

# News Currents

## In Brief

## CMS Eyes Skilled Nursing Funding Cut

### Agency Seeks Correction In RUGs Calibration

**D**espite a scheduled full market basket update of 3.1 percent for fiscal year 2009, skilled nursing facilities (SNFs) are now facing the prospect of a \$60 million pay cut under a recent Centers for Medicare & Medicaid Services (CMS) proposed rule that seeks to adjust a three-year-old “forecasting error” in resource utilization group (RUG) payment rates.

The agency claims that a proposed recalibration of case-mix weights and non-therapy ancillary services will correct the forecasting error by approximately \$770 million in fiscal year 2009—a move that would essentially consume the entire 2009 market basket update and incur a \$60 million reduction in SNF Medicare Part A payments.

In 2005, CMS revised and expanded the Medicare RUGs, which are used to set Part A daily payment rates for beneficiaries needing SNF care. At the time, the agency estimated that the shift in RUGs from 44 to 53 would be budget-neutral in fiscal year 2006 and would cost no more than they would have been under RUG-44.

CMS told the American Health Care Association (AHCA) shortly after the proposed rule’s release that its purpose is to restore the baseline to the level originally anticipated when the refinements were introduced in 2006.

“For fiscal year 2009, we have pro-

posed a one-time adjustment of \$770 million to accomplish two purposes: reestablish the budget neutrality of the conversion to the RUG-53 model and add a fixed dollar amount to account for non-therapy ancillaries,” a CMS official told AHCA staff.

While CMS gave assurances that the adjustment will be a one-time hit, with no intentions to recalibrate the impact

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of the 2006 refinements on an annual basis, the agency in a public statement defended the cuts as “new, more accurate...payment rates for Medicare SNFs that more closely reflect differences in patient care needs.”

“The proposed rule fails to take into account the expanding role SNFs play in treating medically complex post-acute patients, the higher costs associated with caring for those patients, and the desired impact that reimplementa-tion of the 75 percent rule has had on SNF patient-mix and overall Medicare expenditures,” said Bruce Yarwood, AHCA president and chief executive officer, in response to the rule’s release.

Yarwood pointed to a study that he says confirms SNFs provide post-acute rehabilitation to dramatically more patients than in the past—and at a significant savings to the Medicare program. The report, from the United Hospital Fund (UHF), found that the number of patients in New York

## Oregon’s Community Providers Get Overdue Medicaid Rate Increase

**M**ost of Oregon’s assisted living, residential care, and adult foster homes that care for Medicaid beneficiaries are going to benefit from the legislature’s emergency approval of a \$260 per month, per Medicaid resident rate increase that goes into effect on July 1, 2008. However, the increase does not apply to residences that have Alzheimer’s special rate Medicaid contracts.

Provider groups say it is the first time in more than six years that the state has approved a substantial increase to the community-based long term care program. More than 44 assisted living and residential care communities had cancelled their contracts with the state Medicaid program during the past 18 months.

The dwindling number of Medicaid residential care providers, combined with limited access to facilities, caused alarm among legislators. A special legislative session provided the opportunity to pass an additional rate increase and help free up access to the program.

Oregon is the most progressive state in the nation in the use of Medicaid funds for community-based care, such as assisted living. It has 433 state-licensed assisted living and residential care centers, and 341 of them are in the Medicaid program. While the increase may have stopped some providers from leaving the program, it is “an interim stop gap” because the \$260 rate increase does not apply to Alzheimer’s and dementia care providers, says Linda Kirschbaum, director of assisted living for the Oregon Center for Assisted Living.

—Lisa Gelhaus

state staying in a nursing facility for less than two months more than tripled from 1996 to 2005.

The study also found that between 1996 and 2005, “both long-term residents and short-term patients have become more disabled, and more of them are cognitively impaired.”

Yarwood said the UHF report “exemplifies the increased role that SNFs play in this arena—not just in New York state, but nationwide.”

AHCA and the Alliance for Quality Nursing Home Care issued a joint statement that urges the federal government “to help facilitate the ability of SNFs to accommodate the care

needs of high-acuity, post-acute Medicare beneficiaries.”

Prior to the rule’s release, U.S. Sen. Pat Roberts (R-Kan.) issued a letter to Congress that urges CMS to forego implementation of the proposed rule, citing Medicare RUG cuts of \$4.7 billion over five years. In the letter, Roberts outlined how federal Medicare cuts negatively affect the viability of state-administered Medicaid programs.

The cuts, he says, “will create serious instability” in the skilled nursing sector as well as “jeopardize the quality of care for Medicare beneficiaries and the quality of life for their caregivers.”

—Meg LaPorte

## CMS Adds Special Focus Designation To Web Site

The Centers for Medicare & Medicaid Services (CMS) recently modified its Nursing Home Compare Web site with the addition of data that indicate whether a facility “is or has been on the CMS special focus facility list.”

Each of the designated facilities now displays a footnote that directs the reader to the following statement: “This nursing home has a record of persistently poor survey performance and has been selected for more frequent inspections and monitoring. To learn more, visit the [www.cms.hhs.gov](http://www.cms.hhs.gov) Web site.”

The site, which is updated quarterly, also includes each facility’s performance scores on quality measures, staffing information, and a three-year history of health, safety, and fire inspection reports.

“The expansion of information on Nursing Home Compare will give beneficiaries a more complete picture of a nursing home’s history of providing quality care,” said CMS Acting Administrator Kerry Weems.

According to CMS, publication of the special focus facility list was the first major step in a series of efforts to improve nursing facility care. Outlining these steps is the agency’s recently released 2008 Action Plan for Further Improvement of Nursing Home Quality.

The steps consist of “several interrelated and coordinated” strategies: consumer awareness and assistance; survey, standards, and enforcement processes; quality improvement; quality approaches through partnerships; and value-based purchasing.

In the plan, CMS points to analyses by Congress, the Government Accountability Office, and the Office of Inspector General as evidence that

## Bill Would Bar Pre-Dispute Arbitration

Legislation that would invalidate arbitration agreements entered into upon admission to a long term care facility, or at any time before an actual dispute arose between a resident or family member and the provider, has

term care facility. Martinez said that as a condition of nursing facility admission, many elderly in his state were “asked to agree to arbitrate any claims they may have against that nursing home before their claim actually occurs.”

In a statement introducing the bill, Kohl said the legislation was intended to protect prospective residents and their families from being “forced into arbitration through a nonnegotiable contract prior to the dispute.”

The American Health Care Association (AHCA) opposes the measure, saying the “growing use of pre-dispute agreements throughout the health care sector helps bring about more timely, less adversarial settlements.” Pre-admission arbitration clauses “not only allow facility staff to better concentrate time and effort on their job of caring for patients and residents, but also better ensure scarce Medicare resources go toward improving patient care—not diverted to pay the escalating costs associated with lawsuits,” said Bruce Yarwood, AHCA president and chief executive officer.

—Lynn Wagner

been introduced by Sens. Herb Kohl (D-Wis.) and Mel Martinez (R-Fla.).

Martinez said the bill was consistent with the intent of the longstanding Federal Arbitration Act, which in 1925 established the validity of arbitration and prohibited states from barring or restricting such agreements. The legislation would, however, proscribe the common practice of entering into pre-dispute arbitration agreements, often as part of the admission process to a long



“further refinements and new initiatives are essential in order to ensure that nursing home residents can count on adequate support and services in a caring and safe environment.”

The survey, standards, and enforcement improvement component of the plan includes several initiatives under development “to improve the effectiveness of the annual nursing home surveys as well as those prompted by consumer complaints.”

Also in the works is a partnership with states to improve enforcement efforts, the plan says.

The action plan contains a timeline

‘The action plan contains a timeline of expected milestones to be met during the remainder of the year.’

of expected milestones to be met during the remainder of the year. Among them are plans to issue draft methodologies to improve the accuracy of staffing information submitted by nursing facilities and posted on the CMS Web site.

According to the timeline, the final rule requiring all nursing facilities to be fully sprinklered by the end of a specified phase-in period will be published in August, while new guidance to surveyors on nutrition is slated for release next month.

CMS will continue its focus on two current initiatives: the Nursing Home Value-Based Purchasing Demonstration and the Post-Acute Care Instrument Development Demonstration.

—Meg LaPorte

# Survey Links Satisfaction And Quality Data

## Workforce Challenges Must Be Addressed

Recent national data from more than 4,000 nursing facilities reveal that 82 percent of consumers are satisfied with their nursing facility—with 51 percent rating their care as “good” and 31 percent rating it “excellent,” according to a recent report from My InnerView (MIV), a long term care research company based in Wausau, Wis.

Contained in one report from MIV are data from two surveys—consumer satisfaction, based on responses from 27,397 residents and 118,985 family members, and workforce satisfaction, based on responses from 161,908 nursing facility employees.

The dataset collected from MIV’s surveys—the third year for consumer satisfaction and the second year for workforce—comprise the largest ever assembled on such metrics, according to Neil Gulsvig, MIV president and founder.

Since MIV began measuring consumer satisfaction in 2005, overall satisfaction has remained consistently high across all three years, according to the report.

The latest consumer survey shows that 48 percent of respondents said they would recommend their facility as “good” to others, while 34 percent would give their facility an “excellent” rating when recommending it to oth-

ers. In addition, 70 percent of nursing facility employees would recommend their facility as a good or excellent place to receive care, while 63 percent would recommend their facility as a place to work.

One key component of the consumer satisfaction survey is the data on indicators of consumer satisfaction within a variety of domains—such as quality of life, quality of care, and quality of service.

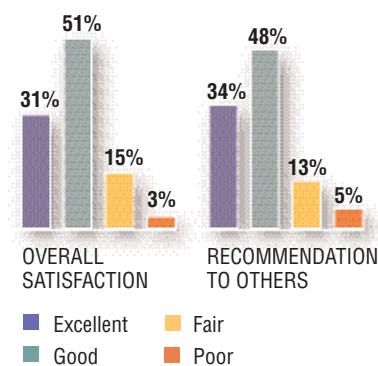
As in previous years, 2007 consumers weighed in with satisfaction rates of either “excellent” or “good” under all three domains:

Eighty-one percent were satisfied with quality of life, 78 percent were satisfied with quality of care, and 73 percent found quality of services to be satisfactory.

Global satisfaction among nursing facility employees was high, according to the report, with more than 60 percent of respondents indicating overall satisfaction with an “excellent” or “good” rating.

Least satisfied among nursing facility employees were nurses and nurse assistants, yet they are more satisfied than the typical U.S. worker. The report points to research that finds 47 percent of U.S. workers are satisfied compared to 56 percent of nurses and 54 percent of nurse assistants.

SNF CONSUMER GLOBAL SATISFACTION



Source: My InnerView “2007 National Survey of Consumer and Workforce Satisfaction in Nursing Homes”

In addition, one in four respondents (25 percent) rated their nursing facility as an “excellent” place for care.

In an effort to gain a better understanding of the specific factors affecting workforce satisfaction, respondents were asked to assess satisfaction within the following domains: training, work environment, supervision, and management.

Quality of supervision was given an “excellent” or “good” rating by 62 percent of the survey respondents, while the management domain did not fare as well.

In rating how well management cares, less than half of the respondents (47 percent) gave ratings of “excellent” or “good.”

The “management listens” domain garnered the lowest ratings, with 44 percent giving “excellent” or “good” ratings. An average of 23 percent of the respondents registered a “poor” rating for the management domain overall.

“These findings demonstrate an opportunity for providers to enhance the levels of satisfaction of frontline caregivers by focusing on the extent to which managers understand, act upon, and care about their employees,” says MIV researcher Leslie Grant.

Under the work environment domain, the highest indicator of job satisfaction among employees was their ability to make a difference in people’s lives. Fully 84 percent of the respondents gave an “excellent” or “good” rating on this indicator.

Additional indicators of high job satisfaction were how staff respect the residents, and workplace safety, weighing in at 79 percent and 75 percent, respectively.

Help with job stress and pay received the weakest indicators of job

satisfaction among the respondents, which were rated either “fair” or “poor” by 37 percent and 39 percent of respondents, respectively. Staff retention is also linked to consumer satisfaction, according to the report. “Facilities with lower turnover and higher retention of staff have higher levels of consumer satisfaction,” it says.

The report asserts that the leader-

than nurse assistants to have had five or more years working at the same facility.

“The profession needs to address not only how to retain the aging workforce,” the report says, “but how to recruit younger talent into the profession.”

Despite reports of very high turnover rates in nursing facilities, the survey found that 58 percent of the respondents have two or more years of experience working at the same nursing facility, while only 10 percent have been at their current facility for less than three months.

These and others issue must be addressed, says Grant. “There is a growing recognition that workforce challenges are extremely important to address if the industry is to survive.”

While the two surveys are seemingly disparate, the report emphasizes a critical link between consumer and workforce satisfaction. “It underscores the link between consumer and workforce satisfaction and demonstrates how satisfaction measures are a critical dimension of quality where the interests of consumers, payers, and providers are aligned,” says Grant.

“Facilities with higher satisfaction have higher consumer satisfaction, while facilities with lower workforce satisfaction have lower consumer satisfaction,” the report says.

The significance of workforce factors in consumer satisfaction cannot be overestimated, the authors say. “The factor most highly correlated with willingness to recommend the facility for both residents and their families is their evaluation of the competency of staff.”

—Meg LaPorte

## SNF WORKFORCE SATISFACTION BY DOMAIN

WORK ENVIRONMENT	Excellent	Good	Fair	Poor
Work makes a difference	36%	48%	13%	3%
Staff respect for residents	27%	52%	17%	4%
Workplace safety	22%	53%	20%	5%
Fair evaluations	19%	47%	23%	11%
Teamwork	18%	40%	28%	14%
Adequate equipment	17%	40%	28%	15%
Pay comparison	9%	30%	34%	27%
Help with job stress	8%	29%	33%	29%
Staff communication between shifts	8%	34%	35%	22%
Overall Average	18%	41%	26%	14%
SUPERVISION	Excellent	Good	Fair	Poor
Supervisor cares	30%	35%	21%	13%
Supervisor appreciates	26%	31%	24%	19%
Supervisor informs	24%	39%	25%	13%
Overall Average	27%	35%	23%	15%
MANAGEMENT	Excellent	Good	Fair	Poor
Management cares	14%	33%	31%	22%
Management listens	12%	32%	31%	25%
Overall Average	13%	33%	31%	23%

Source: My InnerView “2007 National Survey of Consumer and Workforce Satisfaction in Nursing Homes”

ship practices that are needed to address these issues must be based on understanding the needs of the employees. “The extent to which facility management listens to and cares about the needs of employees and assistance with job stress will drive greater satisfaction,” the report says.

The results of the workforce survey reveal that the highest percentage of nurses (33 percent) and nurse assistants (19 percent) are over the age of 50. What’s more, nurses are more likely

# Long Term Care Workforce Crisis Looms

## Recruiting And Training Costs Facilities \$4 Billion A Year

While demographers have long predicted an explosion of Americans aged 65 and older, “little has been done to prepare the health care workforce” for the near doubling of this population, from 37 million in 2005 to over 70 million in 2030, according to a new report from the Institute of Medicine (IOM).

“The education and training of the entire health care workforce with respect to the range of needs of older adults remains woefully inadequate,” while recruitment and retention of health care workers is a “significant problem, especially in long term care settings,” IOM said in the report, “Retooling for an Aging America: Building the Health Care Workforce.”

The report includes 13 recommendations for public- and private-sector payers, regulators, and educators to: enhance training and educational opportunities for health care workers; offer better pay, benefits, and other

financial incentives to attract health professionals to the field; develop new models of care for older adults that more effectively use the workforce; enhance professional recognition and rewards; establish new competencies for workers; and apply new technologies to geriatric care.

The American Health Care Association (AHCA) applauded the report and most of its recommendations. In testimony submitted to the Senate Special Committee on Aging, for a hearing on the workforce for older adults, AHCA agreed with IOM’s overarching call for “immediate changes related to the education, training, recruitment, and retention of the health care workforce.” Citing a March 2008 report from the National Investment Center, AHCA said the demand for nursing facility care could nearly triple by the year 2040, when there could be as many as 3.1 million older people in nursing facilities. The

high number of vacancies and turnover rate in long term care settings “compromise sustained quality improvements and increase costs,” AHCA said. According to the National Commission on Nursing Workforce for Long-Term Care, the recruitment efforts and training of new nursing staff costs nursing facilities over \$4 billion a year, more than \$250,000 per facility, AHCA said.

AHCA disagreed with some IOM proposed remedies, however, saying they fell short of capturing “all the underlying complexities that are unique to long term care.” In place of IOM’s call for an increase in certified nurse assistant and home health aide training to at least 120 hours, AHCA said Congress should fund a study to determine the “positive measurable benefits of increased training” to provide a “better framework to establish optimal training requirements.”

—Lynn Wagner

## Stock Check

PROVIDERS	Symbol	Where Traded	% Current Price 4/30/08	Adjusted P/E Ratio	Change From 1/1/08	52-Week Range High	52-Week Range Low
<b>Skilled Nursing</b>							
Advocat	AVCA	NASDAQ	\$10.58	7.3	-4%	\$13.77	\$9.25
Ensign Group	ENSG	NASDAQ	\$9.61	5.6	-33%	\$16.65	\$7.50
Kindred Healthcare	KND	NYSE	\$23.73	8.0	-5%	\$28.74	\$17.35
National HealthCare	NHC	AMEX	\$50.09	11.6	-3%	\$55.75	\$45.75
Skilled Healthcare Group	SKH	NASDAQ	\$12.10	8.6	-17%	\$16.81	\$9.83
Sun Healthcare Group	SUNH	NASDAQ	\$13.15	8.7	-23%	\$18.78	\$11.72
<b>Assisted/Independent Living</b>							
Assisted Living Concepts	ALC	NYSE	\$7.31	11.6	-3%	\$12.34	\$5.46
Brookdale Senior Living	BKD	NYSE	\$26.18	14.6	-8%	\$48.41	\$20.46
Capital Senior Living	CSU	NYSE	\$8.51	11.4	-14%	\$12.09	\$6.32
Emeritus Assisted Living	ESC	AMEX	\$24.65	13.8	-2%	\$39.40	\$19.99
Five Star Quality Care	FVE	AMEX	\$6.00	9.2	-28%	\$11.01	\$5.71
Sunrise Senior Living	SRZ	NYSE	\$21.45	N/A	-30%	\$42.97	\$16.27
<b>REITS</b>							
Care Investment Trust	CRE	NYSE	\$11.11	6.1%	3%	\$14.80	\$9.40
Health Care Property Investors	HCP	NYSE	\$35.70	5.0%	3%	\$38.75	\$25.11
Health Care REIT	HCN	NYSE	\$48.45	5.6%	8%	\$50.49	\$35.08
Healthcare Realty Trust	HR	NYSE	\$28.33	5.4%	12%	\$34.68	\$18.00
LTC Properties	LTC	NYSE	\$27.23	5.7%	9%	\$28.06	\$19.02
National Health Investors	NHI	NYSE	\$30.59	7.2%	10%	\$35.54	\$27.00
Nationwide Health Properties	NHP	NYSE	\$36.02	4.9%	15%	\$37.15	\$22.63
Omega Healthcare	OHI	NYSE	\$17.50	6.9%	9%	\$19.20	\$12.00
Senior Housing Properties Trust	SNH	NYSE	\$23.95	5.8%	6%	\$25.21	\$16.22
Universal Health Realty	UHT	NYSE	\$33.54	6.9%	-5%	\$39.05	\$28.23
Ventas	VTR	NYSE	\$48.56	4.2%	7%	\$50.30	\$26.50

Quotes courtesy of www.seniorcareinvestor.com, Norwalk, CT (203) 846-6800

(1) Adjusted P/E=(market cap + total debt + capitalized leases - cash)/annualized EBITDAR based on the most recent quarter.

The rate used to capitalize the leases has been changed from 12.5% to 10.0% effective 1/31/06 to better reflect market conditions

# HCBS Rule Could Lead To Eligibility Changes

## SNF Criteria Would Be More Stringent

**A** proposed rule allowing home- and community-based services (HCBS) to be added to state Medicaid benefit plans without a federal waiver would also require states to create a hierarchy of needs-based criteria to differentiate HCBS eligibility from nursing facility eligibility by making the latter standards more stringent.

The Centers for Medicare & Medicaid Services (CMS) indicated that some states may have to ratchet up their skilled nursing facility (SNF) requirements, potentially making it more difficult for individuals to access SNF services.

The regulatory proposal, published in April by CMS, said states would have the latitude to determine their own needs-based criteria for HCBS. Broadly speaking, these criteria consist of “specified types of support,” such as assistance with activities of daily living, or risk factors, such as the absence of family members to provide care, CMS said.

The rule also distinguished support needs from clinical diagnoses. Support needs “can only be ascertained for a given person through an individual evaluation,” CMS said in the proposal. While many individuals may share the same diagnosis, their support needs “will vary widely,” the rule stated.

Under the rule, states would be required to have needs-based criteria in place for nursing facility care as a condition of adopting an HCBS benefit, and the SNF eligibility requirements would have to be more stringent. States could modify their existing criteria for SNF care, raising the bar for nursing facility eligibility, in order to establish and differentiate a lower

threshold for HCBS. Such changes would be subject to a 60-day advance notice.

Residents that were already in a nursing facility would be exempt from the enhanced criteria and remain so until they were discharged or no longer met the original eligibility criteria for care. Those who met the eligibility requirements for both HCBS and nursing facility care “must be offered a choice of either benefit,” CMS said.

The proposed rule implements a section of the Deficit Reduction Act of 2005, giving states the flexibility to offer HCBS as part of their fixed Medicaid benefit plans, as opposed to continually applying for waivers. Benefits that could be added to state plans include case management, homemaker, home health aide, personal care, adult day care, respite care, and select services for people with chronic mental illness.

To qualify for HCBS, beneficiaries must have incomes at or below 150 percent of the federal poverty level. Under the proposed rule, eligibility for HCBS would be determined by an “independent evaluation” of each applicant, assessing whether they met the general eligibility requirements and needs-based criteria. Based on the assessment, a plan of care would be developed through a “person-centered planning process.”

Individuals would have the option to self-direct their care—controlling the purchase and selection of providers and services—if they were deemed able to do so.

—Lynn Wagner

## Washington State Plays Hard Ball

**U**nder a recently enacted law, Washington state assisted living providers voluntarily canceling their Medicaid contracts will have to continue providing Medicaid services to current beneficiaries and certain private-pay residents who are eligible for Medicaid within six months of the facility’s withdrawal date.

“This law means providers no longer have control over the Medicaid case-load in their buildings,” says Gary Weeks, executive director of the Washington Health Care Association.

Gov. Christine Gregoire signed the legislative bill, which requires that all Medicaid-contracted boarding homes—the state’s licensure term for assisted

living—wanting to withdraw from the Medicaid program must provide services to current Medicaid residents and to those private-pay residents who have been paying privately for two years and would become eligible for Medicaid within six months of the withdrawal date.

“What the legislation has done is forced boarding homes to retain residents rather than addressing the underlying problem,” Weeks says. “The real problem is inadequate funding of Medicaid rates.”

Washington’s average Medicaid rate is \$65 a day, he says. The state has nearly 350 boarding homes contracting with Medicaid to provide care for about 6,000 Medicaid beneficiaries.

Boarding home rates have remained flat for eight years, averaging an increase of only 2 percent annually, which has not kept pace with increases in providers’ costs for liability insurance, utilities, and labor, says Weeks.

—Lisa Gelhaus



# Compendium Finds Modest AL Growth

## Overall Medicaid Waiver Beneficiaries Decrease

The recently published “Residential Care and Assisted Living Compendium: 2007” found that between 2004 and 2007 the number of licensed assisted living beds increased 6 percent, more states used the Internet to post licensing and regulatory information, and the total number of assisted living residents covered by Medicaid declined modestly.

“This report is an important reference for providers, operators, and developers that contains assisted living growth trends and state regulatory and Medicaid policy approaches,” says Karl Polzer, senior director of policy for the National Center for Assisted Living. “An important finding of the report is that the number of people covered by Medicaid in assisted living communities declined from 2004-07 even as the assisted living industry grew overall.”

The compendium describes assisted living regulations and Medicaid policy in 50 states and the District of Columbia.

The report updates a compendium published in 2005 that contained 2004 data. The report’s authors note states’ increasing use of the Internet allowed them to collect 2007 data rather than 2006 data as was originally intended.

Robert Mollica and Kristin Sims-Kastelein of the National Academy for State Health Policy and Janet O’Keeffe of the Research Triangle Institute prepared the report for the Office of Disability, Aging and Long Term Care Policy, the Office of the Assistant Secretary for Planning and Evaluation, in the U.S. Department of Health and Human Services.

The significant findings in the report include:

- Compared with 2004, the supply of licensed facilities rose 6 percent, and the number of units rose 4 percent.

- In 2007, states reported 974,585 units or beds in 38,373 licensed residential care facilities, up from 935,364 units in 36,218 facilities in 2004.

- Changes in facility supply varied across states. About half reported an increase in the number of licensed facilities, and half reported a decline. The supply of the number of licensed facilities rose more than 10 percent from 2004 in nine states (Alaska, 41 percent; Arizona, 29 percent; California, 14 percent; Georgia, 10 percent; Massachusetts, 11 percent; Minnesota, 33 percent; North Dakota, 26 percent; Wisconsin, 46 percent; and Wyoming, 33 percent).

- Supply has declined more than 10 percent since 2004 in five states (Hawaii, 11 percent; Kansas, 12 percent; Nevada, 14 percent; New Mexico, 18 percent; and New York, 14 percent.)

- Twenty-one states revised their regulations between 2004 and 2007, and 12 states reported current activity to revise regulations.

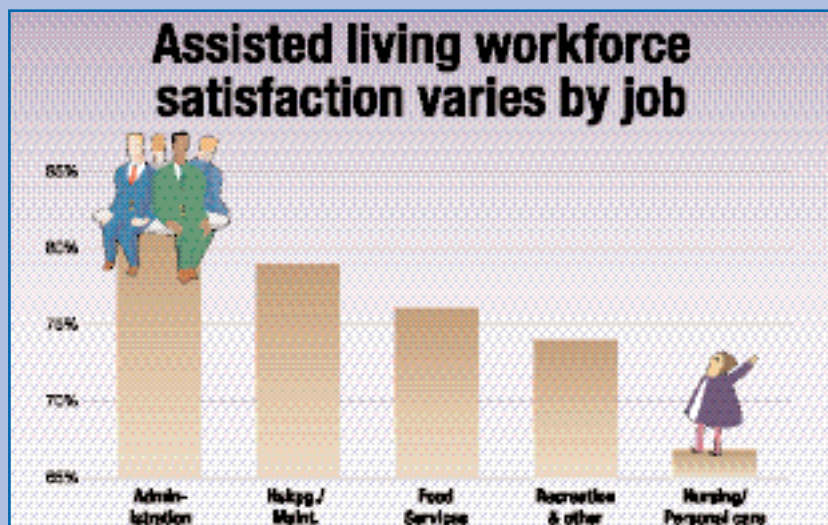
- Forty-three states and the District of Columbia now have a licensing category or statute that uses the term assisted living.

- Pennsylvania enacted a law creating a new licensing category for assisted living that requires units to have private bathrooms, living and bedroom spaces, and food preparation areas.

- Indiana and Ohio implemented Medicaid home- and community-based service waivers to cover services in assisted living settings.

During the three-year period between 2004 and 2007, the reported number of Medicaid beneficiaries living in residential care settings

## By The Numbers



Based on the percent of total weighted assisted living employee satisfaction survey respondents in each job category who rated their overall satisfaction as “Excellent” or “Good.”

Source: Assisted living employee satisfaction surveys conducted in 2007 by My InnerView Inc.

dropped from 121,000 to 115,000, with most of the decline occurring in Medicaid state plan programs in Michigan and Florida.

“Regulatory changes have tended to address the challenges posed by serving frailer and sicker residents, as well as concerns among state licensing staff about inappropriate retention, adequacy of care, and the shortage of trained staff,” the report says.

Staffing requirements, staff training, criminal background checks, admission and retention criteria, disclosure requirements, and resident agreements were among the areas in which states have revised regulations.

The compendium also noted states’ extensive use of the Internet to post information such as regulations or licensure. A review of licensing agency Web sites identified a wide range of information for consumers and their families, as well as owners, operators, and developers.

- All 50 states and the District of Columbia post links to their licensing regulations and statutes.

- Forty-two states list all licensed facilities, and some sites include their addresses, phone numbers, and the number of units.

- Thirty-nine states post additional information primarily for facility owners, administrators, and managers, for example, documents relating to the survey process, survey guidelines, training requirements, background check requirements, forms, and notices.

- Sixteen states post a consumer guide or a list of questions to help consumers and family members understand residential care options and to compare and select a facility.

- Thirteen states include information from survey reports and complaint investigations. States that monitor facility staff prepare survey reports following their on-site visits to assess compliance with state licensing requirements.

—Lisa Gelhaus