



2004 Public Policy Issues

CAHSA Members and Services

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The Colorado Association of Homes and Services for the Aging (CAHSA) represents providers of care and services to the elderly in a variety of settings, including nursing facilities, retirement communities, independent living housing, and community-based services.

CAHSA members have a long history and respected reputation for delivering exceptional care not only in the physical sense, but also meeting the social, emotional, educational and spiritual needs of seniors and others with special needs.

CAHSA members strive to provide the highest quality of care and housing, offering as many choices and options as feasible and as the consumer demands.

CAHSA members continually open their facilities to the community-at-large for meeting space and senior events and act as a resource for senior health and housing issues. They are an integral part of the communities in which they are located.

CAHSA works cooperatively with federal, state, local and regulatory agencies as well as other provider organizations to effectively and responsibly meet the needs of the population we serve.

Public Policy Statement

CAHSA advocates public policy initiatives which support the individual's need to live in "the least restrictive environment." These initiatives include individual rights, equitable access, quality of care and reimbursement. The type of housing arrangement and services for each individual should be compatible with that person's capabilities, needs and resources. This includes support for policies and reimbursement mechanisms which permit individuals to move back and forth along the continuum of care as their needs change. The continuum of care includes independent living, congregate housing, adult day services, assisted living and nursing home care. The Association recognizes the continuum of care as a range of housing and service options which meet varying needs among the elderly, provides a framework for developing policies which recognize individual needs and choices, addresses cost effective use of public funds, and provides quality care and an enhanced quality of life for frail, elderly persons.

CAHSA will continue to advocate for changes in public policy that reflect the changing needs and choices of the elderly.

ISSUE: **BUDGET CRISIS**

CAHSA members are well aware of the continuing state budget crisis. We understand the constraints imposed by TABOR, Amendment 23 and other voter-approved constitutional amendments that limit flexibility of legislators to solve the state's budget crisis. We recognize that cuts in spending may still occur. However, we are concerned with the impact of the cuts on the frail and vulnerable elderly citizens of Colorado. We have tried a proactive approach to reduce spending in the Medicaid budget by making suggestions for Medicaid Reform to the Department of Health Care Policy and Financing as well as legislators and the Administration. We believe that these suggestions would achieve a more efficient utilization of Medicaid dollars and are more reasonable than wholesale across the board cuts. Since reductions in state appropriated Medicaid expenditures result in reductions in federal matching dollar expenditures, the impact is doubled.

SOLUTIONS:

Alternative Care Facilities – Tiered Rates for ACFs (or ACF+)

The Alternative Care Facilities system needs to be reformed to allow for a tiered approach to reimbursement. The flat rate system in the state does not make sense. Alternative Care Facilities range from small to large, taking clients with low acuity to clients that have a higher acuity.

It seems that the Medicaid program would be better served if it reimbursed ACFs based upon the level of acuity of the client. In other states these tiered rates range from three to six tiers. The reimbursement rate is established based upon the level of acuity of the client within that particular tier. An assessment scale such as the ULTC 100 could be used to determine the tiered structure. In some states where the tiered rates are established it is stated in law that the reimbursement rate shall not exceed x percentage of the nursing home rate.

Incontinence (ACF+)

Many elderly individuals in ACFs are being prematurely sent to nursing facilities at a much higher cost to the state due to incontinence. This is counterproductive to the state's need to provide the least restrictive, most cost-effective environment to the Medicaid client. If the tiered system was established for ACFs then these individuals could be placed back into the community at a much lower cost than nursing home care. First we need to identify how many elderly are currently in nursing homes due to incontinence and then allow for an ACF+ system for incontinence so that ACFs can care for these elderly at a lower cost than nursing homes.

Dementia/Alzheimer's (ACF+)

Many elderly individuals in ACFs are being prematurely sent to nursing facilities at a much higher cost to the state due to Dementia or Alzheimer's. This is counterproductive to the state's need to provide the least restrictive, most cost-effective environment to the Medicaid client. If the tiered system was established for ACFs, then these individuals could be served or placed back into the community at a much lower cost than nursing home care.

ACTION RECOMMENDED: Tell your Legislators to contact Dixi Gloystein in the Department of Health Care Policy and Financing and urge her to support this concept. Her telephone number is 303/866-5908.

Allow Day Programs to Care for Seniors with Dementia or Alzheimer's

Many families are able to support the care of a loved one with Dementia or Alzheimer's who is on Medicaid by the use of a day program for the elderly. These programs allow the families or caregivers to continue to provide care in the evenings and weekends, while feeling secure that their loved ones are in a safe environment during the day.

Due to the wandering that may occur with Dementia or Alzheimer's Disease, many Medicaid clients have to be sent from a day program to a more restrictive or expensive setting. Day programs are not allowed by regulation to install keypad access for secured doors. Keypad access would create a safe environment for a wandering elderly person and allow notification to staff if that person has left the day program. If the state would change the regulations for day programs and allow them to use keypad access, the state could serve these individuals in a less expensive setting, thereby saving dollars in the Medicaid program.

Nursing Home Fee

Last year SB 03-266 was passed, which authorized the Department of Health Care Policy and Financing to seek a waiver from CMS to implement a provider fee as a strategy to avoid permanent cuts to the nursing home budget in Colorado. We opposed the initial provider fee model proposed last year; however, we did participate in a workgroup to develop a model that was more equitable among individual nursing homes. This model, designed to generate \$30 million, was submitted to CMS with a waiver application in September of 2003 and to date has not been approved by CMS. Our national affiliate has advised us that, based on their meetings and communications with CMS, it is unlikely that the Federal government will approve Colorado's waiver application, based on recent rejections of other state proposals. Without the provider fee we will have a \$20 million deficit in the nursing home budget for FY03-04.

ACTION RECOMMENDED: Continue to support the provider fee as long as an equitable model is pursued in the application process with CMS. If the provider fee is not implemented we recommend that any adjustments to Medicaid reimbursement be implemented on a proportionate basis so as to affect all providers equitably. Specifically, every provider should be assessed an equitable share of any reduction based on actual Medicaid participation and the audited amount of non-direct costs. The "Health Care and Other" portion of the reimbursement payment should be excluded from any reductions in order to protect the level of funding currently being spent by providers on direct care and services to nursing home residents. Using this methodology, direct service funding is preserved while distributing any reductions equitably among all providers. Implementing this methodology consistently protects all Medicaid residents in all nursing homes to the extent possible.

Assisted Living Residences Fee Reduction

HB 02-1323 authorized fee increases for Assisted Living Residences. It is our understanding that the increases effective July 1, 2003 have resulted in a cash surplus of which the Health Facilities and Emergency Medical Services Division, Department of Public Health and Environment, have requested expenditure authority from the Joint Budget Committee for the excess collections. We did not support the original fee increases proposed by the Department, as they were implemented in a time of economic crisis when assisted living residences were faced with increased liability insurance premiums, increased utilities expense and no hope of any rate increase for those residences who participate in the Medicaid program as Alternative Care Facilities.

ACTION RECOMMENDED: Contact the members of the Joint Budget Committee and urge them to reduce the July 1, 2003 increase to both the base and bed licensure fees. This action will reduce the excess collections which may impact TABOR revenue as well as assist the assisted living residences, particularly the Alternative Care Facilities, who continue to struggle with inadequate reimbursement previously acknowledged in the Footnote 50A report of November 1, 2000.

ISSUE: LEGISLATION IMPACTING NURSING HOMES

HB 1014, "Concerning the Regulation of Medication Administration by Certified Nurse Aides"

This bill will allow certified nurse aides to administer certain medications to residents of nursing homes. Individual nursing homes would determine if they wish to pursue this option. The CNA would have to complete 140 hours of training to include class time, skill demonstration and clinical experience. After completion of the course and successfully passing a test the aide may only take vital signs and administer oral medications, excluding Coumadin and any scheduled drugs. Due to the current nurse shortage, many nursing homes struggle with recruiting and retaining nursing staff. This bill will allow those who pursue this training an option for more efficient use of their nursing resources. This bill is a result of a recommendation of the Governor's Blue Ribbon Task Force Staffing Issues in Long Term Care.

ACTION RECOMMENDED: Support passage of HB 1014.

HB 1219, "Concerning Community Transition Services for Eligible Persons under the Home- and Community-Based Services for the Elderly, Blind and Disabled Act"

This bill will provide community transition services to eligible persons receiving home- and community-based services. It authorizes up to \$2,000 per person and may allow an individual to move from a nursing home to a less restrictive environment by providing resources to facilitate the transition.

ACTION RECOMMENDED: Support passage of HB 1219.

HB 1284, "Concerning Audit Procedures Related to Providers Under the Colorado Medical Assistance Act"

This bill would establish standard procedures for the review of an audit of Medicaid providers. During the past year many nursing homes invested significant resources to respond to audits conducted by an out-of-state company paid

on a contingency fee basis. After filing appeals, these nursing homes have had to pay only a fraction of the original payback assessed and at an overall loss to them due to the resources required to challenge the audit findings. In addition, when underpayments were found, the provider was not reimbursed.

ACTION RECOMMENDED: Support passage of HB 1284.

ISSUE: **AFFORDABLE HOUSING FOR MODERATE AND LOW INCOME ELDERS**

CAHSA members are committed to providing housing and services to elderly persons with moderate to low incomes. Historically, this has been possible through HUD subsidies, tax credit financing, Medicaid waiver programs, and charitable contributions. Most facilities now have long waiting lists, with the result that many applicants are quite frail at entry and in need of supportive in-home services to maintain their residency.

All CAHSA members are affected by the shortage of affordable housing. Essential workers in longterm care frequently cannot afford average rents. High housing costs are causing labor shortages in some communities. Rents have out-paced wages throughout the state for several years.

CAHSA supports the use of state dollars to maximize the expansion and bundling of private and public sector programs and increase the supply of affordable housing for the elderly population and essential workers in long term care.

ACTION RECOMMENDED: Support the Department of Local Affairs' request for \$100,000 for the Division of Housing to fund affordable housing development.

ISSUE: **SENIOR PROPERTY TAX EXEMPTION**

In the 2001 Legislative session a bill was passed to enact the Senior Property Tax Exemption to be implemented effective with the 2002 property tax bills and payable in 2003. Due to the severe budget crisis in 2003 the legislature reduced the amount of the assessed valuation subject to the exemption to zero. Restoration of the exemption was set for the 2006 property tax bills and payable in 2007. Currently there are three bills that have been introduced to restore the exemption prior to 2006. They vary by effective date and proportion of assessed valuation. CAHSA has actively supported all three bills.

ACTION RECOMMENDED: Support restoration of the senior property tax exemption prior to 2006 if it is fiscally possible to do so.

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CAHSA Member Organizations

Business Members

Aegis Therapies
Bass & Bradshaw Inc.
Bee Hive Homes
BKD, LLP
Colorado Foundation for Medical Care
Colorado Health Facilities Authority
Commercial Insurance Services, Inc.
Community Capital Corporation
Consulting/Teaching Services, Inc.
Epstein, Barry, Attorney at Law
EverCare Colorado
F. A. S. S.
Feldhake & Associates, P.C.
HDS Services
Health Dimensions Group
Highland Group
It's Never 2 Late
KeepInSync
Kindred Pharmacy Services
Krieger & Associates, Inc.
Lancaster Pollard
Lantz-Boggio Architects
Morrison Senior Dining
Mullins Youngdahl Design Company
Myers & Stauffer LC, CPAs
NeighborCare Pharmacy
Newman & Associates, Inc.
Pinon Management, Inc.
RehabWorks
Rural Community Assistance Corporation
Schryver Medical Sales and Marketing
Senior Insight, Inc.
Shughart Thomson & Kilroy
Stifel, Nicolaus & Co., Inc. Hanifen Imhoff Division
Summit Services
U.S. Foodservice, Inc.
William Brummett Architects
Ziegler Capital Markets Group

Facility Members

The Academy
Allied Housing, Inc.
Allied Jewish Apartments
Alterra Clare Bridge at Denver
Alterra Clare Bridge at Highlands Ranch
Alterra Clare Bridge Cottage at Fort Collins
Alterra Clare Bridge of Colorado Springs
Alterra Sterling House at Arvada
Alterra Sterling House at Briargate
Alterra Sterling House at Brighton
Alterra Sterling House at Fort Collins
Alterra Sterling House at Greeley
Alterra Sterling House at Littleton
Alterra Sterling House at Longmont
Alterra Sterling House at Loveland
Alterra Villas at Canterbury Gardens
Alterra Villas at the Atrium
Alterra Wynwood at Canterbury Gardens
Alterra Wynwood at Colorado Springs
Alterra Wynwood at Pueblo
Alterra Wynwood at Ridge Point
Anciano Tower
The Argyle
Balfour Retirement Community
The Barth Hotel
Beatrice Hover Assisted Living Residence
Bent County Memorial Nursing Home
Bonell Good Samaritan
Boulder Good Samaritan Village
Bridge Assisted Living at Life Care Center at Longmont
Bridge Assisted Living at Life Care Center of Greeley
Brighton Gardens
Broadmoor Court
Brookside Manor
Cantril House
Care Link
Castle Creek Terrace
Cedardale Health Care Centre, Inc.
Centura Adult Day-Centura Senior Life Ctr
The Chateau Des Mons
Christian Living Campus
Christian Living Campus-Johnson Center
Christian Living Campus-Living Center
Christian Living Campus-University Hills
Christian Living Campus-Village Johnson Center
Cinnamon Park
Cliffview Assisted Living
Colorado Assisted Living Homes, LLC
Colorado Springs Senior Homes
Courtyard of Loveland, Inc.
Covenant Retirement Communities

Covenant Village of Colorado
Crestview Manor
DayBreak Adult Day & Respite Services
Dayspring Villa
DESCI
Eastern Star-Masonic Center
Eaton Senior Programs
Eaton Terrace II
Eaton Terrace Residences
Eben Ezer Lutheran Care Center
Eben Ezer Lutheran Housing Center (Tabor)
ElderCare Adult Day Svcs of Calvary Bapt. Church
Fort Collins Good Samaritan Village
Frasier Meadows Manor Health Care
Frasier Meadows Manor, Inc.
Garden Park Villa
Gardens at Columbine
Generations at Lowry
Golden West Senior Residence
Granville Assisted Living Center
Guadalupe Senior Apartments
The Haven
HealthONE Alliance Johnson Adult Day Program
Heritage Club at Greenwood Village
Heritage Club at Lakewood
Heritage Club of Aurora
Heritage Club of Denver
Homestead Adult Day Care
Hover Community, Inc.
Kentucky Circle Village
Laurel Manor Care Center
Libby Bortz Assisted Living Center
Liberty Heights at Northgate
Liberty Heights Manor
Loyalton of Broadmoor
Madison House
Maltese Cross Manor
Marriott's Brighton Gardens of Colorado Springs
Marriott's Brighton Gardens of Lakewood
Marriott's Brighton Gardens of SE Denver
Mary Sandoe House
Marycrest Assisted Living
Morning Star Senior Day Program
Mountain Vista Health Center
Mullen Home-Little Sisters of the Poor
Myron Stratton Home
Nightingale Suites at Springwood
The Oberon
Olin Hotel Apartments
Park Hill Residence

Parkplace
Prairie Creeks Living Center
Prairie View Village Assisted Living
Residences at Franklin Park
Retreat at Church Ranch
Senior Housing Options, Inc.
Seniors Choice Adult Day Services
Seniors' Resource Center
Seniors' Resource Center - Evergreen
Seniors' Resource Center Adult Day & Respite Svcs - Southwest Site
Seniors Resource Center Adult Day & Respite Svcs-Northwest
Skycliff Center
Spring Ridge Park
Stepping Stones Adult Day Program
Sunnyrest Health Care Facility, Inc.
Sunrise Assisted Living at Cherry Creek
Sunrise Assisted Living at Orchard
Sunrise Assisted Living at Pinehurst
Sunrise Assisted Living at University Park
Sunrise Assisted Living at Westminster
Sunrise Assisted Living of Colorado Springs
Sunrise Senior Living
Total Longterm Care
Total Longterm Care-Avondale Village Ctr.
Total Longterm Care-Capital Center
Total Longterm Care-The Pinnacle
Union Printers Home
ViewPointe
Vista Village Assisted Living
Vista Village Retirement Community
Wellspring at Aurora
Wellspring at Louisville
Wheat Ridge Assisted Living