

POSITION STATEMENT FROM MEMBERS OF ASSOCIATION OF HOME CARE OWNERS OF NORTHERN NEVADA (AHONN) IN COLLABORATION WITH RESIDENTIAL CARE HOME ASSOCIATION NEVADA (RCHAN SOUTHERN NV.)

In reference to the Final Rule from Medicaid for: *The Home and Community –Based Setting Requirements for Provider Owned or Controlled Residential Settings.*

We recognize that the central philosophy behind the rules is the culture change from institutionalized setting to a Person Centered Care. Person-centered care offers a humanistic and holistic approach to caring for someone. It incorporates not only physical considerations but also the person's psychosocial and spiritual well-being. Person-centered care (PCC) is a philosophical approach to care that honors and respects the voice of clients and those working closest with them. It involves a continuing process of listening, trying new things, seeing how they work, and changing things in an effort to individualize care based on the person's physical, mental, psychological and cognitive abilities.

In person-centered care the individual has the right to: Make decisions; Have an individual plan of care; Be included on the care planning team with the provider; Have their hopes, dreams and goals be central to their plan.

As a group of home care providers, we strongly support Person Centered Care through a person centered planning process and following a person-centered service plan. However, we find irony and contradiction to some of the requirements and expectations/goals, because they are not specific to the frail elderly with chronic physical and mental/cognitive deficits whom we serve. Our residents require supervised settings otherwise; they would have returned to their homes or placed in Independent Living facilities. They require assistance and protective supervision 24/7 in a family care setting. The nature of their illness is usually chronic and progressive. Our goal is to maximize their independence and function in a supported home- like environment given their advanced age, physical and cognitive limitations. We honor their privacy, dignity, individuality and choice to the extent possible.

We feel that some of the requirements; for example, lockable doors with keys may pose fire hazard and evacuation within 4 minutes maybe in jeopardy as required by the State Fire Marshal . Can you imagine scrambling for 6 individual keys to open the doors in case of fire? Another requirement we find posing health and safety risks is access to food at anytime. While we provide 3 meals and snacks in between meals and as needed, most of our residents are high risk for falls when accessing the refrigerator, pantry and kitchen cabinets by themselves. Health concerns also for residents on a special diet as well as sanitation and infection control issues. Visitors at anytime will normally be not reasonable because we have to allow them time for personal care, rest and sleep. We can accommodate generous visiting hours and special visiting arrangements within reason.

In conclusion, we feel that the HCBS requirements and rules should be tailored to the population served in order to truly individualize the plans and reflect realistic expectations and goals according to assessment of needs, physical and cognitive abilities of the person. We feel that the "one size fits all" concept does not support Person-centered nor individualized planning in a group home care settings.

We realize that the financial concerns that the Residential Care facilities are facing today are a separate issue than the topic at hand. However, our ability to continue with our business will depend on our ability to pay for our caregivers 24/7, expenses and making a living. Please refer to 2 samples of actual financial analysis for a 5 and 10 bed facility. Theoretically, if we accommodate only Medicaid recipients (**Rates: Level 1= \$20 / day; Level 2= \$45 / day; Level 3= \$60 / day**), we will not be able to meet our operational costs at the current NV Medicaid rates of reimbursements which had not been changed since 2002. Our aim is to provide a highest quality care and services for this frail elderly people that worked hard who needs dignity, respect, and deserved a decent happy life on their remaining time. We wish that we as a homecare provider be involved in all decision making in taking care our elderly.

Thank you very much.

5 Beds Homecare Yearly /Monthly Income Expenses

UR10K42

Scenario 3 Under New Rule

INCOME	Yearly	Monthly
Bed 1	30,000.00	2,500.00
Bed 2	30,000.00	2,500.00
Bed 3	30,000.00	2,500.00
Bed 4	30,000.00	2,500.00
Bed 5	30,000.00	2,500.00
(Note: Average of \$2,500 / resident granting the facility is full every month)		0.00
		0.00
Total INCOME	150,000.00	12,500.00

BUDGET SUMMARY		
	Yearly	Monthly
Total Income	150,000.00	12,500.00
Total Expenses	271,877.00	22,656.42
NET	(121,877.00)	(10,156.42)

EXPENSES	Yearly	Monthly
Mortgage Payment	32,000.00	2,666.67
NV Energy	2,872.00	239.33
TMWA	467.00	38.92
Cable	2,387.00	198.92
Cellphone	3,247.00	270.58
Landline Telephone	755.00	62.92
Computer	1,500.00	125.00
Office Supplies	1,800.00	150.00
Repairs/Maintenance	4,000.00	333.33
Payroll Expenses	1,800.00	150.00
	0.00	0.00
	0.00	0.00
?Food & Supplies (\$20/day x 5 Res) x 30 days	36,000.00	3,000.00
Laundry expenses	3,600.00	300.00
Book Keeper / Accountant	4,800.00	400.00
Tax Preparer	750.00	62.50
	0.00	0.00
Salary 2 Caregivers Shift 1 (7 daysx8hrsx\$8.25)	44,352.00	3,696.00
Salary 2 Caregivers Shift 2 (7 daysx8hrsx\$8.25)	44,352.00	3,696.00
Salary 2 Caregivers Shift 3 (7 daysx8hrsx\$8.25)	44,352.00	3,696.00
	0.00	0.00
Total EXPENSES	229,034.00	19,086.17

MISC. EXPENSES	Yearly	Monthly
Charitable Contributio	1,500.00	\$125.00
Uniform (2 caregivers)	150.00	\$12.50
Postage and Delivery	395.00	\$32.92
Printing Expenses	320.00	\$26.67
Advertisement	450.00	\$37.50
Subscriptions / Newsp	360.00	\$30.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
Total MISC. EXPENSES	3,175.00	264.58

	Yearly	Monthly
?Salary of the Owner	6,000.00	500.00
?Salary of the Administra	6,000.00	500.00
Total	12,000.00	1,000.00

Quarterly Expenses	Paid Quarterly	Monthly
Property Tax	1,800.00	450.00
Sewer	352.00	88.00
Waste Management	329.00	82.25
Employment Security Division	399.00	99.75
Fire Alarm Monitoring Exp	96.00	24.00
Total Quarterly Expenses	2,976.00	744.00

Computation for Salary of Caregivers under New Rule
 7 days x 8 hours a day = 56 x \$ 8.25 = \$462 weekly
 times 4 weeks = \$ 1,848 x 2 caregivers at a time = \$ 3,696 monthly
 There are 3 shifts

Yearly Expenses	Yearly	Monthly
City Business License Renewal	215.00	17.92
Workmen's Comp Insurance	6,164.00	513.67
General Liability Insurance	8,559.00	713.25
State Business License Renewal	350.00	29.17
BHCQC Facility License Renewal	1,693.00	141.08
Surety Bond	100.00	8.33
Fire Extinguisher Maintenance	36.00	3.00
Fire Alarm /Wet Sprinkler Yearly Inspection	375.00	31.25
Total Yearly Expenses	17,492.00	1,457.67

TRANSPORTATION	Paid Annually	Monthly
Vehicle 1	2,880.00	240.00
Vehicle 2	2,880.00	240.00
Maintenance/Registration Renewal	1,440.00	120.00
		0.00
		0.00
Total TRANSPORTATION	7,200.00	600.00

Scenario 4 Under New Rule

INCOME	Yearly	Monthly
Bed 1	24,000.00	2,000.00
Bed 2	24,000.00	2,000.00
Bed 3	24,000.00	2,000.00
Bed 4	24,000.00	2,000.00
Bed 5	24,000.00	2,000.00
Bed 6	24,000.00	2,000.00
Bed 7	24,000.00	2,000.00
Bed 8	24,000.00	2,000.00
Bed 9	24,000.00	2,000.00
Bed 10	24,000.00	2,000.00
(Note: Average of \$2,000 / resident granting the facility is full every month)		
Total INCOME	240,000.00	20,000.00

[4] BUDGET SUMMARY		
	Yearly	Monthly
Total Income	240,000.00	20,000.00
Total Expenses	307,853.00	25,654.42
NET	(67,853.00)	(5,654.42)

EXPENSES	Yearly	Monthly
Mortgage Payment	32,000.00	2,666.67
NV Energy	2,872.00	239.33
TMWA	467.00	38.92
Cable	2,387.00	198.92
Cellphone	3,247.00	270.58
Landline Telephone	755.00	62.92
Computer	1,500.00	125.00
Office Supplies	1,800.00	150.00
Repairs/Maintenance	4,000.00	333.33
Payroll Expenses	1,800.00	150.00
	0.00	0.00
	0.00	0.00
?Food & Supplies (\$20/day x 10 Res) x 30 days	72,000.00	6,000.00
Laundry Expenses	3,600.00	300.00
Book Keeper / Accountant	4,800.00	400.00
Tax Preparer	750.00	62.50
	0.00	0.00
Salary 2 Caregivers Shift 1 (7 daysx8hrsx\$8.25)	44,352.00	3,696.00
Salary 2 Caregivers Shift 2 (7 daysx8hrsx\$8.25)	44,352.00	3,696.00
Salary 2 Caregivers Shift 3 (7 daysx8hrsx\$8.25)	44,352.00	3,696.00
	0.00	0.00
Total EXPENSES	265,034.00	22,086.17

MISC. EXPENSES	Yearly	Monthly
Charitable Contributions	1,500.00	\$125.00
Uniform (2 caregivers)	150.00	\$12.50
Postage and Delivery	395.00	\$32.92
Printing Expenses	320.00	\$26.67
Advertisement	450.00	\$37.50
Subscriptions / Newspaper	336.00	\$28.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
Total MISC. EXPENSES	3,151.00	262.58

	Yearly	Monthly
?Salary of the Owner	6,000.00	500.00
?Salary of the Administrator	6,000.00	500.00
Total	12,000.00	1,000.00

Quarterly Expenses	Paid Quarterly	Monthly
Property Tax	1,800.00	450.00
Sewer	352.00	88.00
Waste Management	329.00	82.25
Employment Security Division	399.00	99.75
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Surety Bond	100.00	8.33
Fire Extiguisher Maintenance	36.00	3.00
Fire Alarm /Wet Sprinkler Yearly Inspection	375.00	31.25
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Vehicle 1	2,880.00	240.00
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Total TRANSPORTATION	7,200.00	600.00

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