

Mission and Margin

On January 26 the New York Times ran an article about an account recovery remedy which is recognized as legal in New York State – that of a nursing facility applying for guardianship of residents with significantly delinquent accounts. One of the facilities mentioned was Mary Manning Walsh Home, a member of the ArchCare System of the Archdiocese of New York where the Carmelite Sisters serve in various capacities. The ArchCare System of nursing facilities has centralized financial services and determines recovery remedies to be employed. A Carmelite Sister is Executive Director of Mary Manning Walsh Home and was asked by ArchCare to sign off on the guardianship petition mentioned in the article.

I do not wish to comment on the particular case presented in the Times, but will say that the article is not clear in that the “co-pays” described are actually determined by the State, not the nursing facility. Legally, to avoid violating fraud and abuse laws, the home has the fiduciary duty to bill and recover the co-pay amount from the resident. For whatever reason, nursing homes are finding it increasingly difficult to recover these co-pay amounts, and their accounts receivable are growing rapidly. Facilities have large payroll and supply expenses, and in order to meet these, must access recovery remedies on delinquent accounts. None of these remedies are welcome, either by the family or by the facility, and the guardianship process, not ordinarily employed in Carmelite sponsored facilities, is a remedy of last resort – which is controlled by judicial intervention by the courts.

In caring for the elderly there is a tension between Mission and Margin. Our intent, as Carmelite Sisters, is to sponsor facilities where Mission comes first – where residents are treated with dignity and respect in a homelike atmosphere of warmth and caring. In order to do that, however, realistically, our facilities have the fiduciary responsibility to meet the financial Margin to compensate our staff and vendors. That is responsible justice.

What we can and will continue to do going forward in Carmelite sponsored facilities is to comply with the billing requirements of Medicare and Medicaid regarding co-pays and access the least onerous recovery remedies possible.

Questions regarding ArchCare facility recovery remedies should be addressed directly by that organization.