

**Opinion****Centre Crest privatization pros and cons****Nonprofit provides best hope for viability**

by Rich Rogers

“Do you want reality or do you want hope?”

That was the answer the commissioners and administration heard from then Department of Public Welfare Secretary Estelle Richman when asked if there was anything that could be done to get the Medicaid reimbursement rates increased for Centre Crest. In other words, did we want to hear not a chance or I would not count on it? Instead, the secretary told us that we needed to separate our facility from the other facilities in the state. Find a niche or a difference.

Leaders search for and implement solutions that correct and improve operations. Hence, the development of a hybrid plan of action that would combine the county entity with that of a community based nonprofit structure.

The number one financial problem facing Centre Crest is its Medicaid reimbursement. Seventy percent of Centre Crest residents are covered by Medicaid. Our reimbursement rate was frozen in 2006 at \$156 per day (1189 regulations). Our costs currently exceed \$220 per day. We have on average 63,000 Medicaid days per year. The gap between our revenue and our costs exceeds \$60 per day for 63,000 days totaling a shortage of \$3.8 million.

When Centre Crest's rate was frozen, it was frozen with a case mix index (a measure of the care and services needed by a resident) of 1.15. The latest valuation of case mix for our facility has shown that our index has increased by 20 percent to 1.37 with no additional funding from the state. We continue to provide care to residents that require more and more services while at the same time face staggering increases in fixed costs and supplies.

Unlike the nonprofit and for-profit nursing homes which are rewarded with increased Medicaid reimbursements under the 1187 regulations for their increasing case mix index, county homes remain frozen in time under the 1189 regulations

unable to garner the additional reimbursements needed to help offset the costs associated with the growing needs of our loved ones. To no avail, the county has repeatedly tried to convince the state to increase the reimbursements for our nursing home.

Thus, we have found ourselves at a crossroad. On one side, we could stay status quo waiting and hoping that at some point in the distant future, county homes would eventually receive the much needed increase in reimbursement rates. Along this path, we would continue to see staggering deficits, a drain on the county's general fund and a growing reliance on the local taxpayer.

The alternative route, on the other hand, provides for a proactive approach to a current problem that will continue to snowball and handcuff our organization for years to come. This path seeks approval for an innovative approach to securing additional Medicaid reimbursement that very well may far exceed \$1 million per year. This move would transition Centre Crest's operational responsibilities away from county government (and the frozen reimbursement rate) to an entity that would be classified as a 501(c)(3) and thus be reimbursed as a “general nursing facility.” Specifically, upon approval, Centre Crest would begin receiving increased Medicaid reimbursements immediately and as the case mix index continues to rise, additional funding would be forthcoming. This proposal would provide for an increase in funding year after year.

The process of transitioning our nursing home to a 501(c)(3) has certainly raised numerous questions. Locally we are blessed with so many organizations such as Mount

see **Hope**, pg.25**Many questions haven't been answered**

by Jon Eich

Centre Crest is the nursing home owned by Centre County. It opened in 1939 and has been expanded and renovated several times. Currently, the facility has 240 beds and operates on a budget of \$18 million per year. Approximately 350 people are employed at Centre Crest. The nursing home is licensed by the Commonwealth of Pennsylvania.

The idea of creating a nonprofit organization to hold the license for Centre Crest has its genesis in an action taken by the state in 2006. At that time, the state created a separate Medicaid reimbursement formula for the 37 county-owned and county-affiliated nursing homes. This formula is critical to the financial stability of Centre Crest because 70 percent of the residents have their nursing home expenses paid through Medicaid.

The formula based the reimbursement for each county nursing home on a snapshot of the average amount of care the residents of each county nursing home required at a point in time in 2005. The name given to this rating system is the Case Mix Index, sometimes abbreviated CMI.

While the Medicaid reimbursement paid to private sector nursing homes fluctuates based on this Case Mix Index, county nursing homes were tied to their score in 2005. The reimbursement rate for Centre Crest was the third lowest in the state – and even with adjustments, it is currently about \$159 per day per resident. Information from DPW indicates that the county would receive about \$18 more per day per Medicaid resident if the reimbursement formula for county-owned nursing was the same as the formula for other nursing homes in the state.

The deficit at Centre Crest can be directly tied to this state-determined Medicaid reimbursement rate. And it is the deficit that is causing the search for options that would change the Medicaid reimbursement paid to Centre Crest.

A number of counties have sold their nursing homes to private sector operators. I oppose that option. When I ran for County

Commissioner, one of the planks of my platform was to “keep Centre Crest a vital part of county government.” That's what I told the voters I would do, and my top priority has been to keep this and other promises I made.

I believe that providing nursing care to our family members, neighbors and friends, particularly those of limited means, is part of our social responsibility in this society. In Pennsylvania, county government is the provider of human services – including services for seniors, children, veterans and the homeless.

In some communities, when a nursing home is turned over to a nonprofit, the 501(c)(3) takes over the ownership of the building(s) and becomes the employer of the people who work at the nursing home. That is not expected to be the case here in Centre County. The plan that has been publicly proposed calls for:

–The 501(c)(3) to hold the operating license for the nursing home.

–The 501(c)(3) to lease the building from the county.

–The 501(c)(3) to contract with the county for the services of the employees who work in the building. The county would remain the employer of the people who work in the nursing home.

If implemented, such a proposal would appear to maintain the salary, paid time off, medical benefits, and retirement benefits currently provided by the county. That's a plus.

But given my choice, I would prefer to see Centre Crest remain under the direct control of county government, with the regulations amended to include a “hold harmless” clause that sets the reimbursement for

see **Questions**, pg. 25

from Hope, pg. 24

Nittany Medical, Center for Volunteers in Medicine, United Way, to name a few, that currently operate and flourish under the 501(c)(3) structure. Statewide, Elk and Jefferson counties provide us additional proof that an engaging community-based nonprofit structure can be very beneficial.

Under the proposed arrangement for Centre County, our county employees would retain their county status and be contracted with the newly created nonprofit entity. In addition, this agreement would provide for the nonprofit to occupy the facility while the county would remain the owner of the building. The license to operate the nursing home would be turned over to the nonprofit entity. The lease between the county and the nonprofit would provide the much needed safeguards that would protect the integrity of the facility. Moreover, the lease will continue to provide for Medicare and Medicaid services to our residents, ensure that the current admissions policies remain intact and require that building maintenance and equipment needs are met. Finally, once our research is complete, and we have a more thorough under-

standing of the requirement to make this change successfully, we will seek to engage the community in discussions about the future plans for Centre Crest.

Leadership is about identifying problems, successfully integrating and maximizing available resources and implementing a plan of action that provides for improvement. As we face some of the most difficult economic times since the 1930s, we as commissioners are charged with being responsible stewards of the taxpayer's resources. Exploring the possibility of transitioning Centre Crest from a county operated facility to a 501(c)(3) nonprofit entity makes sense for Centre County as we face significant decreases in funding on all levels.

Much work lies ahead in this endeavor. I remain focused on heeding the advice of former Secretary Estelle Richman as I seek to find a niche that sets us apart from other facilities. I am committed to providing responsible leadership to the citizens of Centre County, responsible leadership ensuring the vitality of Centre Crest for future generations.

*Rich Rogers is a Centre County commissioner.*

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county-owned homes at no less than what it would be under nonprofit or private ownership.

If the county decides to play the shell game being required by the state to maximize Medicaid reimbursement, there are several parameters that I believe must be addressed as we move forward:

–The role of the public in evaluating options. A year ago, Commissioner Steve Dershem loudly proclaimed the need for a Blue Ribbon Panel to look at the long term future of Centre Crest. We set up a meeting to discuss the responsibilities and membership of the panel. I came prepared with specific tasks and a list of possible members. No one else did. That's the last discussion that has been held. I believe the commissioners should involve a Blue Ribbon Panel in shaping the future of Centre Crest and any nonprofit established to hold the license.

–The format of the nonprofit. Who will create this nonprofit organization? How many members will be on the board – Seven? Nine? Or ? Who will pick its original members? And how will future members be selected – by the nonprofit itself? By the commissioners? Or ?

–The future role of the commissioners. At varying times, I have heard it said that only one commissioner will be on the board of the nonprofit. I've also heard two commissioners will serve, and finally, that all three commissioners will be board members of the nonprofit. I believe all three commissioners, or their designees, should have per-

manent seats on the board of any nonprofit affiliated with Centre Crest.

–The future role of county government. Centre Crest is a major operation – will a nonprofit have the “institutional capacity” to run the nursing home or will it simply be a conduit of Medicare and other payer funds? What happens if Centre Crest runs a deficit in the future? Where will the funds come from to cover that debt? Can the county legally cover the debt of a nonprofit? And what about the bonds that were issued to pay for renovations to Centre Crest – will they become an obligation of the nonprofit or remain an obligation of the county?

–The terms of the lease for the facility and the contract for the employees. Will they cover both present circumstances and the future – new hires as well as existing employees?

–Repairs and capital improvements to the facility. This question needs special attention. The roof leaks and is at the end of its useful life. But my fellow commissioners seem unwilling to commit the resources to replace the roof or even discuss a plan for doing so. They also refuse to either: 1) remove the administrator from an adjoining residential property or 2) spend the money needed to bring the residence into compliance with code.

I believe these important questions must be addressed publicly before the county makes the decision about turning the license for Centre Crest over to a nonprofit entity.

*Jon Eich is Chair of the Centre County Board of Commissioners, a former community planner, and a former county administrator. He has lived and worked in Centre County for 30 years.*

**Got something to say?**

Write to [oped@voicesweb.org](mailto:oped@voicesweb.org)

**Instructions:**  
Fill in the grid so every row, every column and every three-by-three box contains the digits 1 through 9. There is no math involved. You solve the puzzle with reason and logic.

Thanks to Peter Morris for contributing this puzzle.

The solution to this month's puzzle can be found on page 31 of this issue.

Sudoku								
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**Whitey Blue on student binge drinking**

by David Silverman

I was talking the other day to Whitey Blue, longtime Centre region resident and hard-nose.

Whitey, what do you think about these establishments in State College being shut down because they served liquor to students who are minors?

“I think they are responding to some puritanical prudes in the area!”

Don't you think the law against underage drinking should be enforced?

“I don't think there should be such a law in the first place. And certainly not in

a place of learning.”

But aren't these young guys learning bad habits?

“Hey, learning how to handle your booze is part of a guy's education! When I was a young guy we learned it in the Army during a war.”

Don't you think the citizens of the area should be protected against the sometimes destructive nature of these underage college students?

“If they can't stand the exuberance of youth, they should move away from the college area.”

# An insider speaks to the program variety radio still offers

by Mike McGough

Radio is a mystery to most people. Although 92 percent of Americans use radio every week, and 75 percent listen every day, the medium's inherent intangibility makes it hard to get one's arms around.

As a longtime practitioner of the radio craft, I often find myself answering questions from students, business people and neighbors about radio's relative health as an industry, radio's perceived biases and radio's role in society.

But because radio is such a flexible, fluid medium, the answer I've come to rely upon seems to be "It depends."

As an example, let's start with something basic.

How many radio stations do we have in Centre County?

Well, it depends on whether you are in Philipsburg or Rebersburg, since 80 percent of the stations serving one of those towns with a local-quality signal can't be heard in the other. I count 28 radio stations, 23 FM and five AM, providing "local" service to Centre County, including a few stations heard only in parts of the county, but the Web site [www.radio-locator.com](http://www.radio-locator.com) says that listeners here can pick up "fringe" signals from a total of 85 radio stations, 29 AM and 56 FM. So, see? It depends on where you are listening, how strong your radio's reception might be and how much static you're willing to endure. It depends.

Is "conservative" political talk still dominating the radio airwaves?

It depends on whether a listener limits their own choices by staying glued to one station or whether they sample the many choices available.

But with 21 (or 85) stations serving State College, listeners can now find enough progressive talk to fill most of their waking hours. Locally, 95.3/3WZ-FM features the Stephanie Miller Show three hours nightly from 10 p.m. to 1 a.m. 1390/WRSC-AM has Ed Schultz and Thom Hartmann from noon to 6 p.m.. And 91.5/WPSU-FM airs "Democracy Now" and "Alternative Radio" on Fridays from 7 p.m. to 9 p.m.. Some also consider NPR's "Morning Edition," "All Things Considered" and "Fresh Air," along with PRI's "The World" on WPSU to be in the "progressive" category as well.

If we add it all up, local radio is providing more than 17 hours of progressive programming here in State College every weekday, plus more on weekends. The average person listens to radio about three hours a day, so 17 hours of any kind of content should be plenty.

Do we use "robot radio" at 3WZ? This question usually elicits a laugh and I ask the questioner if they are still using an Underwood manual typewriter instead of a laptop. But the real answer is "It depends."

All radio stations use modern technology. Recordings have been part of broadcasting for more than 60 years, and we do pre-record many program elements at 3WZ. At the same time we have a huge ensemble morning show every day and live, local human beings behind the microphones. No robots.

But is Kelly Clarkson actually singing from our studios out on Benner Pike? No.

Perhaps the easiest question I get on a regular basis is whether the new media (Internet, streaming, iPods, satellite radio, etc.) are killing conventional radio. The straight answer is "no." Radio's "reach" or percentage of usage remains at a staggering level. When 92 of every 100 people use a product or service on a regular basis, it is the kind of market penetration that any industry would envy.

But maybe the trickiest question is whether deregulation, and more specifically



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--Mike McGough

the consolidation of the radio industry triggered by the Telecommunications Act of 1996, has been good or bad for the listener?

And I guess it depends on what we mean by "good" and "bad."

The number of companies owning commercial stations in Centre County has been cut in half. But the number of locally-operated commercial FM stations has grown

from six to 10, a 17 percent increase.

So while ownership has contracted significantly, choices for the listener have expanded greatly. Which is more important?

For more than 75 years the Federal Communications Commission has followed as a guiding principle the desire to enable "a diversity of voices" in broadcasting. Current debate revolves around whether such an expansion of channels ("voices") outweighs the reduced number of licensees ("voices").

But, for the moment at least, the answer seems to be "It depends."

Stay tuned!

*Mike McGough is general manager of WZWW(FM), Bellefonte-State College, district manager for First Media Radio, LLC and a member of the Voices Advisory Council. McGough has been working in radio since 1966.*

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# ASK Cosmo



## Campus and Culture from the Canine Perspective

Dear Cosmo,

As a veteran, I am shocked and amazed that President Obama would recommend getting rid of the "Don't Ask, Don't Tell" policy in our military. We used to say it was important knowing that our buddies had our backs, but now that picture is a little unsettling. Why not leave a good thing alone? If it works, don't fix it, I say. Signed, G.I. Joe

Dear Regular Joe,

I don't believe the "Don't Ask, Don't Tell" policy kept gays out of the military. It just kept them in the closet while giving the command structure plausible deniability that it didn't encourage homosexuality. The fact is, I think getting rid of "Don't Ask, Don't Tell" will just make it easier for the anti-gay folks to identify the ones they want to persecute. The gay soldiers don't seem to have any trouble finding one another. They don't have to ask—they can already can tell—so what's the difference? The difference between gay culture and military culture is all in the slogans. The catch phrase in AIDS awareness is "silence is death." In the military, silence is just a way of life.

Dear Cosmo,

Both the university and the borough of State College seem really uptight about State Patty's Day this year. What's the big deal? It's one day out of the year, and we're

not hurting anyone. It seems like Penn State wants us to go green, except on St. Patty's Day. They want the green money from the football fans, but not the green beer for us students. Isn't that a huge double standard? Wake up! Signed, Rise and Shine

Dear Crash and Burn,

Maybe you don't hurt anyone else, so long as you're not brawling or vandalizing anything, but the town fathers and school marms worry that you're harming yourselves. Alcohol overdoses go way up on that day, according to emergency room stats, and assaults go up according to police blotters. Of course, the mob scene is where it's at, because that's where all the fun is. But I believe if you just stayed in and got hammered, nobody would notice, or care all that much. But when you get out en masse for the big public scene, that's when the collective IQ drops a few dozen points.

I wonder whether it's a case of arrested adolescence or just more arrests of late-blooming adolescents. My own view is that none of this would be happening if young folks would have learned to hold their liquor when they were in grade school, had

learned not to smart off to cops before graduating high school and had gotten it out of their systems to quit breakin' other people's stuff before they reached the age to be charged as adults.

I think the authorities should handle it like the demolition derby. Get a big fenced in area with plenty of protection for the spectators, get all the participants registered, show proof of insurance, take appropriate safety precautions, have everybody sign waivers, have firefighters and EMTs standing by and then just let 'em go nuts and cash in on the spectacle. Just like a football weekend, except for the waivers.

Dear Cosmo,

I'm majoring in education, and I attended parochial school. Our class has been discussing how to teach the origins of life if we were to be working in a public school—whether we should teach intelligent design, or the theory of evolution, or even mention creationism at all, even though most people are aware of it. It seems like creationists have fewer rights than evolutionists when it comes to teaching science. Do you believe in evolution? Signed Grace Under Fire.

Dear Survival of the Fittest,

Of course I believe in evolution. The Harley-Davidson Evolution engine came out in the mid-1980s, replacing the cylinder head design of the Shovelhead, which was introduced in the mid-1960s. Harley's first V-Twin came out in 1909, followed by the F-head in 1911, followed by the Flathead engine in the late 1920s. It begat the Knucklehead in the mid-1930s, which begat the Panhead in the late '40s, which begat the Shovelhead in the mid-1960s, which begat H-D's Evolution engine in the mid-80s. With all those "begats" it almost reads like Deuteronomy.

But even Evolution evolved. After the Evolution engine came the Twin Cam in the late '90s, and then the Revolution from 2001 to present. And as far as V-Twin engines, we're looking at the age of Revolution, rather than Revelation.

But to answer your question, science has evolved, but so has religion—just not as rapidly or as willingly. Different faiths draw different lines in the sand where the legitimacy of their scripture begins or ends. Geologists can't fathom an earth that's only 5,000 years old, while some fundamentalists view Adam and dinosaurs as contemporaries. Then again, fundamentalists probably wouldn't appreciate the notion that their denomination evolved from Catholicism.

I see several traps in the evolution-Creation debate. First, each side has to take its premises on faith, and there's really no way to prove that one is correct or one is false. A second trap is the insistence by hardcores that their side has gotten it completely right and therefore the other side must have it all wrong. That kind of inflexible certainty leads to a third trap: scoffing smugly at others because they're viewed as clueless oafs.

One of those clueless oafs was Galileo, who, in 1615 to avoid charges of heresy, was forced to recant his belief in a Copernican heliocentric universe, because the Catholic church believed the sun circled the earth. It believed in the geocentric model of Ptolemy, and claimed well into the 17th Century that having earth and other planets revolve around the sun was simply "false and contrary to scripture."

Some say science is based on fact, and creationism is based on myth. Others say evolution is just a theory, and creation is fact. Neither side is gonna accept a coin-toss as either scientific or divinely guided. And, like "Shave-and-a-haircut, two-bits," who's to say that the Big Bang wasn't the right response to the phrase, "Let there be light." So I guess we'll just have to agree to disagree, until the ship of state either allows creationism to be taught in the classroom, or it sails off the edge of the earth.

Here's another plank for the evolution platform: Darwin wasn't originally issued with horns and a tail, but he evolved them sometime in the century following his death.

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