



HEALTH AND HUMAN SERVICES
APPROPRIATION SUBCOMMITTEE
January 22, 2021

Dear Mr. Chairman and members of the committee,

My name is Kelly Bilau and I serve as the Administrator of Brendan House. Our skilled nursing facility is affiliated with the Kalispell Regional Healthcare system. Our organization is the largest employer in the Flathead Valley. Since 1985, we have continuously served long term care patients. Currently, we have over 160 employees staffed at Brendan House and we are licensed to care for 110 residents. Our average daily census for 2020 was 89 and today we are caring for 79 Montanans in our facility.

I have brought to this committee in years past, the challenges of providing quality care with limited resources in long term care facilities. The introduction of COVID-19 to our industry presents not just a new host of issues, it emphasizes the need for improvements in the lives of the elders of our country and that definitely includes Montana. My plea to you today is to please not forget them.

When the long term care center in Washington state experienced a devastating COVID-19 outbreak in 2020, all facilities in our nation took notice and began to put many safeguards in place to protect our vulnerable populations. These safeguards of course include equipment to allow for additional protective measures to prevent disease spread. It also includes processes to screen and test staff and residents for early detection of the virus in efforts to keep it out of our buildings.

Our battle against COVID-19 not only requires costly additions, it also forces extreme sacrifices. We had to eliminate a valuable resource. We had to restrict those that entered our doors due to the risk of exposure from community members being too high. This means we have lost the rich benefits of typical interactions our residents had with volunteers, families and friends. We have pivoted and transitioned to virtual and modified visitations through windows. We all know that this is not the same and incredibly difficult for a generation not accustomed to such technology for communication. The price tag to make these adjustments is high and the ultimate cost to our residents is immeasurable.

We did experience a significant COVID-19 outbreak in our facility in November. It was brutal. It still is brutal. It is far from over. It truly is a war and the level of protection needed is high and the workload feels unsurmountable. We have to operate at an intensive care unit level with a care and reimbursement model that is drastically different. If our country and our state intends to truly safeguard and put value on the lives of older Montanans, then this discrepancy has to change. Funding has to be provided to bridge this enormous gap.

The task of caring for the elderly has always been great yet with the effects of COVID-19 on this population, the need has become greater and our public policy has to respond to meet these needs. They can no longer be ignored. Now more than ever we need focus, attention and dollars put towards this arena.

It is important that the Medicaid rates paid to those of us who provide care on behalf of the state cover the actual costs involved in providing the services the state is asking us to provide. The gap continues to widen each year and cannot continue if long term care facilities need to remain the institution to provide care for those in need. We are asking that you consider rate increases that are appropriate to the task at hand.

Although we continue to remain fiscally responsible and budget conscious, the escalating expenses associated with poor reimbursements is evident and the increasing cost of care is often shifted to others, like our private pay patients and our

staff. As fewer and fewer organizations are able to accept Medicaid patients for long term care, the impact of not receiving adequate funding intensifies the challenges and costs for all of us who still serve this population.

I fight back tears as I type this letter as I recall the extreme changes our facility went through to courageously fight this virus at its pinnacle. While I recognize we all are suffering from loss and post-traumatic stress from our outbreak, I am incredibly proud of the tireless dedication our staff showed as we cared for our community. We are essential workers. Often forgotten about, yet incredibly essential. The incentives offered to work in long term care must continue and I add that they should be increased. This level of dedication demands hazard pay. It is necessary to have a viable and dependable workforce to care for our most needy.

As we absorb losses year after year, it affects those we care for as well as those that provide the care. Those that work in long term care have the heart to serve those that are sick and cannot help themselves yet we are unable to offer them adequate pay increases to keep up with the high costs of living. Our dedicated care providers choose their line of work because they love it and it is unfortunate that the monetary reward does not meet the level of compassion that it takes to perform the duties.

For our over 160 staff, working in our facility is not just a "job". We have some that have been in their positions since the doors opened in 1985. They are dedicated to making a difference and it is disheartening to me that we cannot make more of a difference for them to justify the work that they do with such relentless passion.

The quarterly and lump sum bonuses provided from state funds make a major impact for our direct care workers. They budget their lives around this bonus, which is not necessarily a guarantee. By budget I don't mean for frivolous expenses or over the top items. They count on the funds to put gas in their vehicles to make it to work each day. The vast majority of our care team members provide the main source of income for their families and they are counting on every cent to make ends meet.

We strongly support the continued funding for direct care wage increases. It is imperative that we be able to offer adequate salaries and benefits to retain a prime work force and deliver care to our patients and community, but we are unable to offer competitive wages and incentives needed to recruit and retain staff we desperately need.

Thank you for this opportunity to share comments and to share a few real impacts that are placed on our patients, their families and our employees. We encourage you to explore all opportunities to approve increased funding to skilled nursing facilities and long term care.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Bilau".

Kelly Bilau, PT, NHA, Administrator
Brendan House
350 Conway Dr
Kalispell, MT 59901
406-751-5339
kbilau@krmc.org

Testimony for Joint Appropriations Subcommittee 1/22/2021

I have been a licensed Nursing Home Administrator in Montana since 1996. During that time I have worked in all manner of facilities: for-profit, community non-profit, county-owned, and tribal-owned.

In every facility there are two main challenges: staffing, and funding.

Every non-profit facility in which I have worked is subsidized by local taxpayers in some way – by taxpayer-reimbursed construction bonds and/or hospital district levies.

Every county-owned facility in which I have worked receives a direct general fund subsidy from the county – often exceeding \$1Million per year.

For-profit facilities are not ripping off the system. What little profit they take is offset by the value they provide in the form of support services and capital.

Typically, over 80% of nursing home revenue comes through Medicaid reimbursement.

I know of three nursing homes that have closed in recent years. Rose Hughes will be able to tell you how many more of which I am unaware. Failure to adequately fund nursing homes will result in the loss of more long term care facilities – beginning with those in smaller communities.

Loss of nursing homes means the elders are moved away from their families, and the employees must find jobs elsewhere as well.

Kent Hanawalt
Montana Nursing Home Administrator #795
Livingston, MT

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services

Position: Proponent

Representing an Entity/Another Person: No

Organization: N/A

Name: Wendy Soulek

Email: wlsoulek@lantisnet.com

Phone: (605) 642-7736

City, State: Spearfish, SD

Written Statement: Medicaid in skilled nursing facilities and assisted living facilities is historically low. During COVID, the temporary additional \$40/day brought daily reimbursement almost to what it costs per day to care for a resident on average in most buildings in the most frontier of America. With unemployment paying more than it pays to work, there is little incentive for folks to enter the workforce. Costs to staff have grown by double to triple depending on the location. PPE is not going to go away, nor is testing. We are not able to cover these expenses without increased rates once the CARES Act is done in a few months. If this is the new norm, it is likely many facilities in Montana will be forced to close, particularly in the smaller communities. Staffing remains one of the greatest challenges and agency staff costs 3 times having our own teams. Please support an increase. Montana has always been a leader and supporter of our nations founders/ the elderly. Regulations have made all healthcare facilities like a jail due to COVID, census is down. Please do not let this very important and necessary service die.

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services

Position: Proponent

Representing an Entity/Another Person: No

Organization: N/A

Name: Corbin Boyd

Email: corbin.boyd@parkviewrcc.com

Phone: (406) 998-9717

City, State: Billings, Montana

Written Statement: Medicaid in skilled nursing facilities and assisted living facilities is historically low. During COVID, the temporary additional \$40/Day brought daily reimbursement up to almost what it costs per day to care for a resident in most facilities in America. With unemployment paying more than it pays to work, there is little incentive for people to enter the workforce. Costs to staff have grown by double to triple depending on the location. PPE is not going to go away, nor is testing. We are not able to cover these expenses without increased rates once the CARES Act expires in a few months. If this is the new norm, it is likely many facilities in Montana will be forced to close, particularly in the smaller communities. Staffing remains one of the greatest challenges and agency staff costs 2 times what we pay for our own staff. Please support an increase. Montana has always been a leader and supporter of our nation's founders and the elderly. Regulations have made all healthcare facilities like jail due to COVID, and census is down across the nation. Please do not let this very important and necessary service die.

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services

Position: Proponent

Representing an Entity/Another Person: No

Organization: N/A

Name: Kimberly Gordon

Email: KIMBERLY.GORDON@LAKEVIEWCARE.COM

Phone: (406) 837-5041

City, State: Bigfork, MT

Written Statement: As you work diligently on the budget we are here in the throws of the pandemic again being asked to do more with less. I am in support of long term care nursing facility funding to further the care and increase and improve the care of seniors throughout our state. Continuing to ask us to do more with less will not accomplish what we are all set out to do - providing the best care of seniors. Please help us to improve overall care in long term senior care by increasing nursing home funding.

Bill: HB-2: General Appropriations Act 2021-01-25 08:00 AM - (H) JAS on Health and Human Services

Position: Opponent

Representing an Entity/Another Person: Yes

Organization: Montana Primary Care Association

Name: Stacey J Anderson

Email: sanderson@mtpca.org

Phone: (406) 442-4228

City, State: Helena

Written Statement: MPCA opposes the starting point motion and urges Section B to reflect Governor Gianforte's budget.

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services

Position: Proponent

Representing an Entity/Another Person: No

Organization: N/A

Name: PATRICIA DORTCH

Email: TRICIA.DORTCH@WLKALISPELL.COM

Phone: (406) 756-8688

City, State: 156 Three Mile Drive Kalispell, MT 59901
Written Statement: I am the Executive Director of one of the few Assisted Living Communities in Kalispell, who will accept Medicaid Waiver residents. I had to seriously limit the number of residents I could serve prior to the rate increase in May 2020. The previous rates only covered about 67% of the cost of care for these residents. There was a limit to how many residents we could care for losing money and stay in business. When the rates went to \$104/ patient day on most residents it covers close to the cost of care. There is no profit or gain but we are not losing so much money on each resident that we cannot afford to care for them. As the population continues to age in Flathead County the need for care for these residents is climbing.

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services

Position: Proponent

Representing an Entity/Another Person: No

Organization: N/A

Name: Steve McFadden

Email: steve.mcfadden@vallevistamanor.com

Phone: (406) 538-8776

City, State: Lewistown

Written Statement: Medicaid in skilled nursing facilities is historically low. During COVID , the temporary additional \$40.00/ day brought our reimbursement almost to what it costs per day to care for the resident on average. In today's labor market, it is very hard to find staff and we often have to turn to agency staffing that costs up to 3 times the amount of normal staffing. Also, the cost of staffing is increased with the addition of PPE's that will need to be purchased for the foreseeable future. I am concerned that these new issues and costs associated with the COVID crisis along with todays general business environment will be insurmountable without the continuation of an increased rate. In addition, our census has dropped due our inability to admit new residents when in outbreak status and this further destabilizes our financials. It is my hope that you will support an increased rate so that we can continue to care for our communities elderly as we have done for so many years.

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services

Position: Proponent

Representing an Entity/Another Person: No

Organization: N/A

Name: Judy Campeau

Email: Judy.Campeau@Lantisnet.com

Phone: (406) 670-2228

City, State: Billings, Montana

Written Statement: Medicaid in skilled nursing facilities and assisted living facilities is historically low. During COVID, the temporary additional \$40/Day brought daily reimbursement up to almost what it costs per day to care for a resident in most facilities in America. With unemployment paying more than it pays to work, there is little incentive for people to enter the workforce. Costs to staff have grown by double to triple depending on the location. PPE is not going to go away, nor is testing. We are not able to cover these expenses without increased rates once the CARES Act expires in a few months. If this is the new norm, it is likely many facilities in Montana will be forced to close, particularly in the smaller communities. Staffing remains one of the greatest challenges and agency staff costs 2 times what we pay for our own staff. Please support an increase. Montana has always been a leader and supporter of our nation's founders and the elderly. Regulations have made all healthcare facilities like jail due to COVID, and census is down across the nation. Please do not let this very important and necessary service die.

Thank you for your consideration in maintaining and/or increasing the current Medicaid daily rates.

Roger and Connie Dallner

Owner/ Operator

Margo Ball

A handwritten signature in black ink that reads "Margo Ball". The signature is written in a cursive, flowing style with a large, prominent "M" and "B".

Executive Director