



# Southwest Regional Development Commission

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## Legislative Priority Issue #2 2009 Legislative Session

### Continued Funding for Priority Programs for the Elderly

#### **Background**

The Southwest Regional Development Commission (SRDC) is a nine-county Regional Development Commission as established under Minnesota Statute §462.381-462.398 the “Regional Development Act.” As a representative of local units of government in Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood and Rock counties the SRDC represents an area with a large and increasing population of elderly. As the population ages it becomes incumbent upon our elected leaders in the Legislature to recognize the difficulties presented when providing services to the elderly in rural areas where population densities and travel distances reduce the ability to provide economies of scale.

#### **Priority Programs for the Elderly**

##### **1. Community Long-Term Care Needs**

Explanation: In 2001 the State of Minnesota passed Long Term Care legislation to re-balance the care for the elderly in the State of Minnesota. Nursing Homes were encouraged to downsize the number of long term care beds and become involved in the continuum of care. The cost savings of the downsizing of the nursing home industry Long Term Care beds was to have state dollars put into home and community care options and system changes. Many Nursing Homes took the opportunity to turn their beds into other options such as Assisted Living or into single occupancy units and developed services to the home bound seniors. At the same time other agencies also developed Home and Community Care services. Because of the development of community based services, the elderly in the nursing homes are ones that need more personal care. The issue is the reimbursement for options and for the Nursing Home Care industry which has not kept up with inflation and reimbursement of state dollars for the beds taking care of the most vulnerable elderly 24 hours a day. Currently 20% of the nursing homes in the Southwest are in threat of closure due to weak revenues and poor cash flow. Immediate financial relief is necessary to prevent erosion of the quality of care.

Policy Position: Continue to support redesigning long-term care to help older persons remain in the community, but at the same time come up with solutions to the nursing homes who take care of our most vulnerable elderly. We must have a reimbursement system that reflects the changing needs of the residents that nursing facilities serve. Continue to support and fund rebasing to make up for payment shortfalls since 2003 and extend the 20% rate enhancement from the first thirty days to the first sixty days to recognize added costs to short stay residents.

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## 2. Increase Funding for Senior Nutrition

Explanation: Due to budget cuts in Nutrition Programs for the Elderly, nutrition providers are being reimbursed at less than the actual costs of providing high quality meals for seniors.

Policy Position: The SRDC supports an increase in funding to cover actual meal costs in order to maintain the quality of meals provided to seniors under in the nutrition program. In order to keep frail elderly in their homes and in their local communities, there is a need for increased funding as well as volunteer expense reimbursement for transportation costs.

## 3. Eliminate Fraud and Abuse

Explanation: The United States General Accounting Office estimates that \$1 out of every \$7 spent on Medicare is paid inappropriately due to error, fraud or abuse. In 2000, Medicare lost nearly \$13 billion to improper claims. Health care fraud costs the U.S. between \$90 and \$180 billion a year.

Policy Position: Enforce efforts that reduce or eliminate fraud, waste and abuse among health care providers. Support efforts of the Senior LinkAge Line® during this process.

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