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Goddard House nursing home a casualty of funding, changing times

By **Peter Schworm** | GLOBE STAFF AUGUST 11, 2012

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135 workers their jobs. But the demise of the 85-year-old facility, which needs an estimated \$10 million in renovations, is in keeping with broad, long-term changes that are transforming the elder-care field, specialists say.

The increase in assisted-living facilities, which offer more independence than nursing homes, combined with a shift to community-based care that allows elders to remain in their homes, have caused a steady decline in the number of nursing facilities and the share of elderly who live in them.

With fewer affluent residents choosing nursing homes and Medicaid reimbursements persistently lagging behind costs, more long-term care facilities nationwide are facing financial difficulties, particularly those that mostly care for the poor.

“The financial model was Medicare and private care subsidizing Medicaid losses,” said W. Scott Plumb, senior vice president of the Massachusetts Senior Care Association, a trade group. “That’s just falling apart.”

Medicare is the federal health insurance program for the elderly and the disabled. Medicaid, a federal-state program, helps pay for health care for the needy, the aged, and the disabled.

Nationally, the estimated shortfall in Medicaid reimbursements to nursing facilities in 2009 topped \$5 billion, a 2011 study for the American Health Care Association found, and was projected to rise sharply.

In Massachusetts, Medicaid reimbursement rates for nursing homes have been frozen for several years, a harsh blow to nursing homes where nearly 70 percent of residents pay for care through Medicaid.

Given the scope of repairs needed at its South Huntington Avenue facility, Goddard officials said they would have been forced to stray from the organization’s mission of caring for low-income Boston residents in a cost-efficient manner.

“It’s a tragedy,” Plumb said. “It was a very good home for a

long time.”

Goddard House runs an assisted-living facility in Brookline by the same name that will remain open.

In Massachusetts, there are 430 nursing homes, compared with 590 in the late 1990s. Patients are more likely to stay for weeks as they recover from hospital stays, instead of permanently.

Nationally, the number of nursing homes that participate in the Medicare and Medicaid programs dropped from more than 17,000 in 2000 to fewer than 16,000 in 2009, according to the Centers for Medicare & Medicaid Services.

Just 2 percent of Americans age 65 to 84 live in nursing homes, compared with 14 percent of those 85 and older, the AARP says. Yet the number of short-term stays at the facilities have increased because of patients in rehabilitation after injuries or surgery.

Goddard House officials say the facility, with its small bedrooms and shared bedrooms, has not kept up with the times. On a broader level, they point out the dwindling demand for such full-service, around-the-clock facilities.

“With current trends in senior care pointing to home-based care, we are seeing a greater need for services outside the traditional nursing home model,” Elizabeth Molodovsky, president of the home’s board of

trustees, said in announcing the closing.

Trustees said the center has already placed many residents in new facilities and is helping staff members to find work. Staff members are also receiving bonuses based on their years of employment.

“We are doing everything possible to assure that the transition is smooth and orderly and believe it is proceeding very successfully,” said Diana Pisciotta, a spokeswoman for the trustees.

Despite those efforts, the closing has drawn a strong backlash among some residents and staff.

Lillian McLean, 85, is scheduled to be relocated soon to another nursing home.

“I’m very upset, and mad, too,” she said by phone from Goddard, where she has lived for the past three years. “Everybody likes it here. It’s like home to us.”

Lisa Caruso, medical director at Goddard and chief of geriatrics at Boston Medical Center, called the shutdown devastating and said the upheaval for patients could be traumatic. Employees, she said, may have a hard time finding new work.

Julie Miller, a nurse practitioner from Boston Medical Center’s geriatric division who works at Goddard, said the building was in more than adequate condition.

“I think it’s good when nursing homes close due to substandard care, but this is just nonsensical,” she said.

State Representative Jeffrey Sanchez, Democrat of Jamaica Plain, has urged the board to consider alternatives to closing. He praised the facility for providing good-quality long-term care as other nursing facilities have shifted to “higher-paying, short-term rehabilitation and hospice services under Medicare and private insurance.”

Surveys show that most seniors want to remain in their home as long as possible, and some say the elder-care system needs to evolve more rapidly to meet changing demand.

“Right now, Massachusetts ranks close to the bottom of all states when it comes to the cost of long-term care and an overreliance on institutional care,” said Bill Johnston-Walsh, director of AARP Massachusetts. “With the baby boomers starting to turn 65, now is the time for state leaders to build a better, more balanced system of long-term services and supports. We have a demographic imperative to get this right.”

But Plumb worries that when the baby boomers reach their 80s, the loss of today’s nursing homes will prove regrettable.

“We’ll need them again,” he said.

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