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SOCIAL SECURITY AMENDMENTS OF 1967

PART V. NURSING HOME AMENDMENTS

COMMITTEE ON FINANCE
UNITED STATES SENATE
RUSSELL B. LONG, *Chairman*



OCTOBER 27, 1967

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I. NURSING HOME AMENDMENTS

(1) MILLER AMENDMENT

Amendment 396 (Miller)

This amendment would authorize Federal matching toward the cost of care of cash assistance recipients who are institutionalized in "physical care facilities," defined as an institution licensed under State law which meets safety and sanitation regulations of the Secretary of Health, Education, and Welfare.

Present law	H. R. 12080
Only institutions which are "skilled nursing homes" are eligible to receive medicaid payments on behalf of eligible patients.	No provision.

Discussion

Effect of HEW procedures and instructions is to exclude many institutions which are now covered under existing Kerr-Mills program. American Nursing Home Association and HEW have stated that at least 50 percent of those welfare recipients receiving "skilled nursing home" care and for whom federally-matched vendor payments are now being made are not in need of such care but could be assisted properly in lower cost institutions. Federal vendor-payment matching, however, is not presently available for care in such institutions. The effect of the HEW's new title XIX definition of a skilled nursing home will be to, in effect, convert many so-called skilled nursing homes into these lower-cost institutions by making them ineligible to participate under title XIX. At the present time, we are paying \$300 to \$400 a month or more to care for thousands of recipients who could be cared for at \$150 or \$200 a month.

Suggestion

Adopt Miller amendment but describe types of institutions which would be covered as those providing less than skilled nursing home care services but more than ordinary room and board services. Such institutions would meet the safety and sanitation requirements established by the State for nursing homes.

Costs: Estimated to reduce Federal expenditures by at least \$29 million annually.

(2) MOSS AMENDMENT
(Amendment 294 (Moss))

Present law	H. R. 12080
States must, by July 1, 1967, include coverage of inpatient hospital services, outpatient hospital services, other laboratory and X-ray services, skilled nursing home services, and physicians' services. States presently determine the methods and amounts of payments for skilled nursing home care.	States could, as an alternative to the present provision, provide any 7 of 14 services. The 14 services include the 5 under present law and the following 9 types of services: medical care, or any other type of remedial care recognized under State law, furnished by a licensed practitioner within the scope of his practice as defined by State law; home health care services; private duty nursing services; clinic services; dental services; physical therapy and related services; prescribed drugs, dentures and prosthetic devices, and eyeglasses; other diagnostic, screening, preventive, and rehabilitative services; and inpatient hospital services, and skilled nursing home services, for individuals over age 65 in an institution for mental diseases. No provision.
HEW has issued instructions to the States which set forth conditions which skilled nursing homes must meet in order to be considered as such for title XIX purposes.	

A State plan approved under title XIX must provide either (1) any seven of the services enumerated in the act other than skilled nursing home and home health services; or (2) skilled nursing home services and home health care services plus any other five of the services enumerated.

If the State program includes nursing home services the State must have in operation a medical review program for nursing homes under which periodic evaluations of the care provided title XIX patients in nursing homes are made. The State must also require that all nursing homes operating in the State be licensed and that the State license only nursing homes which meet specified conditions. Reasonable cost reimbursement will be required for nursing home and home health services qualifying under the provision.

Modification.—Senator Moss has advised the committee that he has no objection to the following amendments proposed by the American Nursing Home Association: (1) Require periodic review of State nursing home code and licensure; (2) substitutes State instead of HEW determination of interest costs allowable in "reasonable costs"; (3) nursing homes shall meet environmental, sanitation, and housekeeping standards at least equal to those for certified extended care facilities; and (4) shall meet the standards of the Life Safety Code of the National Fire Protection Association by December 31, 1969.

Suggestion

Accept Moss amendment, modified as indicated above, except that: (1) requirement in the amendment that States pay skilled nursing homes on the basis of reasonable costs be removed and (2) require a State to cover home health services by July 1, 1970, for recipients who are eligible for skilled nursing home care.

Positions of Witness

Favor amendment No. 294 (S. 1661), Moss, to require several changes in the treatment of nursing homes under medical assistance

American Association of Homes for the Aging (if effective date delayed for 4 years)	
American Nurses Association	951
American Nursing Home Association (if following changes are made: (1) do not require States to pay "reasonable costs," (2) provide an additional level of care subject to Federal matching, (3) require States to make periodic review of regulations, with advisory committee, and (4) use of code of the National Fire Protection Association for fire and safety standards)	
American Public Health Association	1836
Kennedy, Edward M., U.S. Senator	1529
Moss, Hon. Frank E., U.S. Senator	891
National Council on the Aging	861
National Council of Senior Citizens	1069
Welfare Federation of Cleveland	958

No testimony opposing amendment
Costs: No additional benefit costs. Administrative costs estimated at \$17½ million annually.

The operation of the medical audit teams (and the availability of lower-cost home health services) should serve to assure that payments for higher-cost skilled nursing home care are not made for periods longer than medically necessary. These factors should serve to reduce benefit costs in the long run by more than the additional administrative expenses.

(3) KENNEDY AMENDMENT

Amendment 298 (Kennedy, Mass.)

This amendment provides that if skilled nursing home services are authorized under a title XIX program, the State must have in effect a program for licensing operators of nursing homes and until December 31, 1971, conduct a program of training and instruction for any administrators licensed on the basis of a waiver.

Present law	H. R. 12080
No provision.	No provision.

Suggestion

Accept amendment with following changes: (1) refer to manager of nursing home as "administrator" rather than "operator," and (2) create a 9-member National Advisory Council on Nursing Home Administration to assist and advise the States in matters relating to their licensing programs for nursing home administrators. The Advisory Council would terminate as of December 31, 1971.

Positions of Witnesses

Favor amendment No. 298 (S. 1662), Kennedy of Mass., to require State licensing of nursing home operators

- American Association of Homes for the Aging-----
- American Nursing Home Association (favors amending amendment No. 298 (Kennedy) to apply to administrators of all health facilities and makes other specific comments)-----
- American Public Health Association-----
- Kennedy, Hon. Edward M., U.S. Senator-----
- National Council on the Aging-----
- Welfare Federation of Cleveland-----

No testimony opposing amendment

II. SUPPLEMENTATION OF VENDOR PAYMENT TO NURSING HOMES

Present Law

No specific prohibition or authorization.
By instruction to the States, the Secretary prohibits any supplementation (payments by the patient's family which do not result in care above the standard level) by any State after January 1, 1969.

Suggestion

Indicate in report that existing supplementation arrangements may be continued to January 1, 1970, where a State determines that its payments for institutional care are less than the costs or charges for standard services provided to welfare recipients. Any limitations on supplementation may not preclude additional payments for nonstandard services (such as telephone, television set, private room, etc.).

Positions of Witnesses

Favor permitting supplementation payments to nursing homes by relatives of the patient; if supplementation is to be forbidden should be phased out over a 2, 3, or 5 year period

- American Nursing Home Association-----
- Bonin, Garland L., Commissioner, Louisiana Department of Public Welfare-----

1836
1023