting and retaining sufficient numbers of nurses and other licensed professionals such as therapists," he says.

NYAHSA, which represents nearly 600 not-for-profit and public continuing-care providers, is among the organizations urging that stimulus funds offset the state's Medicaid cuts.

Heim says New York nursing homes are facing other staffing pressures related to the shortage of nurses.

"Since there is a pronounced lack of nursing school instructors, it would seem that nurses will continue to be in short supply until that circumstance and others change," he says.

Maplewood's Chambery says local nursing homes sometimes struggle to find li-



Photo by Kimberly McKinzie  
"We're in a position where absolutely these cuts will hurt, but we don't believe by any stretch that we're going to be losing staff," says Charles Runyon, president and CEO of St. John's Senior Communities.

In December, Gov. David Paterson proposed \$3.5 billion in health care cuts to rein in the state Medicaid program. According to federal data, New York spends \$2,283 per capita on Medicaid, more than any other state and more than twice the national average of \$1,026. Roughly 300,000 New Yorkers depend on the program for

censed practical nurses with experience. "I think that the (average) nursing home looks to those people not just for their clinical skills but also for their managerial skills, which often are lacking and not part of the formal curriculum that an L.P.N. would encounter" in school, he says. "Those skills typically come with years of experience."

Maplewood, which has 74 beds and was 97.5 percent occupied in 2008, is seeking licensed practical nurses. It has openings for registered nurses as well, and Chambery says he also finds those positions tough to fill.

Evolving resident needs have increased the skills many nursing home staffers now need, he says, given that some facilities have residents on intravenous drips and ventilators.

"We're managing a whole myriad of intense clinical situations that, 10 or 15 years ago, no one would have dreamt of sending that type of patient to a nursing home," he says.

Ash says Hill Haven, an affiliate of Rochester General Hospital, has had 97 percent occupancy of its 355 beds in the last six months and currently is hiring LPNs, RNs and certified nurses' aides.

"Unfortunately, health care organizations are all competing for the same limited pool of those qualified (staffers), so we share in that burden," he says.

St. John's Senior Communities has not taken any staff positions out of its budget projections despite the recession and Paterson's proposal, Runyon says. Staff turnover at St. John's facilities is less than 10 percent, which he attributes to the employee perks and rigorous applicant screening.

Some 98 percent of the 475 beds at St.

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John's Home in Rochester are occupied. St. John's Meadows, a Brighton development of private cottage homes and apartments, has capacity for roughly 400 people and is 95 percent full.

Runyon says St. John's has encountered some local staffing shortages, particularly for certified nurse aides. That shortage will become less of a problem at the Green House residences that St. John's has proposed building in Henrietta. Plans call for the two 7,000-square-foot homes to have a home-care atmosphere and "shahbazim," or universally trained staffers who cook, lead activities and care for residents while working collaboratively with the nurses, physicians and social workers who visit.

Runyon says the reasons for shifting away from more rigid staffing models are compelling.

"I mean, if you look at the demographics of the work force that's going to be available to take care of the baby boom generation, the numbers just don't work," he says.

St. John's aims to have 20 Green Houses built in Perinton, Gates and other Rochester suburbs in the next five to seven years. Runyon says the business plan demonstrates that the residences can be built for less than the current cap on the construction of new nursing home beds and can be operated at or below current Medicaid

reimbursement rates.

St. John's also is proceeding with Brickstone, a \$33 million Brighton development of bungalows, townhouses and apartments west of St. John's Meadows. The project will target 55-and-older seniors as residents and include nature trails and an indoor village square with shops and a cafe.

Maplewood also has pushed ahead with construction and recently finished an addition of new suites. The project included the installation of a new Wi-Fi network for residents.

Chambery says the credit crunch now facing nursing homes across the state could not come at a worse time, given how outdated many facilities are.

"There has not been significant replacement of these facilities, and they were born under a medical model that really isn't as relevant today as it was in the '70s," he says. "The needs of the long-term clients, both from a regulatory standpoint as well as a customer-driven set of wants, makes the replacement of these buildings something that has to be dealt with at some point."

Despite the pressures on nursing homes, Ash says he does not expect the economy or the state's plans to affect direct care positions at Hill Haven. Still, he says the situation calls for a hard look at various factors, from supply costs to revenue streams.

"We need to stay strong financially," he says.

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a key part of the commission's study, she says, and deciding on specific recommendations now would be premature.

"It's in a state of flux," Trafton says. "I think we are partly looking to the hospitals themselves to develop a plan."

Rochester General Health System, which includes Rochester General Hospital in the city and Newark-Wayne Community Hospital in Wayne County, is in many ways a model for the kinds of collaboration the area's hospitals should develop, Trafton says.

Because Newark-Wayne and Rochester General are part of the same system, RGHS has been able to foster extensive cooperation between them and implement initiatives such as an extensive telemedicine program linking specialists at Rochester General to primary-care doctors and patients at Newark-Wayne, says Annette Leahy, president of Newark-Wayne.

Department heads at Rochester General are also department heads at Newark-Wayne, and physicians are encouraged to work at both hospitals, she adds. This solves a problem many outlying hospitals have: Persuading doctors to serve rural areas is not always easy. Some specialists, for example, avoid less densely populated areas where they can have difficulty at-

tracting sufficient numbers of patients.

RGHS also has been aggressive in creating formal partnerships with community hospitals, some fairly distant. Cayuga Medical Center in Ithaca, for example, has had a robust telemedicine relationship between its cardiologists and RGHS' Rochester Heart Institute.

Cayuga Medical Center CEO Rob Mackenzie M.D. says the relationship has greatly benefited the 200-bed Ithaca hospital, which he calls "centrally isolated."

Closer to Rochester, the Heart Institute has formed a similar partnership with United Memorial Medical Center in Batavia. United Memorial CEO Mark Schoell is similarly enthusiastic about the cooperation.

For overcrowded Rochester hospitals, such partnerships can be equally beneficial. Unity Hospital, though large and a provider of more services than its smaller outlying counterparts, is essentially a community hospital.

Though it is far less frequently sought as a transfer site than Strong or Rochester General and so far has no formal relationships with outlying hospitals, Unity would strongly consider an affiliation like the Rochester General/Newark-Wayne partnership if an appropriate nearby hospital were interested, says Stewart Putnam, chief operating officer for Unity Hospital and

Unity Health System.

Many of the area's community hospitals have had relationships formal and informal with the region's tertiary-care facilities for some time, Janczak says. Thompson has long-established cooperative programs with Strong and has worked frequently with Rochester General. Many of the recommendations in the outlying hospital group's white paper could be implemented by deepening or expanding existing relationships.

In the current financial climate, money could be a problem, though. Gov. David Paterson's proposed spending plan cuts deeply into hospitals' Medicaid payments, which could make new investments problematic.

"We're planning to send people to Albany this week to plead our case. We hope to know more in a few weeks," Janczak said earlier this week. "But right now it's hard to say whether the money will be there to do much of the collaboration we've talked about."

CEO Mark Clement of RGHS does not believe that tight funding should or will foreclose the possibility of forming tighter bonds between the area's outlying and urban hospitals. Such affiliations could help outlying hospital provide better care and help urban hospitals relieve crowding.

Given such benefits, Clement says, the region can hardly afford not to do it.

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