

## **Economic Impacts from the Closure of Trinidad State Nursing Home**

### **Community Impact**

Trinidad State Nursing Home (TSNH) has been an integral part of our economic and community fabric for over 50 years. The facility is currently home to 95 residents whose families reside and are employed locally.

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### **Employment Impact**

TSNH currently employs 130 people of which 88% are full-time employees receiving state benefits. The job multiplier (a measure of correlated business) for the nursing home industry is 1.88, meaning that closure of the facility will result in the additional indirect job losses to the community of an additional 114 jobs, for a total projected job loss of 244 jobs. This equates to 28,000 jobs that would be lost from the Denver metro area or the equivalent of 26% of the State's entire work force.

The correlated job losses will impact such as Mount San Rafael Hospital and Trinidad State Junior College as well as several local businesses that are inter-dependent with the TSNH. For example, the hospital has estimated a \$1 million drop in revenue should TSNH close. TSJC sends students to TSNH both for training and placement upon graduation.

### **Wage Impact**

TSNH wages are higher than the county average, where residents of Las Animas County earn approximately 66% of the 'average' Coloradan. Dollars are re-circulated in the community an estimated 5 to 7 times, providing an economic gain of \$35 to \$42 million dollars to the local economy. 70% of TSNH's annual \$7 million budget is payroll.

### **Challenges to Address**

- The facility is currently losing in excess of \$1 million dollars per year. Financial records show that the facility has lost money since the late 1990's.
- 89% of current residents receive medical assistance, which does not fully cover the cost of care.
- Medicare and Medicaid do not provide reimbursement for the full cost of services. 89% of TSNH residents receive Medicaid (welfare) assistance.
- Privately run facilities limit Medicaid recipients to 25-33% of all residents.
- TSNH is not designated as a veterans' facility and therefore does not receive the (meager) \$74 per diem VA subsidy.
- Rehabilitating the aging facility is estimated to cost \$8.5 million. Building a new facility is estimated to cost \$10 million.
- TSNH is actively marketing for new residents, but cannot continue to lose money on residents who are not self-funding.

**Action Items:**

**Amend bill to include an outside independent feasibility study to find the best possible solution to the problem of funding, continuing care of the residents and providing continuity for the employees.**

Respectfully submitted,  
Steve Simonson, Executive Director