



**FOR IMMEDIATE RELEASE**

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## **Inadequate Reimbursement Rates to Lead to Temporary Receivership of Great Plains Healthcare Facilities**

In late 2016 Great Plains Healthcare, LLC leased a distressed portfolio of healthcare facilities from affiliates of Golden Living in the Midwest, which remains the owner of the facilities. The facilities were already suffering from poor Medicaid reimbursement rates (which, unfortunately, are not uncommon in today's climate) and other systemic costs, such as the increased cost of staffing.

Contributing to these funding issues is the fact that the state of Kansas cut Medicaid Reimbursement rates by nearly 5 percent in 2016. Despite attempts to reverse such spending cuts, subsequent adjustments have left facilities in Kansas short tens of millions of dollars. Due to a backlog in processing Medicaid applications, facilities in Kansas have had to wait for extended periods for payment, further exacerbating the funding crunch. A 2016 survey found that Midwestern skilled nursing facilities reported operating at a net loss of about 0.5 percent, on average.

Great Plains Healthcare, LLC made capital improvements and worked tirelessly to improve the results of state surveys in the facilities. Great Plains never wavered or compromised the interest of resident care. Despite Great Plains' efforts and infusion of millions of dollars of capital into the buildings to support the continuing delivery of patient care, the Kansas facilities have not been able to financially sustain themselves. As a result, the state has requested the appointment of a temporary receiver. The receiver is currently responsible for operating the facilities.

We thank our loyal employees for their patience and dedication during these trying times. We appreciate and value their unwavering commitment to resident care. We remain dedicated to providing quality care to the residents in our affiliated facilities in other, less-challenged, geographic regions.

We will continue to work with state regulators to ensure the continuity of care to the residents and to ensure the continued operation of the facilities in the affected communities.

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