



FOR IMMEDIATE RELEASE
November 14, 2019

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MASSACHUSETTS SENIOR CARE ASSOCIATION: ANALYSIS SHOWS 25% OF NURSING HOMES AT RISK FOR CLOSURE

HIGHLIGHTS CRITICAL NEED FOR STATE INVESTMENT TO ENSURE ABILITY TO MEET FUTURE NEEDS

Boston--The Massachusetts Senior Care Association (MSCA), and its members, today received alarming news at their annual meeting of a sector facing a severe financial crisis. According to an analysis by the firm CLA (CliftonLarsonAllen), 95 nursing homes, or one quarter of the sector, are at a risk of closing.

The CLA report highlights the need for immediate action to prevent more than 7,000 frail elderly and disabled residents from being displaced from their communities and 7,500 staff from losing employment. Massachusetts is at risk of losing one quarter of the sector, at a time when the rapidly approaching and growing Baby Boomer population will require significantly more senior care, according to the CLA report.

"Our report shows that many Massachusetts nursing facilities have been operating at negative margins for the past 5+ years, which simply is unsustainable, said Michael Slavik, Chief Practice Officer Northeast, CLA. "It is challenging for any organization or sector to recover from years of this magnitude of losses without a significant investment in funding. The key contributors to the financial instability of the sector are chiefly Medicaid underfunding, escalating labor costs, and growing access to assisted living or home care."

The vast majority of nursing home residents rely on the state's Medicaid program to pay for their care, which according to a Mass Senior Care Association analysis of state cost report data filed with the Center for Health Information and Analysis, is underfunded by approximately \$360 million each year.

(more)

Since three-quarters of every dollar spent goes to staff wages and benefits, a facility's ability to invest in resident care and workforce is directly linked to state Medicaid funding, which is based on outdated costs that do not reasonably reflect the current cost of providing quality resident care.

"A majority of the Commonwealth's nursing facilities are operating in the red, particularly those facilities that have a high reliance on state Medicaid funding," said Tara Gregorio, President of the Mass Senior Care Association. "The CLA report clearly shows the situation is dire and the causes are clear. In order to protect this state safety net service, we need to continue to build upon recent state investments in quality nursing home care and promote quality jobs in our nursing facilities."

MSCA will continue to urge Governor Baker and legislators to approve the Nursing Home Stabilization Bill which would update nursing home funding based on more current costs and the Quality Jobs Initiative to ensure quality resident care and a living wage for caregivers.

ABOUT: The Massachusetts Senior Care Association represents a diverse set of organizations that deliver a broad spectrum of services to meet the needs of older adults and people with disabilities. Its members include more than 400 nursing and rehabilitation facilities, assisted living residences, residential care facilities and continuing care retirement communities. Forming a crucial link in the continuum of care, Mass Senior Care facilities provide housing, health care and support services to more than 150,000 people a year, employ more than 73,000 staff members, and contribute more than \$4 billion annually to the Massachusetts economy.

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