

5/20/2025

RE: Support for House Bill H-6289 – Long Term Care Service and Finance Reform

Dear Chair Abney and Members of the House Finance Committee,

On behalf of Linn Health and Rehabilitation D/B/A The Loft at Linn Assisted Living Memory Care Facility (The Loft), I am writing to express our support for House Bill H-6289 as introduced by Representative Kazarian.

I would like to thank Representative Kazarian for introducing this legislation to increase the Rate of Reimbursement for Assisted Living Tier C Medicaid residents by 13%. Her commitment to the elderly population is invaluable to our community and our state.

Linn Health and Rehabilitation operated as a nursing facility until June of 2024. It was determined we could no longer operate the nursing facility due to the fact that our occupancy was approximately 80% Medicaid and that the Medicaid Reimbursement for nursing facilities was falling severely short of what our costs were. The decision was made to transition to an assisted living memory care facility because there is a tremendous need in the community for a facility that caters to low to moderate income residents as The Loft serves. We went through extensive renovations to convert the semi-private rooms to all single rooms for the memory care residents

Currently assisted living residents who have some type of cognitive disorder and qualify for the Tier C category are generating a rate of \$150.73 for their care. This rate is not sufficient to cover the cost incurred to care for this type of resident. The guidelines for caring for these residents makes it clear that there must be programs in place that are not provided in typical assisted living facilities. When we transitioned from Linn Health & Rehabilitation to The Loft at Linn there were 13 nursing facility residents who qualified to be an assisted memory care resident and made the transition to The Loft.

ASSISTED LIVING MEMORY CARE

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Many of these residents are enjoying a quality of life in the memory care setting that was not possible in the nursing facility. We have also admitted an additional 7 residents who were previously at other nursing facilities. It should also be noted that there is a waiting list here at The Loft that contains Medicaid patients currently residing in nursing facilities. I also believe there are many other nursing facility patients who would be better served in an assisted living memory care facility and produce additional savings to the Medicaid program.

As outlined on the attached schedule you can see the savings the state will continue to realize by having these residents remain in the assisted living memory care facility, it is calculated to be about \$600,000.00 annually. By having these residents in a setting that more appropriately meets their needs The State will continue to realize a savings by paying an assisted living memory care rate versus a much more expensive skilled nursing facility rate.

It appears that Neighborhood Health Plan of Rhode Island (RI's Medicaid Managed Care Provider) realizes the value of keeping these residents in the assisted living memory care facilities. They are currently paying for these residents at \$170.00 per day.

As stated earlier we are requesting that the state increase the current assisted living Medicaid Tier C per diem from \$150.73 to \$170.32. This will ensure that these residents will continue to have a facility that truly meets their needs and not have to go to a nursing facility resulting in additional Medicaid reimbursement.

I believe that this legislation creates a win-win-win situation. First and foremost it will ensure that these residents are cared for in a setting where they will have the opportunity to thrive. At The Loft we have been witness to many of our residents enjoying the programs and opportunities that only the memory care setting provides. Second the State of RI will continue to provide the appropriate care for its Medicaid Residents at a much lower cost than if they were forced to be cared for in a nursing facility setting. Third The Loft and all other Medicaid Memory Care assisted living facilities will be provided a rate that will help them to cover their expenses.

Thank you for your consideration regarding this legislation.

Please let me know if you have any questions.

Joseph C. Durand

Chief Financial Officer

Aldersbridge Communities and The Loft at Linn