



STANWOOD CAMANO NEWS

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Long-term care challenges hit home

Josephine Caring Community in Stanwood halts plans to build new facility amid Medicare pinch, rash of nursing home closures



PHOTOS BY EVAN CALDWELL | STANWOOD CAMANO NEWS

The entrance to Josephine Caring Community in Stanwood won't be moving anytime soon. The nursing home and care center is scrapping plans to move as a growing disparity in Medicare reimbursements have strained finances.

By EVAN CALDWELL
Editor

A decade ago, Josephine Caring Community had big plans. At one point, the nursing home and care center — a Stanwood institution since 1908 — was nearly ready to break ground on a new facility in the Cedarhome neighborhood. It also owned land near 64th Avenue and Highway 532 and in the Smokey Point area of Marysville for potential new facilities. But a cascade of challenges not only forced the nonprofit to abandon its construction plans, but also to refocus its efforts on

just keeping the doors open. "I've been in the business for 25 years, and it's never been as hard as its been in recent years," Terry Robertson, chief executive officer of the Stanwood nursing home, said as he unfurled aging blueprints that will now likely never be used. "It was a perfect storm."

First came the Affordable Care Act and its new Medicare Advantage plans that hit the nursing home industry with a one-two punch of reducing the revenue-per-admission and sending more rehabilitation patients straight home from the hospital instead of to a nursing home.

■ SEE JOSEPHINE, A8



Historic photos of the 112-year-old facility hang on hallway walls, including this one of a flood in its early days. Flooding fears were one of the reasons Josephine Caring Community wanted to move to a new facility.

PUD to combine north county offices

Stanwood and Arlington moving to new building in 2023 near airport

By EVAN CALDWELL
Editor

Snohomish PUD is moving ahead with plans to consolidate the Stanwood and Arlington offices into a new facility near the Arlington airport. "Stanwood and Camano customers shouldn't see too much of an impact," said Doug Wilson, a senior project manager with the utility. That's because when the new North County office opens in 2023, utility officials said they plan to keep a handful of customer service representatives in Stanwood as well as the payment dropbox and two one-person crews. "We expect the amount of walk-in customers is going to continue to drop," Wilson said. "But we see ourselves in Stanwood for some time after the North County office opens."

The PUD opted for the consolidation option because of the high costs of building two new facilities in each community. "It will save the utility \$32 million," said Wilson, citing the estimated 25-year savings between building a consolidated location and maintaining separate facilities in Stanwood and Arlington. The aging Stanwood location has flood and seismic concerns for the utility, Wilson said. In addition, the city is working with the PUD to acquire part of the site for a street — Viking Way — to connect 88th and 92nd avenues.

■ SEE PUD, A8

2020 Legislative preview

Stanwood-Camano lawmakers outline priorities for session

Homelessness, guns, taxes among key issues

By EVAN CALDWELL
Editor

Lawmakers hit the ground running last week, seeking solutions to a handful of statewide issues during the short 60-day legislative session in Olympia. The three District 10 lawmakers who represent Island, Skagit and Snohomish counties told the Stanwood Camano News earlier this month that homelessness, affordable housing and taxes are among the priorities during the 2020 session. "This will be a sprint," state Rep. Norma Smith, R-Clinton, said of the short session. "But I'm excited to build on the bipartisan

work from last session." Last year, the Legislature approved the two-year capital budget that included \$308 million in spending for a new behavioral health teaching hospital at the University of Washington, housing grants, more treatment facilities across the state and increasing psychiatric beds. The boost in mental health funding — about 15 times the investment of previous budgets — was spearheaded by Smith and Rep. Strom Peterson, D-Edmonds. "This session, we need to prioritize the money that's left over (in the mental health fund) and go back and assess how the money was spent and if it worked, then make adjustments," Smith said.

■ SEE PRIORITIES, A6

INSIDE
More news from Olympia
A4 & A6



District 10 Sen. Ron Muzzall
R-Oak Harbor



District 10 Rep. Norma Smith
R-Clinton



District 10 Rep. Dave Paul
D-Oak Harbor

Josephine

FROM A1

Meanwhile, Washington's new care regulations, rising minimum wage and staffing shortages are straining the system, industry officials said.

"Wages increased 10% to 30% in 2018, and it was even higher in 2019," Robertson said of his staff who make between \$14 and \$25 an hour. "We pay workers more per day than our peers, and we struggle to find staff."

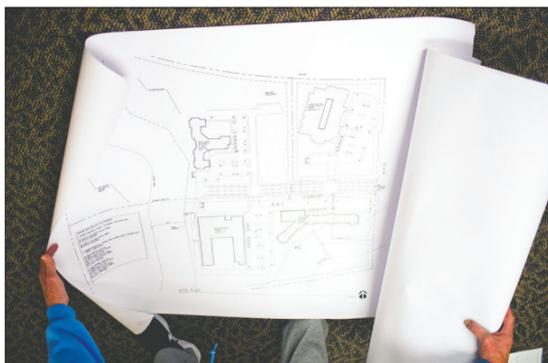
In addition, the growing disparity between a nursing home's cost of care and Medicaid reimbursement continues to increase.

Medicaid, a state-federal

health care program for low-income patients, accounts for about 70% of Josephine's residents. Medicaid reimbursements are based on the level of care the patient requires. Washington's average Medicaid rate for nursing home care is \$216 a day, as of July 2019. The average cost of care at Josephine is about \$290 a day. By contrast, Oregon and Idaho pay more than Washington.

In fact, Washington has the lowest operating margin in the nation at less than -4% — which measures revenue after expenses even before rent or mortgage is paid.

Washington also has the fourth-highest Medicaid disparity in the country



EVAN CALDWELL | STANWOOD CAMANO NEWS

Terry Robertson, chief executive officer of Josephine Caring Center in Stanwood, unfurls blueprints for facilities that now won't be built.

behind Wisconsin, New York and New Hampshire, according to an industry analysis.

For Josephine, that pencils out to about a \$1.6 million loss on caring for Medicaid residents in 2018, Robertson said.

"If the trend continues, we will be dipping into reserves," he said. "We hope to overcome some of the Medicaid shortfall with

more private care, such as in-home care."

Josephine is able to keep the doors open largely because they own their facility — a historic facility at 99th Avenue and 276th that is getting outdated and sits in the floodplain.

"Bottom line: We're not going to build and move, but we're also not closing — only because we don't have a mortgage," Robertson said.

However, other nursing homes aren't so lucky.

Since February 2017, 19 Washington nursing homes have closed, announced they will close or converted to assisted living, according to the Washington Health Care Association, which represents the nursing home industry. That means the state lost about 1,000 of the 20,535 skilled nursing beds, according to the Department of Social and Health Services.

The industry sits at a crossroads moment in Washington: As costs rise and Medicaid reimbursements stay flat, the number of those 79 and older in Washington is expected to more than double by 2035.

So nursing home industry officials turned to the state Legislature seeking to increase Medicaid reimbursements as the first and biggest step toward a solution.

"It's frustrating that we just had the largest increase in taxes Washington has ever had and it left the seniors behind," Robertson said, referring to the McCleary decision that earmarked about \$2 billion mostly for schools. "But I am encouraged after meeting with elected officials. At least they're now acknowledging that, yes, we do have a problem."

Washington Health Care Association and other industry leaders are actively lobbying the Legislature for help. There are already two proposed bills that would increase Medicaid reimbursements.

"We just need more funds — we need to get closer to the cost of care," said Robertson, who now spends time in Olympia lobbying. "If we had started construction in 2016, we'd likely be closing right now."

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Coffee break

1	2	3		4	5	6	7		8	9	10	11
12				13					14			
15				16					17			
18				19					20			
				21					22			
23	24	25				26				27	28	29
30						31				32		
33						34				35		
						36	37			38		
39	40					41				42	43	44
45						46				47		
48						49				50		
51						52				53		

ACROSS

- Deli purchase
- Gambler's town
- Commotion
- Expert person
- Baking box
- In the center of
- ___ and outs
- Conclude
- Harvesting machines
- Affirmative answers
- Some
- Flower sites
- Made holy
- Pupil's transport
- Scamp
- Starfish arms
- Rummy
- Ride the wind
- Lumberjack's implement
- Society lass
- Within reach
- Glide

DOWN

- Maiden
- Wake up
- Expertise
- What "Taps" means
- Quilting party
- Suffer
- Seep
- Wager
- Groups
- Little bird
- Descend Mt. Snow
- Fur
- Teenager's woe
- Flat-topped formation
- Rat, e.g.
- All
- Fishermen's tools
- Billfold item
- Softened
- Oversight
- Eat formally
- Poems
- Cereal grasses
- Overtake
- Hot-dog roll
- Bikini part
- Negligent
- Vision
- Apron part
- Frenzied
- Jimmy
- Mousse alternative
- Pepper's mate
- Daily fare
- Rush
- Cigar remnants
- Sheer fabric
- Woeful expression
- ___ pudding
- Othello, e.g.
- Recedes
- Smell strongly
- Abominable Snowman
- Mama pig

Sudoku

HOW TO PLAY :

Fill in the grid so that every row, every column, and every 3x3 box contains the numbers 1 through 9 only once. Each 3x3 box is outlined with a darker line. You already have a few numbers to get you started. Remember: **You must not repeat the numbers 1 through 9 in the same line, column, or 3x3 box.** Below are the answers to last week's puzzles:

B	L	A	H		O	F	F	S	H	E	D	
R	A	C	E		A	L	E	T	O	G	A	
O	N	C	E		T	E	A		U	P	O	N
S	E	E	N		M	A	R		D	E	S	K
					P	A	C	E	S	K	I	
B	E	T			O	A	F		N	O	R	S
					O	R	E		E	L	U	D
W	A	E	D		E	D			N	I	L	A
					A	S	H		S	T	E	P
C	L	O	G		A	C	T		A	S	P	S
H	A	U	L		Z	O	O		S	O	A	P
A	C	R	E		E	R	R		E	D	G	E
T	E	S	T		L	E	I		T	D	Y	E

9	7	2	4	5	1	3	6	8
1	3	4	6	8	2	5	9	7
5	8	6	9	3	7	1	4	2
2	4	5	3	9	6	8	7	1
8	6	7	2	1	4	9	3	5
3	9	1	8	7	5	4	2	6
7	5	9	1	2	3	6	8	4
6	1	3	7	4	8	2	5	9
4	2	8	5	6	9	7	1	3

	4			8				
						2	9	5
		9					4	
	2	8	6	3		1	7	
		5	1	9			2	
9		1		4	7	8		
5				9		6	3	8
	6					2		
		2	8		4		6	7

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PUD

FROM A1

Stanwood City Manager Jennifer Ferguson said she agrees with the PUD's plans to maintain a presence in town after the new building opens.

"I think it's a good thing," she said. "And it certainly helps the city transportation projects we want to do."

While the PUD has not decided what to do with the existing Stanwood building, a few workers will remain in the area.

"We will keep two servicemen in the Stanwood area — they are first responders and 80-plus-percent of the outages are restored by these servicemen," utility's GM/CEO John Haarlow told PUD commissioners during the Jan. 7 commission meeting.

Additionally, new lines, technologies and other improvements should help boost reliability in the Stanwood-Camano area, Haarlow said. The utility also is considering a small location on Camano Island to store equipment, he said.

With just two crews currently in Stanwood, during outages after hours, on weekends and on holidays, it can be challenging to quickly assemble a full crew of four to six workers, Haarlow said.

"So then they have to go to the sister office (for crews)," he said. "The likelihood of being able to get a crew out of that (consolidated) facility will be greater" and improve response times.

The new North County office is expected to host six different crews when it opens, but is built to accommodate up to 10 crews in the future. The design and development phase starts in February, and construction should begin on the \$43.5 million facility in summer 2021.

The office is next to the utility's new community solar power plant. The site will also soon host a microgrid, which can use solar energy to independently power the office during a major emergency.

"When we did targeted outreach to Stanwood-Camano customers the general consensus is that they'd like us in Stanwood, but they understand the fiscal responsibility we're going after," Wilson said.