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August 20, 2021

Lori Gutierrez, Deputy Director
 Office of Policy
 625 Forster Street, Rm 814
 Health & Welfare Building
 Harrisburg, PA 17120

Dear Ms. Gutierrez:

This letter is in response to the proposed change from the current 2.7 NHPPD to 4.1 NHPPD. While it is understood that the base intent of this change is to improve quality of care, hours of available care do not necessarily translate into an improvement in quality of care. Additionally, there are several factors that make this target nearly impossible to meet and remain a viable business.

As a not-for-profit, we already provide NHPPD significantly above the state's current minimum of 2.7 NHPPD. However, given the current staffing shortages of professional healthcare workers, hiring additional staff has been severely impacted. These shortages remain in spite of wage increases over the past 18 months of up to 27% depending on job classification, employer paid wages for new CNA certification training, and tuition reimbursement options. These proposed changes will only exacerbate the staffing crisis currently facing nursing facilities.

It is also important to note that facilities have received no meaningful increase in Medicaid reimbursements over the past 3 years and additionally have seen a reduction in the BAF (now below 80%) which has eroded any minimal increase there may have been. The changes being proposed would add a substantial financial burden, in our case well over \$400,000 annually, to an already stressed financial position. These costs would have to be absorbed in rate increases to our residents. This is unreasonable given that our residents are living on fixed incomes and will simply spend their resources more quickly, adding them to the Medical Assistance rolls in an expedited manner. It becomes an accelerated negative cycle, adding additional financial burden to the state budget in ever increasing numbers. Facilities that provide excellent care (we are a 5-star facility) will struggle to provide the exceptional care to our residents with higher and higher MA census because of this change, should it become codified.

It is also important to recognize that many members of the facility provide direct patient care beyond just nursing staff. Staff in the therapy department, activities, dining, and others help to meet the overall needs of residents to improve their physical and emotional well-being. It would be very beneficial to allow the time spent by multidisciplinary individuals to count toward the overall NHPPD.

We appreciate the opportunity to provide these comments on the proposed NHPPD changes. It is our hope that these insights will facilitate a meaningful discussion and result in a more realistic outcome.

Sincerely,

A handwritten signature in black ink that reads "Michele Bard". The signature is written in a cursive style with a large initial "M".

Michele Bard, MBA, CPC

CFO