

ONE HUNDRED FIFTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 442

Introduced by Stinner, 48.

PURPOSE: The purpose of this resolution is to study the underlying appropriation issues contributing to the financial hardship experienced by rural long-term care providers across the State of Nebraska.

On March 23, 2018, the Lancaster County Court placed twenty-one long-term care facilities into receivership, including nursing homes, assisted-living facilities, and rehabilitation centers owned and operated by Cottonwood Healthcare, commonly known as Skyline. The receiver was appointed after it was discovered that the company did not have the funds available to pay employees for three weeks at the time the receivership was issued.

In recent years, numerous long-term care facilities throughout the state have closed or otherwise fallen into financial hardship, due in part to cost-saving strategies implemented at the state level. The issue has become most pronounced in rural areas of the state and exacerbated by workforce shortages and the cost of regulations.

On January 5, 2018, the Kearney County Health Services Board of Trustees voted to close Hinterlong Living for Seniors and Countryside Living Nursing Home in Minden, effective April 30, 2018, citing insufficient medicaid funding. In March of 2015, Deseret Health Group announced the closing of four skilled nursing homes in Edgar, Lyons, Exeter, and Ainsworth, citing financial unviability of operations. In December of 1997, the city of Mitchell acquired the sole nursing home facility in the city after discovering it was no longer financially viable to remain open as a private healthcare facility.

This study shall examine the adequacy of state appropriations, other related problems, workforce issues, the cost of regulations, and the mechanisms put in place by the state that affect the funding sources for long-term care

providers. The interim study shall include the following:

(1) A financial analysis of medicaid provider rates and related payment issues experienced by long-term care providers;

(2) A financial analysis of medicare provider rates, changes in medicaid co-insurance rates, and related payment issues experienced by long-term care providers;

(3) An analysis of the formula used in cost reporting to the Nebraska medicaid program for the transfer of ownership and medicaid reimbursement based upon prior-owner reports, and in the case of a proposed transfer of facility ownership, an analysis of the state's process for investigating the organizational and financial stability and quality of care history of the proposed owner prior to approval of the ownership transfer;

(4) Issues related to medicaid eligibility requirements of residents affecting the maximization of reimbursement and speed of the application process; and

(5) Other issues affecting the financial viability of long-term care providers including, but not limited to, workforce shortages and the cost of regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FIFTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Appropriations Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.