

October 29th 2020

Gretchen Bell
Executive Office of Health and Human Services
3 West Rd.
Cranston, RI 02920

Dear Ms. Bell,

On behalf of the 78 nursing facilities that our organizations represent, we would like to submit the following comments on the EOHHS proposed amendment to the Rhode Island Medicaid State Plan involving “Nursing Facility Rates.” The proposed amendment would cap the nursing home inflation index scheduled for October 1st 2020 at 1% for all components of the rate. Our comments in opposition to this cap on nursing facility rates are as follows:

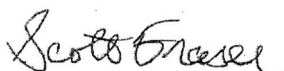
The existing statute, as detailed in RIGL 40-8-19, states that nursing facility rates will be adjusted by the change in the national nursing home inflation index to be applied on October 1st of each year, beginning October 1, 2012. In the subsequent years, this inflation index was only modified when ***specifically amended in the statute*** via the budget process. If the statute is not specifically amended to reduce or eliminate the inflation index, then the full inflation index is to be applied to the nursing facility rates. That index varies each year, but per the Testimony of the Executive Office of Health and Human Services for the November 2019 Caseload Estimating Conference, the inflation index was projected to be 3.6% on October 1st 2020. So, EOHHS does not appear to have the statutory authority to limit the rate increase to 1% and this proposed state plan amendment should reflect the existing law and be revised to reflect the full inflation index of 3.6%.

As a practical matter, the state of Rhode Island raised the minimum wage from \$10.50 to \$11.50 on October 1st, which represents a 9.5% increase. As we know, this increase places upward pressure on all wages, including those who work in nursing homes. The industry is already facing a staffing crisis, and the dramatic increase in the minimum wage, coupled with an arbitrary cap on the nursing facility rate increase, will exacerbate their precarious financial situation.

In addition, the financial implications of the COVID-19 pandemic have been staggering for nursing homes. This statutory rate increase is necessary to preserve the integrity of our high performing nursing home system and support our workforce, as well as cope with increased costs (e.g. PPE, intensive infection control practices, etc.).

Thank you for your consideration of these comments.

Sincerely,



Scott Fraser
President and CEO
RIHCA



James Nyberg
Executive Director
LeadingAge RI