



## RIAFSA

Rhode Island Association of Facilities and  
Services for the Aging

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### **RIAFSA Statement on Closure of Saint Francis House**

RIAFSA is saddened that Saint Francis House, a valuable member for almost 20 years, will be closing in Woonsocket. As a nonprofit assisted living provider for a largely elderly population, Saint Francis was a unique community whose residents received excellent care. Its closure will have a significant impact, residents will have to find appropriate new homes, and dedicated staff will be displaced in a bad economy. These staff will be working one-on-one with each resident to find a suitable new home over the next few months, which will be a challenging process given the scarcity of subsidized assisted living options for older individuals.

However, it should not be a surprise that Saint Francis was forced to make this decision. The organization was facing between \$250,000 and \$500,000 in upgrades to address deficiencies in its aging facilities identified by the Rhode Island Fire Marshall's Office. In addition, like many providers in Rhode Island, Saint Francis has had ongoing budgetary struggles due to the low reimbursement rates, most of whom are on subsidized programs. Indeed, aging services providers (including assisted living and nursing homes) have been profoundly affected by government cutbacks over the past 18 months. Our member agencies have responded by cutting ancillary programs and services but often there is nothing left for unexpected expenses. When costly repairs do arise, the question has to be asked whether additional sacrifices can be made or if the institution can simply no longer care for its residents. In this case, the answer to that question meant that Saint Francis House had to be closed.

This highlights the fragility of the long term care system in Rhode Island. Subsidized assisted living is often looked at as a critical component of rebalancing under the Global Medicaid Waiver, but the low reimbursement makes it very difficult to meet expenses, let alone provide for any capital repairs. In FY 2009, the state reduced its contributions to those providers who take residents on SSI, instead using the 5.8 percent federal COLA as an offset. The upshot was no rate increase for these providers. RIAFSA and others warned at the time that this could result in providers closing, and unfortunately we were all too prescient. We were not crying wolf. Below is an excerpt from RIAFSA's

formal testimony during the public hearing process on the rate freeze last December 2008:

*“For many of these providers, it will be increasingly difficult to remain in business. The costs of operating a residence increase every year due to a wide range of factors, such as staff, food costs, electricity, insurance, etc., as well as state-mandated changes including expenses required to comply with fire and sanitary codes. Many of these providers offer older individuals high quality services above and beyond room and board, with committed administrators and staff monitoring the activities and the status of their residents on a regular basis. They provide a safe and secure environment and social engagement for their residents, many of whom need this support and can not remain safely in the community. If an assisted living residence can no longer keep up with its routine operating costs, let alone any need for capital repairs like a new roof or boiler, and needs to shut its doors, these people will end up in nursing homes, which we know is a more expensive option, or worse, with no place to live at all.*

*RIAFSA supports the goal of rebalancing the long term care system. If we are going to divert individuals from nursing homes, who are low-income and can not live alone due to some functional impairments, assisted living is poised to play a key role. But this change, which could end up resulting in some homes closing, may severely restrict the community-based options in which people can live. So we are concerned that this will undercut the broader effort to rebalance the system, promote consumer choice, and avoid premature nursing home placement.”*

The demise of Saint Francis House does not have to be an industry bellwether. As the Global Waiver is implemented, we need to ensure that subsidized assisted living with quality providers is a practical option. The status quo, now exacerbated by the loss of a high quality, well-regarded provider, is clearly unsustainable. Small steps have been taken under a proposal in the FY 2010 Budget, but a more comprehensive approach to rate reform must be a priority as we move forward.