Florida Health Care Association (FHCA) is the state’s first and largest advocacy organization for long term care providers and the residents under their care. Learn more about FHCA at www.fhca.org.

MEDICAID FUNDING MUST KEEP PACE WITH COSTS OF LONG TERM CARE

**Fund the Nursing Center Inflationary Increase in the Budget**

The Legislature should fund a nursing center inflationary cost increase ($34.2M General Revenue) to ensure elders continue receiving the high-quality, long term care they expect and need.

The end of one-time funding and the lack of an inflationary increase over the past four years has collided with increasing wages and low profit margins, making it extremely difficult for nursing centers to make additional investments in quality improvements. Without increased funding and stable rate predictability from one year to the next, Florida puts quality nursing center care at risk for our most vulnerable seniors and people with disabilities.

Almost 46,000 frail elders and people with disabilities rely on Medicaid to pay for their nursing center care. Medicaid underfunds the cost of that care by an average of $27 per patient day (Over $675,000 per center annually).

A full 70% of nursing centers’ operating expenses go to labor, and the level of quality care delivered is directly related to the quality talent centers are able to recruit and retain. Reduced revenues and funding levels that have not kept up with inflation are forcing nursing centers to find ways to trim expenses - employee layoffs, wage freezes, unfilled vacancies and consolidating job functions.

Nursing centers must draw from a labor pool that not only competes with other health care providers, but also industries that can offer higher wages with less stress and other advantages. In a tight labor market, lack of funding means centers can’t compete for qualified staff. Centers need proper resources to invest in people, technologies and training to continue the measurable gains under the Medicaid Prospective Payment System, designed to incentivize ongoing advancements in quality care.

**ALLOW THE USE OF PHARMACY FORMULARIES IN NURSING CENTERS**

**Support SB 1020 (Sen. Bean)/HB 559 (Rep. Byrd)**

FHCA supports SB 1020 (Sen. Aaron Bean)/HB 559 (Rep. Cord Byrd), which allow nursing centers the option to institute pharmacy formularies to manage the medication regimen of residents. These bills help low-income beneficiaries avoid out-of-pocket costs; give long term care pharmacists greater flexibility to meet residents’ medication needs and are a more efficient use of taxpayer dollars under Medicare by using less-costly medications when they are safe and effective for the individual’s care.

For most nursing center residents, the long term care pharmacy is the main source for accessing their medications. Nearly 60% of residents rely on Medicaid or Medicare, or are dual eligible. These individuals don’t have access to all of today’s Medicare Part D plans, which cover the cost of their medications. Rather, they rely on lower-cost plans with more restrictions in terms of formulary designations and prior-authorization.

In recent years, the range of medications prescribed in nursing centers has been greatly expanded to include more therapies that are used for the long-term management of chronic conditions such as cancer, end-stage cardiomyopathy, inflammatory conditions, diabetes, autoimmune diseases and others.

The brand-name version of these medications can often be more expensive than their generic or alternate medication counterpart.

Institutional formularies have been used successfully in other settings and across 11 other states to provide medically appropriate, cost-effective treatment for patients. They assist with meeting quality standards, would help alleviate medication delays for residents and could lead to better health outcomes.

Under SB 1020/HB 559, an interdisciplinary approach to resident care would be required of centers creating a formulary. Physicians, pharmacies and nurses must work together to ensure medications fit best into the individual’s disease management protocol and overall care plan.