

Morris View Healthcare Center Public Hearing

The first of two planned public hearings on Morris View was held on July 6, 2016. The three areas where people requested more information were Occupancy rates, Fringe Benefits and Revenue.

Occupancy Rates

The occupancy rate at Morris View Healthcare Center remains strong at an average of 95%. Morris View has 283 Licensed Long Term Care Beds. The average daily census (occupied beds) is 271.

Fringe Benefits

Fringe Benefits is a distinguishing cost for public entities due to the significant difference between those benefits provided by the public sector and those provided in the private sector. The biggest differences are between the pension system, health plans and the amount that employee's pay for the insurance; the amount of coverage and co-pays for that coverage; and the number of paid days off employees receive as part of their employment which are statutorily required.

The average public sector rate is 60% and the average private sector rate is 25%

The major components of the Morris County Fringe Benefits are the following:

- Medicare and Social Security = \$.9 Million
- Workers Compensation = \$.2 Million
- Health Care = \$3.7 Million
- Pension and Insurance = \$1.5 Million
- Holidays = \$.9 Million

The significant fringe benefit cost difference between the public and private sector are the cost of Health Care, Pension and Insurance and Holiday costs that are significantly higher for the public sector.

Revenue

New Jersey's Managed Long Term Services and Supports (MLTSS) refers to the delivery of long-term services and supports through New Jersey Medicaid's NJ FamilyCare managed care program, designed to expand home and community-based services (HCBS) and promote community inclusion by utilizing the services of Managed Care Organizations (MCO's) which are insurance companies.

Medicaid is the main source of revenue at Morris View Healthcare Center, (approximately 60%) it is also the revenue source that is undergoing the most dramatic change and will, in the next few years, significantly impacting the finances at Morris View.

Medicaid payment language from the State Budgets for State Fiscal Years 2015, 2016 and 2017 contain provisions in each document that provides for Managed Care Organizations (MCO's) to pay county nursing facilities less than the fee-for-service rates that have been paid in the past.

- Currently the County's Medicaid Payment rate is \$232 per resident day
- The anticipated managed care rate to be paid is \$205.
- Average daily census of 271
- Negative fiscal impact is approximately \$1.6 million less than what the facility currently receives for the same level of care.

The Medicaid Fee for Service shift to the Medicaid Managed Care form of payment is anticipated to take full effect by June 30, 2017. This could reduce, even further, the amount of Medicaid reimbursement that Morris View receives.

In addition, for over thirty years, the government run nursing homes have been reimbursed at a higher level than private homes. This is due to the fact that county run nursing facilities have demonstrated that they take higher acuity residents than the typical private nursing facility. Therefore, the State Department of Human Services approved a program called Peer Grouping that enabled County operated nursing facilities to claim a higher rate of reimbursement based on the higher level of care required. The Peer Grouping program is being terminated either in July of 2016 or January of 2017.