



# Suffolk County Voter

www.lwv-suffolkcounty.org

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631 862-6860

November 2008

CHECK  THE DATE

Sun. Nov. 9  
Wed. Nov. 20

LWVSC Post Election Brunch, Bellport Country Club 10:30am  
LWVSC Board Meeting, Conference Call 9:30am-11:00am

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## Restorative Practices Seminars:

Nov. 6 Babylon Library 1:00-4:00

Nov. 20 Centereach: Middle Country Library 9:30-12:30

Nov. 13 Hauppauge: SC Bar Assoc. 11:30-3:00

Nov. 24 Riverhead Library 11:30-3:00

for more information, contact Carol McNally at [quovadis33@aol.com](mailto:quovadis33@aol.com) or call 631 366-1717

The League of Women Voters of the United States announced its final health care position years ago, supporting policies that promote access to a basic level of quality care at an affordable cost for all US residents. We recognize that public funding is often necessary to maintain a standard level of services. In Suffolk County, the cost to the county of the John J. Foley Skilled Nursing Facility has caused the County Executive to consider closing it, placing the 264 patients in proprietary or non-profit nursing homes, and releasing its 283 staff to other positions or layoffs. Since most of the patients are supported by Medicaid, which has a low reimbursement level, we are concerned that placement in other facilities will be difficult, and we would like to see further consideration of the options presented by the Suffolk County Legislative Budget Review Office to help the facility run more efficiently, contract out the services, or consider other ways of raising funds.

## Summary of Suffolk County Budget Review Office Interim Report on the John J. Foley Skilled Nursing Facility, October 9, 2008

### Background

County Executive Levy has proposed closing the John J. Foley Skilled Nursing Facility in the current proposed budget, abolishing all 379 positions. Suffolk County is one of 36 counties in New York State that operate skilled nursing facilities to provide a safety net by assuring access to long term care for county residents. Currently, the facility provides residential long term care for patients in Suffolk County who are typical of other county nursing homes throughout New York State but are unlike patients in proprietary and non-profit skilled nursing facilities; 88% are covered by Medicaid, compared with 67.8% at other facilities in the county, 36.9% entered the facility as Medicaid patients, compared with 7.7% at other facilities, 42% are under 65 years of age compared with 6.3% at other facilities in the county. They will require a longer stay than at other nursing homes, and they are more likely to be discharged to a hospital. A high percentage of the patients need considerable care, due to the demographic profile of residents with disproportionately high behavioral demands and need for staff attention. The facility does not receive adequate reimbursement and has increasing staff costs, due in part to mandated increased pension/retirement costs passed on from the state to counties.

### History

In 1995, Suffolk County completed construction of a new facility. The original infirmary had been opened in 1919 in a building acquired in 1879 on land adjoining the first county Almshouse, and used for an orphanage. In 1937, Suffolk County constructed a new building on the site, with federal assistance, to be used as a home and hospital for the aged and chronically ill population. By 1965, it had become clear that the infirmary building was not up to the tasks required of it, but no action was taken, despite reports by federal and state regulators. In 1995, responding to threats that New York State would suspend funding if no action were taken, the County constructed a new facility to hold 264 residents, including 24 new beds for residential AIDS patients.

The nursing home was operated as a sub-unit of the Department of Health Services until 1987, when it was placed under an Enterprise Fund of Suffolk County (Fund 632), like most of the county-owned nursing homes in New York State. There is no way that the Suffolk County Enterprise Fund 632 can pay for the operation of the facility without subsidy from the General Fund. For the 21 years of the Enterprise Fund's existence, a subsidy has been required in 19 years, as is the case in most of the other county-run nursing homes in New York State.

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John J. Foley Skilled Nursing Facility *continued from page 1*Possible Solutions

Various studies have been made to find solutions to the cost of running the facility. Previous County Executives have proposed privatization, transfer to Social Services, and the creation of a separate Department of Infirmary Services.

Because of the Legislature's commitment to protecting the public health and safety of Suffolk residents, Local Law 20-1997 of the Administrative Code established specific requirements and procedures for changes in the delivery of services performed by the Department of Health Services, including the Skilled Nursing Facility. It established requirements and procedures for consideration of any initiatives to replace services by the SCDOHS with services provided by another entity (quasi-public or private) to ensure the highest level of scrutiny to any such proposal.

Other studies of the Nursing Facility include the Suffolk County Blue Ribbon Commission in 1997, the JJFSNF Task Force Report in 2004, and the 2008 report by consultants Horan, Martell and Morrone (HMM). The recent Berger Commission did not mention the JJFSNF, although it did recommend a reduction of the number of nursing home beds and a shift of resources to the home and community-based services and supportive housing need categories. There are currently 8,781 current nursing home beds in Suffolk County, already below the Berger recommendations, and utilization is higher than expected; the Budget Review Office projects that the expected demand for nursing home beds will increase to 13,500 by 2016, based on state nursing home utilization by age cohort.

Impact on patients if facility is closed

If agreement is reached on closing the facility, will voluntary and proprietary homes be willing to accept patients from the JJFSNF? Of the 530 empty beds (estimated at the end of March 2008 by the Center of Medicaid and Medicare Services), 90 beds are in continuing care retirement facilities, which have rates that are too high for current JJFSNF residents, 37 beds are in facilities that already have occupancy greater than 97%, and 127 beds are in homes that lost money in 2008 and that will suffer greater losses if they accept more Medicaid patients. In the event that the nursing home is closed, it is likely that some patients could be placed in facilities outside of Suffolk County or off Long Island. How long will it take, and what will be the impact of moving patients to locations far from their families?

Some options presented by B.R.O.

It may be possible to minimize the General Fund subsidy by adding to the resources:

--An Intergovernmental Transfer from NYS of approximately \$5.6 million dollars, a one-time revenue for 2006-2008

--About \$1.6 million from rebasing Medicaid from 1983-2002, a one-time revenue

--Cost savings through more efficient operation of the facility and improvements made possible by a grant from the NYS Dormitory Authority recently awarded to JJFSNF

--Resumption of Medicare Part B billing for physical and occupational therapy

--Improved relations with feeder hospitals

--Recognition as a provider by insurers such as Suffolk County Employee Medical Health Plan and Tri-Care

These initiatives, all underway or expected, will make it possible for the new Director to use the year 2009 as a year to invest resources into the facility. If there is also an increase in the General Fund transfer of \$4.5 million, it will make it possible for the County to subsidize the facility at a reduced rate in 2010 of \$6 million. (The projection of \$15 million in the County Executive's Recommended Budget does not reflect recent increases in MA and Medicaid, and includes increased staffing.) Also, additional costs will be incurred if closure takes place:

--Loss of reimbursement from Medicaid for \$25 million in debt service for 18 years

--Obligation for employee health insurance for 165 retirees

--\$7.9 million to refit the facility

Other options for raising funds to subsidize the JJFSNF include:

--Raising money through a surcharge on non-publicly-owned nursing homes

--Enacting a health district property tax levy or sales tax

--Creating a public benefit corporation with JJFSNF partnering with a hospital or health clinics

--Contracting out the management and operation of the facility or outsourcing some or all of the functions

--Selling the assets to a nonprofit or profit provider and transferring the bed license (it would be advisable to require prospective buyers to have the ability to maintain the existing level of hard-to-place patients.) Would a new provider replace the current workforce with lower cost employees?

Impact on staff if facility is closed

Another issue in the decision to close the facility is its staff who would have to find other positions or retire. There is a question of how to abolish all 379 positions mentioned by the County Executive's budget (actually 283 positions were filled as of October 5, 2008) and how long it will take? The procedures of the Civil Service Law provide an orderly procedure based on seniority and permanent competitive status to determine the impact of bump and retreat. Some labor class titles, such as Food Service Worker, are unique to the Skilled Nursing Facility.

Nancy Marr

The full text of the BRO report is available at [www.lwvsuffolkcounty.org](http://www.lwvsuffolkcounty.org).