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JOHN W. RODAT
COMMISSIONER

To: Mr. Domalewicz, Chair, Committee on Nursing Home Facilities
Ms. McKnight, Chair, Committee on Social Services

From: John W. Rodat

Date: February 25, 2009

Re: Nursing Home Costs – Executive Summary

The attached memo addresses a number of financial matters related to the Albany County Nursing Home. Two of the more immediate issues recently discussed are:

- Current and near-future financial prospects for our current Nursing Home.
- Capital costs for new nursing home construction and related reimbursement.

Current and Near-Future Financial Picture for ACNH
Summary Projected Nursing Home Budgets (\$ Millions)

	2009/1	2009/2	2010	2011	2012	2013
Costs	\$34.6	\$34.6	\$36.8	\$37.8	\$39.2	\$40.6
Revenues	\$30.1	\$24.3	\$24.2	\$16.1	\$16.4	\$16.6
Co. Share	\$4.5	\$10.3	\$12.7	\$21.7	\$22.9	\$24.0
Tax Levy	\$67.9	\$67.9	\$76.1	\$85.1	\$86.3	\$87.4
Pct Chg.			12.0%	11.9%	1.7%	1.3%
NH Pct	6.6%		16.6%	25.5%	26.5%	27.4%

2009/1 = 2009 ACNH Adopted Budget

2009/2 = 2009 ACNH Budget if the Governor's budget proposal passes without change.

Key Assumptions:

- Temporary IGT revenue ends in 2011.
- 0% salary increase in 2010 & 2011

Capital Costs/Reimbursement

- Building a new facility will have little to no effect on losses associated with operating the Nursing Home.
- The most important number to focus on (for existing and proposed nursing homes) is the annual county subsidy (“Co. Share” in the table above) needed over and above all other revenues to operate a skilled nursing facility. This is regardless of whether discussing the existing or a new facility.
- Recent discussion about a 10 percent county share for the cost of a new nursing home is misplaced. The county pays 10 percent of the Medicaid cost for Albany County residents who are in nursing homes. This is wholly unrelated to the deficit that remains after Medicaid payments received for operating our nursing home regardless of whether the County constructs a new one.

Copies: Mr. Houghtaling
 Mr. Commisso
 Ms. Benedict
 Mr. Conboy
 Mr. Marcelle