



Eastgate Nursing & Rehabilitation Center

A Health Concepts, Ltd. Facility

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Dear Chairwoman Donovan and Committee,

My name is Alan Richards, I am the Administrator of Eastgate Nursing, and Rehabilitation Center located in East Providence. Eastgate is a nursing home, serving 60 residents and employs 90 Rhode Islanders.

Rhode Island nursing homes are facing significant challenges resulting from chronic underfunding by Medicaid for the past decade, an historic and deepening labor crisis resulting from the COVID-19 pandemic and dramatically increasing inflation. Studies from recent years have shown that 87% of Rhode Island nursing homes are as "At Risk" of closure— with operating losses of 7.5% or more. Recent legislative proposals would only hinder the ability for nursing homes to continue operating in Rhode Island. Resulting in additional closures and the displacement of the most frail Rhode Islanders.

House Bill 7520: Support

House Bill 7733: Oppose

House Bill 7819: Oppose

House Bill No. 7520 ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY -- RIGHTS OF NURSING HOME PATIENTS

Position: Support

As you are aware, the health care workforce continues to experience significant shortages in the state of Rhode Island, and nationally. In fact, nursing homes have experienced the worst job loss of any health care sector during the pandemic, with nursing homes in Rhode Island losing 20 percent of our workforce. Today, our workforce as an industry remains more than 15% below our workforce numbers in February of 2020. Since then, the Rhode Island Safe Staffing Law was enacted, those well intended, this law has serious negative consequences for our industry and the frail elders we serve.

As we have seen, the state staffing mandates for nursing homes exacted in the middle of a labor crisis has and will continue to exacerbate the current access to care crisis impacting the entire healthcare continuum. We have seen nursing homes close or downsize, even without penalties being assessed. If, and when the severe penalties take effect, we will see an accelerated domino effect across the entire continuum of care leaving vulnerable seniors with fewer care options, if any in their communities.

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The care provided by our industry is complex. No nursing home is the same. The care provided varies from Short Term Rehabilitation Care, Dementia Care, Behavioral Health Care, Ventilator Care, Dialysis Care and Long-Term Custodial Care. Thus, mandating staffing levels is a simplistic, one-size-fits-all approach to the needs of complex and unique nursing home residents and patients, that does not work!

Please support passage of House Bill 7520, repealing the 2021 Nursing Home Minimum Staffing Law.

House Bill No. 7733 ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY -- NURSING HOME WORKFORCE STANDARDS BOARD ACT

Position: Oppose

Nursing home's care for some of the most vulnerable Americans, and as a result Nursing Homes are one of the highest regulated industries in all of America. Nursing homes do not object to the regulations and oversight, but welcome it, as long as it comes from the appropriate agencies, and not an ad-hoc committee, which is what this piece of legislation would create. The Workforce Standards Board (WSB) would have regulatory power above and beyond existing state and federal oversight. In addition, it would take rate setting authorities away from the Executive Office of Health and Human Services and the General Assembly in addition to minimum wage rates set by the RI General Assembly.

This piece of legislation does not address the real issues facing nursing homes including years of underfunding, increased costs and the lack of an available workforce in the state. Currently, nursing homes are being reimbursed by Medicaid based on actual cost of care from 2011, this was 13 years ago. On average, nursing homes lose \$70 per Medicaid patient per day. To worsen the financial stability of facilities, nursing homes have seen a drastic increase in costs since 2020 including labor costs. Nursing home employees have seen the highest average wages increased from February 2020 and September 2023 compared to any other sector, nearly 25%. This does not take into account the high cost of temporary agency staff which went up \$19 million dollar in 2021 alone. However, nursing homes must rely on agency staff due to the lack of workers. At the height of the pandemic, the nursing home industry was down 20% of their workforce. At our facility we lost x number of employees. Due to the high demand for workers, we are constantly reviewing our rates of pay for employees, doing on-going wage analysis in our area, and we are able to make adjustments.

Please oppose passage of House Bill 7733, as the Workforce Standards Board would severe negative impacts on our industry and its current oversight.

House Bill No. 7819 ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY -- LICENSING OF HEALTHCARE FACILITIES

Position: Oppose

House Bill 7819 would prevent licensed nursing homes in the state of RI from withdrawing equity or transfer assets that exceed 3% of the facility's reported annual revenue, without

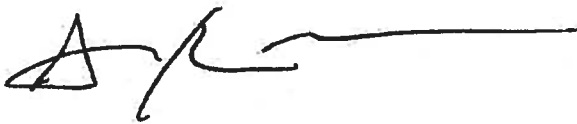
approval from the EOHHS. On average nursing homes lose on average \$70.00 per patient per day, forcing them to make up losses from Medicaid through Medicare and Private Pay (not state controlled funds).

If passed, this legislation would hinder the sale of nursing homes, viable quality buyers will not be willing to purchase nursing homes in the state. As a result, we will see additional nursing home closures, displacing the frailest Rhode Islanders

Rhode Island nursing home operators put profits back into their nursing homes. Many Rhode Island nursing home owners have expanded their service offerings putting millions of dollars back into their facilities to provide much needed services including: Rehabilitation, Dialysis and Ventilation Care. Important to note is the aging infrastructure. Many of Rhode Island's nursing homes were built more than 50 years ago and require a great deal of capital improvement funds to support various projects to ensure a safe and beautiful environment for their residents and staff.

Please oppose passage of House Bill 7819, as passage of such a bill would only drive quality nursing home operators out of Rhode Island and pose a threat of new ones coming in, likely resulting in additional closures and the displacement of elder Rhode Islanders.

Thank you,

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal line.