



Older Adult Services Advisory Committee Nursing Home Conversion Work Group

Date: July 29, 2008, 1029 S. Fourth Street, Springfield

Attending: Matt Hartman (HCCI), Gail Hedges (DEO), Dwight Miller (NHAA), Scott Musser (AARP), Lester Robertson (IHCA), Maria Schmidt (Alzheimer's Association), Kevin Taylor (ICLTC).

By Phone: Bill Dart (DHFS), Myrtle Klauer (ICLTC), Steve Wolf (IHCA).

Motion to approve June 24, 2008 Minutes: Lester Robertson, seconded by Scott Musser

Announcement: Bonnie Lockhart is no longer with the Illinois Foundation on Quality Care. A replacement will be sought.

Nursing Home Bed Buyback Program Recommendations

Kevin Taylor presented the recommendations but indicated that the details of the buyback plan could not be drafted independent of decisions made by other groups within the Workgroup (i.e., beds that have not been filled for a long time, type of conversion involved, etc.). Basic to the recommendation is that nursing home beds are an asset to the owner that may be bought and sold, usually on a "per bed" basis. The number of beds may be tied to mortgage loan payments through loan covenants and HUD financing. Some bankers have indicated that the most important element for approval to decrease the number of beds is a good business plan. The ability of facilities to convert beds would be made between the facility and the banker, on a facility-by-facility basis.

Even if the mortgage hurdle could be overcome, there must be a funding program to reimburse the owner for future income and value upon the sale of the facility. The structure is dependent upon the conversion proposal, so that different reimbursement mechanisms may be in place for non-revenue generating vs. revenue generating conversions. Minnesota's program increased capital rates and therefore, federal matching funds were available. Other central states used the Intergovernmental Transfer program to fund conversion projects. This option is no longer available.

The buyback program recommendations will be revised to include some examples. It was noted that whenever the conversion program was discussed, the workgroup must make clear that any conversion program would have a cost impact to the state, dependent upon the public policy decisions made by the state.

Community Services Status

Maria Schmidt updated the work group of the activity of the community services group. While many different types of services can be suggested in the report, a focus on the following areas will be made if possible: transportation, respite, adult day services and nutrition. Several barriers (MDS, nursing home beds) to conversions were discussed and that information will be useful in making the final recommendations. Sally Petrone was not available to report on nursing home respite.

Outreach and point of entry were briefly discussed. At the next meeting, Gail Hedges will present a program on the Community Service Block Grant and use of community action agencies as an outreach mechanism.

Health Facilities Planning Board Status

Bill Bell was unable to attend the meeting. The recommendations of the Health Facilities Planning Board group will be sent to members of the workgroup and be on the next meeting agenda.

Next Meeting

The next meeting of the Work Group will be August 26, 2008. Phyllis Mitzen will check to see if LSN wishes to host the meeting.

Motion to adjourn: Maria Schmidt, seconded by Kevin Taylor