

The Cedarbrook Advisory Team Report

June 10, 2015

Since the last meeting of the Board of Commissioners, The Cedarbrook Advisory Team has been conducting research. We have met with members of the County administration, Cedarbrook leadership and employees, industry experts, and community leaders. The meetings have been well received and everyone that we have contacted has been cooperative, enthusiastic and open to providing us with requested information as well as their ideas. In addition to the meetings, we have reviewed available reports, industry data and trends, as well as documentation of expected demographic changes. Our Lehigh County residents that require skilled nursing care seek to receive that in the most effective and appropriate manner. The healthcare environment continues to rapidly change, creating significant challenges to the delivery of high quality services. The reality is that it effects reimbursement options. The team has endeavored to evaluate the challenges that the current residents, employees, administration, and Board of Commissioners face. The team recognizes that the future of Cedarbrook Nursing Homes is important to everyone involved in meeting the needs of our community, the residents of Cedarbrook, and the healthcare communities at large.

Cedarbrook has seen an increase in the acuity of the residents for which they are providing care. Because of this expanded role in managing medically complex residents and the expected growth in the population over the age of 65, many facilities have had to restructure or reinvent their services and facilities to provide better care, keep their facility census at capacity, and do all of this at a lower cost to the system.

The delicate balance of quality and cost remain at the forefront for skilled nursing facilities, like Cedarbrook. The way reimbursement is understood is undergoing rapid change. We as a team have been examining what other County based homes are doing to protect their residents and continue to provide services.

The need to maintain census challenges management to examine and re-evaluate the ways in which the resident services are delivered. We have seen how others are looking for options that will achieve value over volume. The options have further been complicated by budgetary challenges that the County faces. We continue to explore models that are being developed in our state.

Healthcare delivery systems are challenging the way services are being delivered now and in the near future. This is particularly challenging for Cedarbrook nursing facilities; which tend to accept a higher percentage of lower pay residents including Medicare and Medicaid (dual-eligible).

Initiatives focused on healthy aging in a home setting are reducing the number of individuals residing in a purely skilled nursing facility setting. The United Way Alliance on Aging has seen a reduction in the number of individuals over the age of 65 that reside in a skilled nursing facility from 14% - 4%.The number of individuals residing at home with the need for some level of assistance continues to increase (up from 15% to 27%) and this trend must be considered as the number of older adults continues to increase. Trends such as these will challenge county-owned skilled nursing facilities to evaluate their future role and expand their services to meet these emerging trends.

We have been learning from other counties who have gone through similar challenges. We have received valuable information from the PACAH (County Affiliated Health Care Facilities and

affiliates with the County Commissioners Association of PA). They assist and support members of the Association and County owned and affiliated health care facilities in their ongoing efforts to provide the best possible quality of life for individuals in need of short term skilled nursing and rehabilitation services as well as those individuals with chronic, long term health care needs.

The models of support continue to be researched. We as a team are seeking public comments to help us in understanding the thoughts and feelings of Lehigh County residents. We will be gathering comments and suggestions at a public meeting scheduled for Thursday, June 25, 2015, from 6-7 pm at the Lehigh County Government Center. All are welcome.

The Cedarbrook Advisory Team will be submitting it final report to the commissioners on June 30, 2015.