



NORTHERN MONTANA

Health Care

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SENATE FINANCE & CLAIMS

Exhibit No. 60
Date 3.18.11
Bill No. HB 2

March 18, 2011

MAR 18 2011

Senate Finance and Claims Committee Members:

Northern Montana Hospital operates a 136 bed Skilled Nursing Facility in Havre, MT. I am writing to urge you to support adequate funding for nursing homes. As you know, nursing homes receive Medicaid funding in HB 2, in the DPHHS budget. They received a 2% rate increase on July 1, 2009 (SFY 2010) and there was another 2% rate increase scheduled for July 1, 2010 (SFY 2011) which the Governor did not give them. On July 1, 2011, rates will go down 2% unless something is done to stop that from happening. Also, our staff has received direct care wage money totaling \$132,000 per year. Staff will lose that money over the next biennium if something isn't done. Northern Montana Care Center (NMCC) has used the direct care wage money to help retain staff and avoid use of travelers, which cost more than twice as much as regular staff. If we lose the ability to retain staff and are forced to hire travelers, we may need to limit admissions to avoid the use of travelers. Over the last two years, the cost of everything else has risen, so we are paying more for utilities, food, supplies, etc. Nearly 70% of our population is covered under Medicaid. Without additional funding from Medicaid, it will be very difficult to keep our doors open and offer much needed LTC services to Havre and the surrounding area. Please consider the difficulties and hardship on nursing homes throughout the State if our current rates are cut by 2% and our lower-paid staff is asked to live without \$132,000 per year in compensation they have received over the past two years. If places are forced to close their doors, who will take care of these very frail, very sick people?

Respectfully,

Kim Lucke, VP Finance
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