

**ULSTER COUNTY
BLUE RIBBON HEALTHCARE SERVICES ADVISORY PANEL
LONG TERM CARE COMMITTEE REPORT**

INTRODUCTION and METHODS

The Long Term Care Committee of the Ulster County Blue Ribbon Commission on Healthcare conducted a thorough and exhaustive review of long term care options in the County. These options included multiple aspects of the Golden Hill Nursing Home and the homecare service provided through the Ulster County Health Department.

The Ulster County Nursing Home review included a comprehensive site review of the facility, encompassing such areas as patient rooms, kitchen and dining areas, and the systems for heating, plumbing and air conditioning.

The Committee also reviewed patient demographic and patient origin data, financial statements for a number of years, as well as financial and demographic trends. The latter show growth, particularly in the segment of the population 85 years of age and older, who tend to be more likely to become residents of a nursing home. The Committee looked at the County's capacity for all nursing home care and reviewed the age of the current facilities, with a view toward their ability to accept admissions in future years and replacement of aging facilities. The Committee also reviewed the location of the currently operating nursing homes and their accessibility to the entire County population, in view of very limited public transportation outside of the river communities.

Additionally, the Committee looked at the financial aspects of long term care from architectural and engineering studies that were prepared by two different and independent architectural and engineering firms (2004 and 2005). We met with representatives from one of the firms. The projections, based on a very

detailed architectural and engineering analysis, demonstrated a cost in excess of \$40 million to repair worn parts of the infrastructure at Golden Hill. The estimated cost for replacement of this facility was approximately \$95 million. In the case of the renovation option, alternative placement for a substantial group of residents over a significant period of time would have to be found. In the case of a new construction option, an alternate site or sites would not have to be found. Alternative placements would be very inconvenient for residents' families and would result in a loss of revenue to Golden Hill, since the revenue would follow the resident to the alternative facility. This loss of revenue would then increase the subsidy needed from Ulster County. In the case of new construction, no relocation of residents would be necessary during the construction; therefore, there would be no loss of revenue to Golden Hill during the construction of a replacement facility or facilities.

The Committee consulted with New York State Department of Health (DOH) staff and reviewed the financing options for absorption of capital investment. The Committee looked at the full continuum of care and analyzed emerging trends and new approaches in caring for the elderly. These new approaches included home care, assisted living, assistive living, independent senior housing and adult homes – a very broad continuum of care that also includes the trend of seniors living at home or with relatives. It appears that these trends are increasing, as the cost of caring for seniors continues to grow and the number of seniors continues to grow.

The Committee also reviewed documents from the Berger Commission Report on Healthcare, which was a State Commission that reviewed hospitals and nursing homes, and which recommended downsizing and closure of many of them. One of their other recommendations was that counties no longer continue in the long term care business.

When the Committee reviewed reimbursement rates, it was found that the reimbursements to counties were less than to private organizations. The

Committee does not possess the expertise to fully understand the multiple nuances involved. The value of intergovernmental fund transfers, gaps in the case mix index of newly admitted residents, fewer Medicare or private pay residents and regulatory factors all contribute to the current financial shortfall of the Golden Hill Nursing Home. As a result, there is a shifting of part of the costs to local County taxpayers.

The Committee developed several recommendations:

1. Based on population growth in the Hudson Valley, particularly in Ulster County and the age 85+ population (the fastest growing segment), and the current utilization of nursing home beds in Ulster County being near or at capacity in every facility, one can only draw the conclusion that there will be a continuing need for all the beds at Golden Hill. Therefore, the Committee makes a recommendation that none of the 280 beds be eliminated and recognizes that there will probably be a need in the future for more beds, based on population trends.
2. The Committee recommends that the beds from the Golden Hill facility be redeployed. Due to the discovery that communities in the southwestern portion of Ulster County account for 20-24% of the population and have no nursing home beds, the Committee recommends the redistribution of a portion of those beds in a more geographically appropriate manner.
3. The Committee recommends that an appropriate developer/owner be determined to work with the Ulster County government to develop two new nursing home sites – one in Kingston and one in southwestern Ulster County. Our analogy is from the world of automobiles: We are recommending the trade in of an old car (which requires a \$4 million and growing annual subsidy from the County) for a new car, which is built with all the latest bells and whistles, is energy efficient and which is

efficiently run at no cost to the taxpayers. Our seniors would experience an improved quality of life in a new facility constructed in a manner congruent with 21st century models of senior care, and the County taxpayers would also benefit financially from no longer having to subsidize an aging facility in need of major repairs and renovations.