Help Stop Drastic Funding Cuts for Skilled-Nursing Care!

This CHA Member Toolkit to support AB 900 and SB 640 is designed for you to help gain allies in the fight against the pending Medi-Cal cuts. Your engagement will significantly impact the legislative and budget negotiations taking place in Sacramento. The full toolkit, including templates that can be customized, is available at www.calhospital.org/reverse-cuts-toolkit.

Use the toolkit materials to ensure a unified voice in delivering our message

- Advocacy handout — for distribution within your facility and among community groups to help drive our digital letter writing campaign. The flier encourages campaign supporters to visit CaringisourCalling.org and submit a letter to legislators.
- Talking points — For your reference and internal use.
- FAQs — Offering answers to commonly asked questions about the issues.
- Support letter — For you and other community partners to send to legislators.
- Newsletter article — To encourage staff, volunteers and others to join effort.
- Letters to editor — For responding to newspaper articles.

Participate in CHA-led activities

Targeted lobby visits and local media events
CHA will help coordinate smaller lobby visits at the Capitol and/or media events within targeted legislative districts for CHA members and allies to coincide with key committee votes and budget negotiations in the coming weeks and months.

CaringisourCalling.org and Social Media

CHA’s CaringisourCalling.org will provide real-time updates and information under the “About AB 900” landing page, including media coverage, coalition partners, and videos from impacted communities. What’s more, CaringisourCalling.org will enable CHA members, impacted families, community leaders, health care workers, and the general public to instantly communicate their support to legislators. We are leveraging social media through Facebook and Twitter in order to spread the word as quickly and widely as possible.

With your help, we can win this battle and help secure care for the patients who rely on your facilities. We hope you find the toolkit material and digital media resources at CaringisourCalling.org helpful to your local outreach effort.

Key dates

- **April 30** — Assembly Health Committee to hear AB 900
- **Mid-May** — Governor to release revised budget (“May Revise”)
- **June 15** — Legislature’s deadline to pass budget
- **June 30** — Deadline for Governor to sign budget
- **July 1** — New fiscal year begins

Materials to send to community leaders

- Advocacy handout
- Support letter
- Newsletter article
- Letters to the editor

For more information about the toolkit, please contact:

*Patricia Blaisdell*
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Help Stop Drastic Funding Cuts for Skilled-Nursing Care!
Support AB 900 and SB 640

Severe Medi-Cal cuts to California's nearly 100 hospital-based skilled-nursing facilities will result in more closures, reduced services and less access to care for the most vulnerable patients.

You can help!

Go to www.CaringisourCalling.org and sign a letter urging legislators to stop the devastating funding cuts that threaten care for elderly, disabled and other patients with medically complex issues who can no longer care for themselves.

Tell them to support AB 900 and SB 640 and restore the critical funding needed to care for our most fragile patients.

“The care requirements of our community’s most vulnerable do not go away because the funding has gone away ... We have a moral obligation to assure these patients receive the treatment they need to address their significant health issues.”

— David Brown, system director, rehabilitative services, Sharp Healthcare, and Chair of the CHA Center for Post-Acute Care
Key Reasons to Support
AB 900 and SB 640
Urgent — act today!

- Proposed Medi-Cal cuts will put the health and safety of California’s most medically complex patients, frail seniors and disabled people at risk.
- Medi-Cal beneficiaries make up nearly 80 percent of the patients receiving hospital-based skilled-nursing care. These are patients who require specialized and complex care that freestanding nursing facilities and other health care providers are unable to provide.
- Approximately 40 hospital-based skilled-nursing facilities in California have closed due to financial pressures in the last five years.
- Unless we act now, funding for this level of skilled-nursing care will be reduced by 25-40 percent.
- Without hospital-based skilled-nursing care, patients will remain in acute-care hospitals longer, adding greater costs to the health care system than the dollars “saved” through the proposed cuts.
- There is no plan for the inevitable displacement of frail patients.

Restore funding for hospital-based skilled-nursing care — go to www.CaringisourCalling.org and sign a letter urging legislators to stop the cuts!

www.CaringisourCalling.org
Proposed funding cuts for hospital-based skilled-nursing care will put the health and safety of California’s most medically complex patients, frail seniors and disabled people at risk.

- Medi-Cal beneficiaries make up nearly 80 percent of the patients receiving hospital-based skilled-nursing care. These are patients requiring specialized and medically complex care that freestanding nursing facilities and other health care providers are unable to provide.
- In the last five years, approximately 40 hospital-based skilled-nursing facilities in California (about one-third) have closed due to financial pressures.
- Without AB 900 and SB 640, funding for this level of skilled-nursing care will be reduced by 25-40 percent, a cut so severe that some facilities will be forced to close or drastically reduce their services to patients, threatening patient health and safety.

It will be less expensive to the state to reverse the cuts, maintain current services and allow implementation of the federal Affordable Care Act to create additional efficiencies.

- Without hospital-based skilled-nursing care, patients will remain in acute-care hospitals longer, adding greater costs to the health care system than the dollars “saved” through the proposed cuts.
- Patients and residents in hospital-based skilled-nursing facilities have shorter lengths of stay and achieve better outcomes when compared to patients in freestanding skilled-nursing facilities. Acute hospital readmissions are lower for hospital-based skilled-nursing facilities.
- Patients can be admitted and managed more efficiently due to their proximity to hospital services and benefit from higher staffing levels and skill mix.

There is no plan for the inevitable displacement of frail patients.

- Throughout California, the remaining skilled-nursing facilities in hospitals are already full to capacity and have long waiting lists. If additional facilities close or reduce services, patients will be displaced, have no place to go and lose access to medically necessary care.
- Medi-Cal patients in rural areas needing specialized nursing and rehabilitative care will be among the hardest hit because these facilities serve as a core safety-net provider. They are the only option for Medi-Cal patients with complex medical and behavioral health needs.
- Many elderly and disabled Medi-Cal patients will end up staying longer in acute-care hospital beds because there is simply nowhere else for them to go.

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Hospital-based skilled-nursing facilities help ensure that acute-care hospital services are available for other patients who need them.

- Reductions in services or elimination of hospital-based skilled-nursing facilities altogether means more elderly and disabled patients will stay in limited acute hospital beds for months or even years.
- Without skilled-nursing facilities, many small hospitals and emergency rooms in rural areas cannot stay open. Residents of rural communities will need to travel long distances for basic medical care.

Support AB 900 and SB 640 to restore funding for hospital-based skilled-nursing care.

- AB 900 and SB 640 will stop the cuts, save the state money and preserve essential services for patients who cannot go without medically necessary care and treatment.
- AB 900 and SB 640 will help keep seniors and disabled patients needing specialized care and rehabilitation safe in the communities where they belong.
Help Stop Drastic Funding Cuts for Skilled-Nursing Care!

Support AB 900 and SB 640

Answers to questions you may be asked about hospital-based skilled-nursing care, and the impact of these cuts.

Q: What are hospital-based skilled-nursing facilities? How are they different from freestanding skilled-nursing facilities?
A: In contrast to freestanding skilled-nursing facilities, hospital-based skilled-nursing facilities — also known as distinct-part skilled-nursing facilities (or DP/SNFs) — care for patients of greater medical complexity and are often the only option for patients with specialized medical or behavioral needs or for people living in rural areas. They are owned and operated by hospitals.

Q: Where are hospital-based skilled-nursing facilities located?
A: They are located throughout the state, including many rural areas, where they are often the only skilled-nursing facilities in the community. In urban areas, they are an essential part of the health care safety net. In the last five years, approximately 40 hospital-based skilled-nursing facilities in California (about one-third) have closed due to financial pressures.

Q: How are these services paid for?
A: Medi-Cal beneficiaries make up nearly 80 percent of the patients receiving hospital-based skilled-nursing care. Currently, Medi-Cal payments cover just 84 percent of costs, and many facilities report greater shortfalls. Medi-Cal’s per diem rates are established based on cost reports submitted by each facility to the state Department of Health Care Services. Facilities are paid a rate equal to their reported costs or the median cost for facilities across the state, whichever is less.

Q: What is Assembly Bill 97? What effect has it had on hospital-based skilled-nursing facilities?
A: Passed by the California Legislature in 2011, Assembly Bill (AB) 97 reduces Medi-Cal reimbursement rates for services for these facilities to rates that were applicable in 2008-2009, less 10 percent. The legislation authorized the rate cut to be retroactively applied to June 1, 2011.

Implementation of the rate cut was initially prevented by a lawsuit brought by several provider groups. A subsequent court decision in December 2012 reversed the previous decision. The state plans to proceed with implementation of the cuts and retroactive recoupment to June 2011, in the coming months.

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Q: What will happen if the AB 97 cuts are implemented?
A: The pending cuts will cause many hospital-based skilled-nursing facilities to close or reduce services, and the state has no plan to provide appropriate alternative settings to any patients who will be displaced. There aren’t enough available spots for these patients, even if they are moved away from their families and communities.

The reduction of rates to 90 percent of 2008-2009 Medi-Cal funding levels results in an average effective rate decrease of 25-40 percent from current rates. Funding for care in several facilities will be reduced by many millions of dollars. Retroactive recoupment for the period of time since June 1, 2011, will result in devastating financial hardship for many hospitals.

In rural areas, where these facilities often provide essential infrastructure to the overall hospital operation, the loss of funding will undermine the financial viability of the hospital as a whole and will jeopardize all hospital services if forced to close.

Throughout California, the remaining skilled-nursing facilities in hospitals are already at capacity and have long waiting lists. If additional facilities close, many displaced patients will have no place to go, and patients will lose access to medically necessary care.

Q: Do hospital-based skilled-nursing facilities provide cost-effective care?
A: Rehabilitative care provided by hospital-based skilled-nursing facilities is cost-effective by helping patients recover more quickly and return to their homes. Without hospital-based skilled-nursing care, patients will remain in the acute-care hospital longer, adding greater costs to the health care system than any short-term savings claimed through the proposed cuts.

Patients and residents in these facilities have shorter lengths of stay and achieve better outcomes when compared to patients and residents of freestanding skilled-nursing facilities. Acute hospital readmissions are also lower for hospital-based skilled-nursing facilities.

Q: What are the community impacts of these funding cuts?
A: Hospital-based skilled-nursing facilities support timely transition of patients from the acute hospital setting by providing medically necessary care and ensuring that acute hospital services are available for other patients who need them.

If the funding is further cut, many elderly and disabled Medi-Cal patients will end up staying longer in acute-care beds because there is simply nowhere else for them to go.
[Date]

The Honorable [Legislator Name]
California State Capitol
Sacramento, CA 95814

Re: Support AB 900 (Alejo) and SB 640 (Lara) to reverse Medi-Cal cuts to hospital-based skilled-nursing care for California’s most medically complex patients, frail seniors and disabled people at risk.

Dear [Assemblymember or Senator] [Name]:

Please support AB 900 and SB 640 and stand up for our most vulnerable, elderly and medically complex patients living in or cared for by California’s hospital-based (or distinct part) skilled-nursing facilities. AB 900 and SB 640 would reverse the severe Medi-Cal funding cuts to hospital-based skilled-nursing facilities that would devastate health care providers throughout California. Patients and their families will suffer, quality jobs will be lost and communities will be irreparably harmed.

Hospital-based skilled-nursing facilities are crucial. They care for patients of greater medical complexity and are often the only option for those with specialized medical and behavioral needs. For those living in rural communities these facilities are often their only lifeline to care, and being near their family and friends gives them comfort.

Reversing the cuts is the right thing to do from a financial perspective. Medi-Cal beneficiaries make up nearly 80 percent of patients receiving hospital-based skilled-nursing care. They require specialized and medically complex care that freestanding nursing facilities and other health care providers are unable to provide. If the funding cuts are allowed to stand, facilities already decimated by low Medi-Cal rates that do not even cover the cost of current care will face another 25 to 40 percent permanent cut.

There’s no way our hospitals can absorb these kinds of cuts. Statewide, approximately one-third of the hospital-based skilled-nursing facilities have closed within the last five years, putting increased pressure on the availability of acute and emergency room care for the general population in many regions. If the cuts are not reversed, even more will close.

Please do not ignore our seniors and disabled Medi-Cal patients with critical medical needs. Reverse the funding cuts for hospital-based skilled-nursing care so that individuals who can no longer care for themselves can be assured of living and dying with dignity.

Sincerely,

[Name]
[Title]
[Organization]
Help Stop Drastic Funding Cuts for Skilled-Nursing Care!

Support AB 900 and SB 640

Help Needed Now to Preserve Medically Necessary Care for Patients at Hospital-Based Skilled-Nursing Facilities

An urgent call to action is going out to all health care providers, patients and community leaders to write, call and e-mail their legislators to pass AB 900 (Alejo) and SB 640 (Lara). This legislation will stop pending Medi-Cal cuts that jeopardize the health and safety of elderly and disabled people in our community who depend on hospital-based skilled-nursing facilities for specialized care.

Patients with serious physical and behavioral conditions depend on these facilities for long-term care or for rehabilitative therapy following hospitalization so they can return home as quickly as possible. If the funding cuts are not stopped, many medically needy patients, particularly in rural communities, will go without care because other providers will be unable or unwilling to support the high level of complex care necessary to treat them.

The cuts could affect everyone in our community, as hospital-based skilled-nursing facilities help ensure that acute hospital services are available for other patients who need them. Reductions in services or elimination of hospital-based skilled-nursing facilities altogether means more elderly and disabled patients will stay in acute care hospital beds for extended periods of time.

AB 900 and SB 640 will restore necessary funding to these skilled-nursing facilities, which already are reeling from continued losses due to insufficient Medi-Cal reimbursements. The shortage of resources has put these facilities in a tenuous operational and financial state. If the cuts are not stopped, hospital-based skilled-nursing facilities will be faced with the tough choice of closing or drastically reducing essential services that have kept their patients’ health issues from turning into medical crises.

The absence of these critical services will end up costing taxpayers substantially more in the long run than any short-term savings to the state’s budget. To make matters worse, the state has no plans for how it will accommodate the hundreds of patients who will be displaced.

AB 900 and SB 640 will stop the cuts, save the state money and preserve essential care for our most vulnerable and frail residents. Show your support for AB 900 and SB 640 by visiting www.CaringisourCalling.org and help keep seniors and disabled patients safe in our communities, where they belong.

For more information about the toolkit, please contact:

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Letter From Doctor

[Date]
To Editor
[Name of Paper]

Re: Support AB 900 and SB 640 and Stop the Medi-Cal Cuts, Preserving Medically Necessary Care for Patients at [Name of Facility]

I’m a physician who takes pride in the specialized care our staff of dedicated professionals provides to successfully treat patients with medically challenging conditions. Hospital-based skilled-nursing facilities care for patients with ailments such as Alzheimer’s, kidney disease, diabetes, heart conditions and multiple chronic illnesses. Treating these complex conditions requires a high level of skill and often twice the staff of other facilities. We often are the only place to provide this medically necessary, specialized care, particularly in rural areas where there are no other care options available. A deep cut to Medi-Cal funding threatens our very existence. We must stop the cuts — or the health and well-being of hundreds of seniors and disabled patients in our rural communities will be put at risk.

Signed,

[Name, credentials]
[Title]
[Name of Facility]
[Address]
[Phone]
[E-mail]

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Help Stop Drastic Funding Cuts for Skilled-Nursing Care!

Toolkit | Letters to Editor Template (continued)

Letter From Community Leader

[Date]

To Editor

[Name of paper]

Re: Stop the Disastrous Medi-Cal Cuts and Save Patients who Depend on [Name of Facility] for Medically Necessary Care

Dear Editor:

Federal health reform will soon take effect but any expansion of Medi-Cal coverage for those living near the poverty level won’t matter if there are no places left to care for the most medically needy in our communities. Hospital-based skilled-nursing facilities are another in a long line of health care providers targeted for disastrous funding cuts. The pending cuts will reduce our funding for care by 25 percent or more — a cut devastating to seniors and disabled patients with complex conditions that make it difficult for them to walk, eat or sleep. If we don’t stop these cuts many of our community’s most frail residents will surely be moved to acute care hospital beds intended for short-term medical emergencies, or they will be displaced altogether with nowhere to go.

Signed,

[Name]
[Title]
[Address]
[Phone]
[E-mail]

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Go to www.calhospital.org/reverse-cuts-toolkit for a template of letters to use in response to newspaper articles. Patients, family members and friends may be interested in going to CaringisourCalling.org to sign a support letter.