

Playing a key role in state Medicaid reform



CEO Daniel Katz has taken innovative approaches at Jewish Senior Life

Photo by Kimberly McKinzie

By WILL ASTOR

One of Andrew Cuomo's first moves as governor was commissioning a group tasked with ratcheting down the state's Medicaid spending, a longtime drain that helped create a \$10 billion budget gap.

The Medicaid group soon issued a 79-point list of recommendations, 73 of which the state Legislature adopted. One local person exerted an unheralded, though significant, influence on state Medicaid reform policy: Daniel Katz, the 58-year-old CEO of Jewish Senior Life.

Jewish Senior Life is a \$40 million, 800-employee non-profit whose Brighton campus houses the area's fourth-largest skilled-nursing facility, the 362-bed Jewish Home.

The 25-acre Jewish Senior Life campus includes two senior housing developments: the Summit at Brighton, an independent-living facility; and Wolk Center, an assisted-living facility. Both are high-end, private-pay developments.

Katz's influence with the task force came through his role on the Sage Commission, a group convened by the Brighton-based Finger Lakes Health Systems Agency that had submitted an influential report to the state Department of Health. The commission's report helped shape the Medicaid task force's recommendations.

In addition to the expected rate cuts, the task force's recommendations included moves to restructure a system long derided as costing twice the national average.

The moves included shifting more long-term care from high-price residential skilled nursing to home care and less costly assisted-living facilities.

Much of that direction is in line with the Sage Commission report, a document that owes much to Katz's ideas, says Sage Commission co-chair Ann Marie Cook, president and CEO of Lifespan.

FLHSA executive director Fran Weisberg concurs.

Weisberg sees Katz's advocacy of community-based care as a bold if counter-intuitive position for a nursing home chief. Katz, she notes, also supports cutting the number of licensed nursing home beds, a position that would be anathema to some in the nursing home industry.

"From when I first met Dan, I saw him as a visionary and a tremendous strategic thinker, which is why I thought him a perfect fit as a Sage Commission member," Weisberg says. "He gets that community-based care is what the consumer wants and believes as I do that what the consumer wants in this case will be cheaper for government."

Residential programs

Residents at the Jewish Senior Life campus put up initial refundable deposits that can reach six figures and pay several thousand dollars a month in rent. The deposit guarantees residents who need to move to a higher level of care placement in Jewish Senior Life assisted-living or skilled-nursing facilities with no increase in monthly fees. In practice, nearly all who go to skilled

nursing—the highest and most expensive level—go on Medicaid in short order.

Since taking over as Jewish Senior Life CEO in 2004, Katz has not deemphasized the organization's extensive residential programs.

To the contrary, says Jewish Senior Life chairman Laurence Glazer, Katz pulled the Jewish Home, Summit and Wolk Center, which previously ran more as semi-independent fiefs, together into a single organization. The move strengthened the residential programs.

Before Katz took over, says Glazer, a longtime Jewish Home board member, "Jewish Senior Life was an organization in name only. Dan breathed life into it."

Katz also increased emphasis on Jewish Senior Life's community-based programs, a grab bag of services that could be seen as specifically designed to keep people out of residential care.

"It was more institutional when I came," Katz says. "I saw the direction things were going in and thought that's where we needed to move."

As a population bulge of baby boomers expected to live well into their 80s ages, many see the existing, mostly residential-care-based, U.S. long-term care infrastructure as challenged to accommodate them. Compounding that shortfall is the view of many that a move into a nursing home is a fate to be avoided at all costs.

An answer increasingly embraced by the senior-care industry is home care. If services can be provided to seniors at home,

the thinking goes, they can delay or avoid going into residential care. Proponents see it as a victory across the board: Elders maintain more control and are happier, while the state cuts Medicaid spending on long-term care.

Jewish Senior Life offers a medical-model adult day care program that in addition to transportation to and from the Jewish Home for social activities and lunch provides nursing services, foot care and medication assistance. A meal service provides a restaurant-style full menu for pickup or delivery. A handyman and home-maintenance service provides snow plowing and lawn care and connects seniors' needing home repairs and maintenance with contractors.

Not everyone sees home-based support as a solution to long-term-care shortfalls. One of them is Rohm Services Corp. president Robert W. Hurlbut, whose family-owned firm runs a dozen proprietary Rochester-area nursing homes. He sees as misplaced industry and politician hopes that a shift to home-based support and care will save money.

Planners are overestimating savings home care can bring, Hurlbut contends. Aide service needed to keep frail elderly people at home can be done as cheaply as planners are figuring only with substantial support of family members or other unpaid caregivers. If such support is not available, he maintains, adequate home care can cost more than residential care. The state would be better advised to put more money into nursing

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homes, which can deliver needed care.

"I am aware of Bob Hurlbut's opinions, and I respect him. He runs a good service," Katz says. "I do not agree with his position."

Currently the state appears to be more on Katz's wavelength.

Innovative approaches

A Sage Commission recommendation that the state look to a Connecticut assisted-living program as a model for New York that could cut costs, for example, traces to Katz. The Connecticut native worked as a long-term-care administrator in that state before being named Jewish Senior Life CEO in 2004.

A local program Katz started in the Rochester area soon after being named CEO sends Jewish Senior Life staff geriatricians to do house calls for elderly patients. Katz worked for months with the state Department of Health to get a special waiver to start the program. It has been running as a demonstration project for several years.

That Jewish Senior Life's skilled-nursing facility has its own full-time medical staff is boon enough, Cook says.

"If you ask any nursing home, they will tell you that trying to coordinate care with doctors' schedules is a nightmare," she says.

Having doctors on staff takes the edge off such scheduling problems for Jewish Home residents. Sending staff doctors on house calls eases a whole other set of ills, Cook says.

"For an elderly person, going to the doctors is not the same as it is for you and me. It can be stressful and tiring, an exhausting experience," she says.

Two of the Jewish Home's three staff doctors make house calls. It also employs two nurse practitioners. Both are trained in geriatrics.

The extent to which state policy will align with the community-based and lower-level care initiatives the Sage Commission recommended remains to be seen. Much will depend on whether the state Legislature and federal authorities are able to realign reimbursements with the new policy directions, Weisberg says.

Still, she sees Katz as pushing state policy significantly further in those directions than it would have gone.

"What I've tried to do is not wait for the government to act," Katz says.

Industry veteran

Katz is 58 years old. He has worked as a long-term care administrator for 25 years, starting in 1980 in Connecticut as an assistant administrator of a 120-bed for-profit nursing home.

He majored in geography at Syracuse University, where he earned a bachelor of arts in 1975. He had chosen the major thinking it might lead to a job in environ-

mental science. But when he graduated, not many job opportunities cropped up.

His father, a dean and professor of microbiology and medical technology at Quinnipiac University in Hamden, Conn., convinced Katz to go into health care management. Katz went back to school and four years later earned a bachelor of science in health services administration from Quinnipiac.

"As part of the Quinnipiac program, I did an internship in long-term care. I got licensed. The rest is history," he says.

After working for a decade as an administrator, executive director and CEO of for-profit, long-term-care facilities, Katz says, he began to feel his values would be better aligned with the non-profit sector. In 1989, he went to work as executive director of the non-profit William & Sally Tandet Continuing Care Center in Stamford, Conn.

In 2002, Katz moved to the Stamford

Health System where he ran the system's long-term care, rehabilitation units and continuing care retirement community.

For Katz, there were two main spurs to applying for the Jewish Senior Life job: "I was aware of the Jewish Home and its reputation ... (and at Stamford Health) I wasn't the CEO."

"What I've tried to do is not wait for the government to act."

Another inducement: Katz's wife, Ruth, whom he met at Syracuse University, is from Onondaga County. The couple has daughters 30 and 27 and a son, 24. They now live in a waterfront development on Irondequoit Bay in Webster. Katz enjoys boating and is an occasional skier.

Jewish Senior Life chairman Glazer praises Katz's business skills. Because nursing homes are largely dependent on Medicaid payments that do not cover ex-

penses, Glazer says, keeping long-term care facilities financially afloat is a particular skill and one in which Katz has proved to be adept.


Like most New York nursing home managers, Katz has to make sure money-losing Medicaid residents, who typically account for half or more of skilled-nursing facilities' populations, are offset by private-pay residents and short-term post-surgical rehabilitation patients whose Medicare insurance pays more than the cost of care.

"Ten years on the for-profit side gave me a business perspective," he says. "You've got revenues and you've got a balance sheet. If you don't have the margin, you can't meet the mission."

Still, he adds, "it's not like any other business. What inspires me about this organization, about my career, is the chance to help people. It doesn't get any better than that."

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Daniel Katz

Title: CEO, Jewish Senior Life

Education: B.A. in geography, Syracuse University, 1974; B.S. in health services administration, Quinnipiac University, Hamden, Conn., 1979

Family: Wife, Ruth; daughter, Sara, 30, and Marin, 27; son, Geoffrey, 24

Residence: Webster

Leisure activities: boating, skiing

Quote: "Ten years on the for-profit side gave me a business perspective. You've got revenues and you've got a balance sheet. If you don't have the margin, you can't meet the mission."