

**ADVISORY GROUP ON** Elimination of Duplicative and Non-Essential Services **PROPOSAL #:** AGDNES # 30  
**SUBJECT:** DHH/OAAS - Sale/lease of Hainkel Home & Rehab Center **DATE ADOPTED BY ADVISORY GROUP:** November 9, 2009; Confirmed November 16, 2009  
**COMMISSION ACTION:** AMENDED \ ADOPTED **DATE:** December 1, 2009 **RECOMMENDATION #:** 216

**RECOMMENDATION:** Department of Health and Hospitals continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DHH continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.	DHH/Office of Aging and Adult Services  Senate Concurrent Resolution 134 of the 2009 Regular Legislative Session created a study commission to make certain recommendations regarding the facility's future and that commission is currently meeting. DHH has two appointments to the 8-member commission.	Follows DHH strategy to move away from the role of direct service provider, yet preserves this quality nursing facility for the benefit of the Greater New Orleans area by making it less dependent on state budget.	Propose legislation where needed for propose lease or sale	Assuming sale or lease: One time SGF dollars to close (leave payout & unemployment) \$826,997 Estimated SGF dollar savings to Medicaid: MVA payment to Hainkel SGF: \$1,642,365 MVA payment to private SGF : \$1,300,057 Net savings of \$342,309 in SGF per year to Medicaid. *This assumes facility is sold, or if leased, that the leasee assumes costs of building maintenance, insurance, etc. If state retains responsibility for those expenses the Net SGF Cost ongoing is \$272,814 per year, so the Net SGF Savings are \$91,470 per year.	DHH study group is currently reviewing pursuant to Senate Concurrent Resolution 134 of the 2009 Regular Session.