

**RESIDENTIAL CARE HOMES ARE THE MOST COST EFFECTIVE LONG TERM CARE MODEL FOR BOTH
STATE PAYERS AND PRIVATE PAY NEVADANS**

I would like to take a moment to point out some positives about why fully licensed, highly regulated RCH'S are good for the community and how they are a huge financial benefit to the state and the community.

I have provided a handout for you that provides a pretty good over view what the actual costs and services are for each long term care setting.

The options are Assisted Living, Private In Home Care, Adult Day Care, Nursing Homes and Residential Care Homes or Group homes.

The only 2 practical choices that offer 24 hr. care and supervision for those with Alzheimer's or Mental illness are Nursing Homes and Residential Care Homes. While some might argue in home care provides 24hr care, the cost of \$25/hr for 24 hrs is prohibitive. For example, it would be \$600/per day or 18,000 per month.

If you look at the table you can see that out of all the options RCH are the most cost effective for the state Medicaid budget and for private pay Nevadans.

Does everyone see the red arrows on the table?

The private pay rate of a Nursing home is \$6,000 to \$12,000 per month and are much more expensive than RCH' S which range from only \$1,500 /month to \$4,500/month. For those with dementia RCH with dementia endorsement are the only care setting with a staff ratio of 1/6 and an awake caregiver at night.

The handout also shows what Medicaid pays. Nevada Medicaid pays nursing homes \$200/day or **\$6000** a month for a long term care resident. Whereas Nevada Medicaid waiver only pays \$50/day or **\$1,500/mo** for mental illness or dementia endorsed RCH facility resident.

Even if the RCH Medicaid waiver reimbursement was raised to \$100/day or \$3000/month that would still be more cost effective for the state Medicaid budget and for the average consumer than the alternative of \$6000 a month for a nursing home. If the Medicaid waiver were increased many group homes would be able to make improvements to their facilities and hire more staff to improve the quality of care at many places.

Perhaps the biggest risk to the state Medicaid budget is in displacing the 90% of residents who are low income and private pay currently in RCH into the only other care setting of SNF. We fear many residents that currently have chosen to stay private pay in a low cost RCH as opposed to moving to an SNF will be forced to move to the SNF and onto the state Medicaid roles. For example a low income senior who is currently paying \$1000 - 2000 /month of their social security or savings in a RCH will have no other option but to be forced into a nursing home and on to Medicaid, as they will not be able to afford the \$6,000 /month price tag. They will then be enrolled in Medicaid and cost the state \$6000/month at the nursing home Medicaid rate. This is a stark contrast from supporting a free market in category 2 RCH beds and letting people choose to remain private pay and live within their means. We should not legislate safe, private pay, choices out of business nor follow policy that shifts seniors from private pay in a low cost RCH onto the state budget in SNF Medicaid.

Many of us in the RCH industry do not support Care homes that are not following the rules and regulations. We believe these homes should not be in operation. But for those of us who do follow the rules and regulations and are passionate about caring for the elderly and those with Alzheimer's and or mental illness we urge you to see the RCH industry as a community and state resource and help us to continue to improve the quality of care and standard in each home so we can ensure our senior and disabled Nevadans are receiving the best, most cost effective, care possible.

Recently, we have noted that the state pays SLA (supported Living Arrangements) up to \$5-6,000 a month for care of a mentally ill person and comparatively pays a RCH with mental illness endorsement as little as \$1-1500 per month for a waiver through Medicaid. While the state recently reduced the compensation for SLA's it remains almost double that for a RCH with mental illness endorsement for care of a similar resident. That seems to be a very inefficient use of tax payer dollars to pay more for an unsprinkled, less monitored, less transparent type of care.

We hope this short over view has helped the task force get a better over view of value for Nevada's private pay citizens and for our legislators who are spending tax payer dollars.

Thank you