

REST HOMES IN MASSACHUSETTS

AN OVERVIEW OF THE INDUSTRY'S VALUE,
BARRIERS, AND PRIORITIES



AN OVERVIEW OF THE REST HOMES INDUSTRY IN MASSACHUSETTS

Rest Homes play a vital role in the Massachusetts Health Care Continuum. **There are currently 76 Rest Homes Licensed by the Department of Public Health**, rest homes provide licensed medical care, medical and medication management and room and Board in a community based setting residents call their **HOME**.

Rest Home Snapshot in 2021

Rest Homes By MA County:

Barnstable: 4
Bristol: 6
Dukes: 1
Essex: 12
Franklin: 1
Hampden: 3

Hampshire: 3
Middlesex: 14
Norfolk: 6
Plymouth: 7
Suffolk: 9
Worcester: 17



Who do Rest Homes employ?

Rest Homes provide careers to **2,800 healthcare workers**: nurses, social workers, administrators, etc.

who are elderly, living with a disability, and utilize a public assistance program.

Rest Homes provide housing and healthcare options for a population that requires more care than an Assisted Living Residence but in a setting that is less restrictive than a Skilled Nursing Facility. **Rest Homes support an ever-growing "Aging in Place" population with a high percentage of seniors living in poverty and with physical and cognitive health concerns.**

— Rest Home Population Breakdown —

- **29%** of residents have **never received a visitor**, and come from homeless backgrounds.
- **52%** of the population **required assistance** with bathing.
- **45%** **required the assistance** of a cane, walker or wheelchair.
- **31%** **needed assistance** using the bathroom.
- **80%** live with some form of **cognitive challenge**.
- **29%** have a current diagnosis of **mental health issue**.
- **21%** are diagnosed with **Alzheimer's disease and early onset of dementia**.
- **75%** of the population is **65 or older** with over **34%** being **85+ years of age**.
- **8%** of the population is between the ages of **22 and 54 at rest homes**, which highlights the need for care and housing for an at-risk demographic.



THE STATE OF REST HOMES TODAY

At its peak, the rest home industry had a community presence across the Commonwealth with over 200 homes caring for more than 7,000 aged, infirm, and indigent residents. **However, since 1998, over 60% of all Rest Homes in Massachusetts have closed.**

Resident Transfer & Trauma

4,000 long term residents have lost their homes.
Residents subject to **trauma** associated with involuntary transfer **resulting in increased homelessness, morbidity, and mortality.**

Increased Costs to Commonwealth

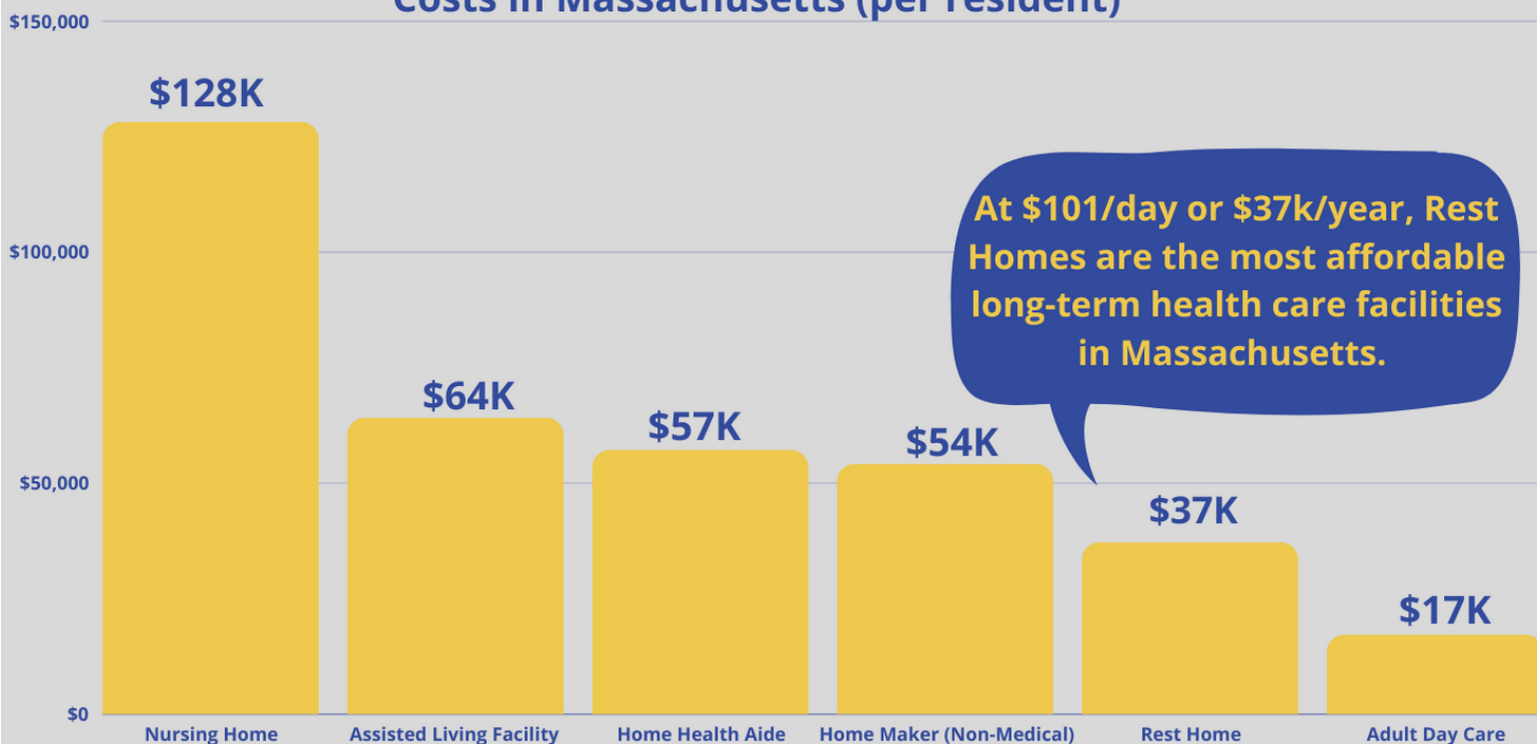
Without rest homes, **current residents would be placed in nursing homes and their daily cost of care would be 3x higher, resulting in \$35M in additional expenses. Rest Homes save an estimated \$30-40M annually to Commonwealth.**

Economic Impact

Loss of over 3,200 healthcare jobs, and the associated loss to local economies.

Impact of Closures

Comparing Annual Long Term Care Costs in Massachusetts (per resident)



MARCH FY23 BUDGET PRIORITIES

Line Item History & Overview

Line Item 4405-2000

State Supplemental Aid to SSI

FY19:

Line item covers special grants for rest home residents when chapter 118A funding does not fully cover rest home rates, no additional funding.

FY20-FY22:

An additional earmark increase of \$2.8M for rest homes.

Line Item 4408-1000

DTA Emergency Aid

FY19:

Line item covers emergency cash assistance, no additional funding.

FY20-FY22:

An additional earmark increase of \$1.2M for rest homes.

Inadequate Reimbursement Rates

The reimbursement rates for rest homes have been historically inadequate. For decades, the allowable costs and formulas established by EOHHS and CHIA has not accounted for actual costs and have created massive financial struggles for the industry. Current reimbursement rates were established in 2019, and do not account for new operating expenses, headcount, staff count, or new mandates brought on by COVID-19.

On average, across long-term care facilities, reimbursement rates trail actual costs by \$37 per patient/per day.

Greater than 90% of MARCH residents in rest homes are eligible for DTA payments. Running on a loss will continue to compromise care for the Commonwealth's most vulnerable.

On average, reimbursement rates for indigent rest home residents trail actual costs by \$17 per patient/per day.

FY23 BUDGET REQUEST

MARCH is requesting a \$7M earmark in 4405-2000 for special grants.

MARCH is requesting a \$3M earmark in 4408-1000 for emergency cash assistance.

This funding will allow the industry to maintain a high-level of care for a highly vulnerable population who otherwise will be subject to involuntary transfer, resulting in increased homelessness, morbidity, and mortality.

— Why are ARPA Funds Critical for MARCH? —

To date, the rest home industry has spent approximately \$24.5M in out-of-pocket costs related to the COVID-19 pandemic which have yet to be reimbursed:

Achieving funds from the second round of ARPA funding will offset costs that homes have occurred during the COVID-19 pandemic providing premium payments to eligible workers, their increased operational costs in providing testing, Personal Protective Equipment (PPE) and sanitization, and compensating them for dramatic decreases in census.

Rest Homes were not included in the first round of ARPA funding, despite lack of reimbursement, the industry has still maintained the highest level of care:

Rest Homes have the highest percentage of residents and staff vaccinated and the fewest deaths from COVID-19 for any long-term care setting.

— MARCH is requesting \$30M in ARPA Funding —

This supplemental funding will allow rest homes to reimburse it's facilities and strengthen the industry's financial standing. This funding will fill in gaps in COVID-19 related expenses, premium pay, and will create stability for both its staff and the highly vulnerable population.

State Funding for Skilled Nursing Facilities

vs.

Rest Homes during the COVID-19 Pandemic

Skilled Nursing Facilities

\$300M in COVID-19 related reimbursement.

On a per resident basis, received \$260M or \$6,500 to \$6,756.

On a facility basis, received in the range of \$737,000 per facility

SNF to receive \$29.3M as a direct care add-on for staff

Rest Homes

\$10M in COVID-19 related reimbursement.

On a per resident basis, received \$3M or \$1,000 to \$1,500

On a facility basis, received in the range of \$43,000 per facility.

Rest Homes to receive \$1.5M as a direct care add-on for staff

Industries were tasked with same state compliance requirements.

FOR MORE INFORMATION PLEASE CONTACT

Ronald J. Pawelski, President

P: (978) 502-9561

E: ronpawelski@gmail.com

Matthew McKenna

P: (617) 633-3117

E: matthew@tenaxstrategies.com

Jacob Hicks

P: (617) 378-8500

E: jacob@tenaxstrategies.com