EAGLE TIMES

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History of care in the county

From less than $2 a week to $1,400

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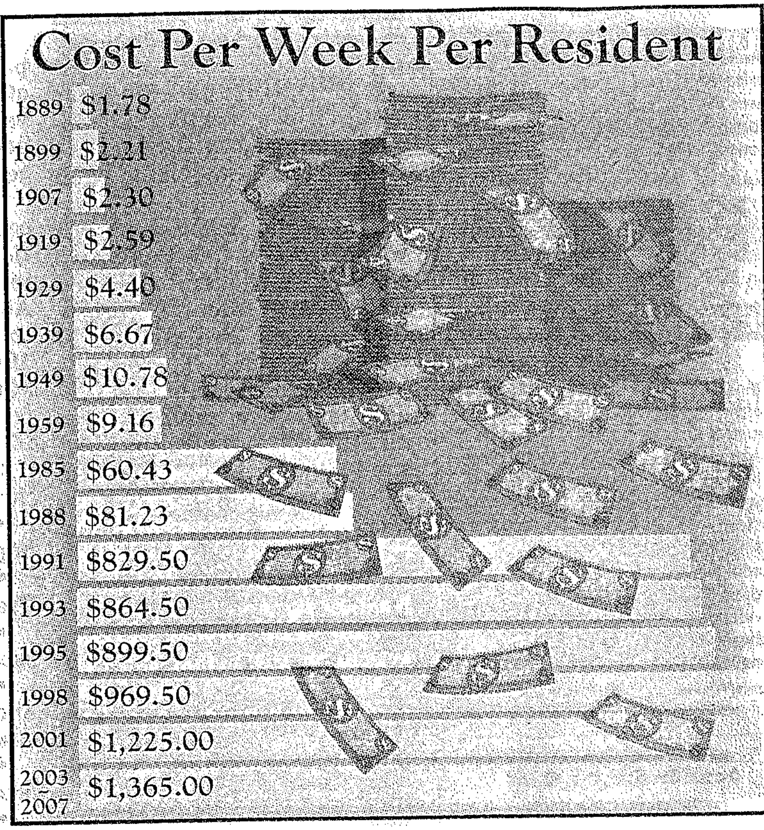
The financial problems and chronic deficits at Sullivan County Health Care have been the topic of discussion among county commissioners and delegation members over the past two years. But caring for the poor and elderly of our community and how to pay for that care has been a contentious issue since our country was founded.

This article is the first in a three-part series looking at the history of elderly care in the county, where we stand today and what the future holds for what once was labeled "the poor farm."



In the beginning...

During the 18th century, life expectancies for residents of the newly formed United States was much shorter than today's and the age of the population was disproportionately young.

The median age of an American in 1780 was 16 when the total population was 2.7 million. That number had jumped to 29 by 1940 and the population had increased to 132 million. Today's population of some 300 million Americans has a median age approaching 40.

In those early years few people lived to old age. For those who did, living together with a large family was considered normal and the elderly were cared for by family members. Only about 5 percent of the population lived in cities and for the rural elderly who were either poor or childless, they became dependent on charity or public welfare.

Local governments in the 18th and 19th centuries took on the responsibility of the poor and a number of laws patterned on the English "Poor Laws" were established.

Beginning with the Statute of Laborers in 1349 and proceeding to the reforms of 1834, the English "Poor Laws" regulated both the working and nonworking poor.

It is not a coincidence the first laws coincided with the outbreak of the Black Death in 1348-1349 that killed almost a third of England's population leaving a severe labor shortage.

Due to the shortage, workers found themselves in the position to ask for any wage they desired. This had the unintended consequence of creating a new class of people — the pauper, or a man who cannot or will not maintain himself by his work.

The first laws attempted to regulate workers by prohibiting idleness, the payment of higher wages and quitting work. It also regulated begging and almsgiving to the nonworking poor.

Two acts of Parliament in 1531 and 1536 developed into the first form of public relief for the poor. The laws developed criteria for who is in need and the obligation of the government to search out those in need — and what the government should do for them.

The latter act made local officials responsible for poor relief through the use of funds collected through the use of a "common box."

The Poor Relief Act of 1722 allowed parishes to provide housing for the indigent where they could be supervised and put to work. This idea of a "poorhouse" was not new and had been in use since the 16th century.

The system of "outdoor relief," or giving the poor money while they stayed in their own homes, was also used, but criticized for being easy on the poor and escalating costs.

In the United States, paupers, as they were known, were given cash payments paid for by the taxpayers

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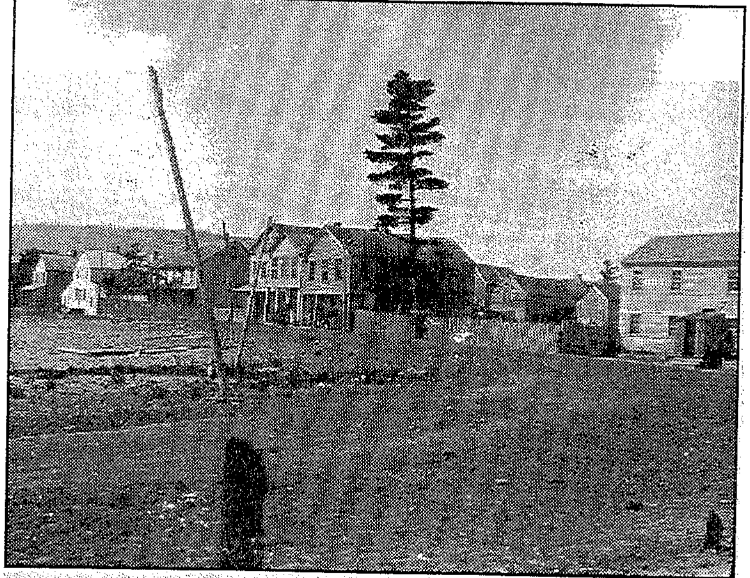

COURTESY PHOTO

Above is a typical poorhouse that housed people who needed relief. Welfare recipients were required to live and work at places like these if they wanted assistance. This poorhouse was in Michigan.

of a city or county as "outdoor relief." As costs began to skyrocket, government officials instituted "indoor relief" and constructed poorhouses, almshouses, poor farms, county infirmaries, asylums, or county homes to house people who were too expensive to support with outside relief, and required welfare recipients to go to these facilities if they wanted assistance.

In some states, the state owned and operated some or all of the poorhouses, and in others, counties or cities ran them. In Sullivan County, the poor were initially boarded out in private families.

On July 5, 1827, Sullivan County was formed from a portion of Cheshire County and includes the towns of Acworth, Charlestown, Claremont, Cornish, Croydon, Goshen, Grantham, Langdon, Lempster, Newport, Plainfield, Springfield, Sunapee, Unity and Washington. Named after Revolutionary War hero Brig. Gen. John Sullivan, Newport was chosen as the county seat.

Population at poorhouses increases

By the mid-1800s, the population of the poor throughout the country exploded with conditions at some poorhouses being described as horrific. The cost to Sullivan County taxpayers of taking care of the poor became burdensome, so in 1866 the county purchased 395 acres in Unity for $6,500 including all the buildings. In 1883, the county convention authorized the construction of an 18-room building with bathrooms and closets. The cost to support each pauper at the "poor farm" was $1.52 per week ($30.63 in 2006 dollars) compared to today's cost of $1,365 per week for a semiprivate room and $1,575 per week for a private room.

Many Americans were concerned that people might pretend to be poor so they could live for free in the almshouse at the expense of the taxpayer. Consequently, life was made as unappealing as possible for the residents.

Published in 1879, the songs "Out from the Poorhouse" written and composed by John Chadsey and "Over the Hill to the Poor House" by David Braham illustrated the public's perception that living in a poorhouse was everyone's nightmare.

As time passed, the almshouse became a catch-all for anyone who couldn't survive in the outside world and became a home to the poor and elderly people of the county — sometimes against their will.

The final paragraph of the 1896 Sullivan County Commissioners' report states: "We are convinced that there are quite a number of poor people being cared for by the county at their own homes who would be more comfortable and better cared for at the almshouse and at much less expense to the county. We shall therefore endeavor to have all such as can be moved consistently, taken to the almshouse."

According to the Sullivan County 1899 annual report, a total of 134 "inmates" were housed at the county farm, including 22 on the insane list, 14 under the age of 3 which included two births, two people over 90 years old and six people with unknown ages.

Those living on the county farm were expected to work by growing vegetables, milking cows and raising cattle and pigs to sell to help support the farm.

The commissioners wrote in their 1899 report that the county was $6,930.59 in debt ($161,879.79 in 2006 dollars) as of Jan. 1, 1900, and encouraged citizens to visit the poor farm.

"The Superintendent, Matron and their assistants at the County Farm have shown the

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same interest in the welfare and comfort of the inmates during the past year, as in former years, and have cheerfully assisted to make their lot as happy as possible.

"It is our wish that more of the citizens of the County would visit the farm and judge for themselves of the condition and care of those unfortunates who are dependent upon the county's bounty. These poor unfortunate beings have come to look forward to Christmas as the one bright spot in their lives, and to these ladies and gentlemen, who each year so kindly contribute and by their presence make at least one day in the year a bright and happy one to them, we wish to extend our sincere thanks."

As the need to house the growing population of poor in the county increased, more land was purchased in 1869, 1903, 1907 and 1921. And in 1930 a new almshouse was constructed at a cost of $150,000. The county convention voted Dec. 12, 1931, to officially change the name of the Sullivan County Farm to the Sullivan County Home.

At the time, many people throughout the country seemed convinced that constructing large buildings to house the elderly poor was the best way to deal with the problem.

These buildings resembled factories reminiscent of the Industrial Revolution and housed residents in neat and orderly rows of beds while feeding them at large tables in organized dining rooms.

According to a 1934 Old Age Security Staff Report, most states financed the cost for the poor elderly who had no other source of income. The amount varied from state to state and also from county to county.

government steps in

The Social Security Act created a program called Old Age Assistance in 1935, which gave cash payments to poor elderly people. The program later evolved into Medicaid. Each state was allowed to set its own standards with the federal government providing a 50 percent match up to $30 per month.

This program set the precedent for splitting expenditures between federal and state governments while continuing to allow the state to share costs with local governments, such as counties.

By the 1950s, there were no federal standards for the design or operation of nursing homes and many homes throughout the country were not licensed. This scenario led to unsafe buildings and many allegations of abuse and neglect.

The federal government raised the standards of nursing home operations in 1953 by requiring all states to establish an authority to oversee nursing homes or face the possibility of losing federal funding.

The new law forced many nursing homes to close, but for many state-run institutions, the prospect of losing federal funds forced them to improve or completely rebuild state-run nursing homes.

According to a 1960 article published in the *Journal of the American Public Welfare Association*, "A 1953-54 survey of nursing homes found that 90 percent of the patients in proprietary nursing homes were aged 65 or over. Two-thirds of the aged patients were women. Only one-half could walk alone and one-fifth were completely bedridden. Public assistance financed, in whole or in part, the cost of care of one-half of all patients in proprietary nursing homes. Stated another way: The proprietary nursing homes of the United States are almost exclusively geared to caring for old people and to a great extent to old people on public assistance."

In Sullivan County the need for more beds at the nursing home increased and in 1963 the commissioners began plans for a new building to be constructed on the Unity property.

In 1970, the new building was dedicated to Dr. Carl Stearns for his many years of service to the county and in 1973 the third-floor addition was completed, increasing the capacity to 194 patients.

At this time the amount of federal funding began to decrease because funding was based on per capita income in the state. As the standards increased and funding was cut, almost 1,500 nursing homes in the country were closed between 1969 and 1971, according to the National Center for Health Statistics.

By the last decade of the 20th century, people began to live much longer and the cost of health care continued to increase. With an aging population, the county saw a need for more specialized health care.

The county opened a 32-bed building in 1997 specifically designed to care for people suffering from Alzheimer's disease. Affecting an estimated 4.5 million Americans, Alzheimer's is a progressive, degenerative disease of the brain and most common form of dementia in which nerve cells deteriorate and die for unknown reasons.

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Insurance, Medicare and Medicaid

The first health insurance plans in the United States began during the Civil War, offering coverage against accidents related to travel by rail or steamboat. The first group policy was offered in 1847 by Massachusetts Health Insurance of Boston with other insurance companies offering individual policies by 1890.

A group of teachers in Texas contracted with Baylor University in 1929 to create the first modern health insurance plan where medical services were exchanged for a monthly fee. Blue Cross and Blue Shield came on the scene in 1932 as nonprofit organizations offering group health plans.

During World War II, employers were unable to attract workers with higher wages due to a government freeze, so many offered employer-sponsored health insurance as a benefit package.

As health care costs increased, the government created Medicare in 1965. It is a federally administered health insurance program today serving nearly 40 million Americans age 65 and older, under age 65 with certain disabilities and any age for people with permanent kidney failure requiring dialysis or a kidney transplant.

The program is divided into four parts covering different areas of health care.

Medicare Part A is hospital insurance which covers inpatient care at hospitals. It also helps cover the cost of care at a skilled nursing facility like a nursing home, hospice care and home health care if certain conditions are met.

Medicare Part B is medical insurance which covers medically necessary services, such as doctors' services and outpatient care. It also covers some preventative services.

Medicare Part C is another way for people to get benefits by combining Parts A, B and sometimes Part D (prescription coverage). Also known as Medicare Advantage Plus, Part C is managed by private insurance companies with co-payments and deductibles.

Medicare Part D helps cover prescription drug costs.

Medicaid is a state-administered program providing medical benefits to low-income people and each state sets its own guidelines regarding eligibility and services. It is available only to certain individuals and families who fit into an eligibility group that is recognized by federal and state law. It does not pay money directly to people, but instead makes payments directly to health care providers.

Sullivan County Health Care accepts patients with Medicare, Medicaid, private health insurance and those willing to pay out of pocket.

The increasing cost of health care

According to the U.S. Census Bureau, the number of people living in the United States over the age of 65 is expected to double, from 40 million to 80 million by 2030 representing 22 percent of the total population.

The aging population will inevitably increase the cost of health care beyond the $4,887 spent per capita in 2004. According to the World Health Organization, other countries spend far less on health care with Japan coming in a distant second at $2,627 and Germany in third at $2,412. Canada spends $2,163 annually while the United Kingdom spends $1,835 and Mexico spends $370.

The cost to run the nursing home has always been the burden of the taxpayer, but with health care costs rising, the county regularly runs million dollar deficits at the facility.

According to Sullivan County annual reports, the cost to house a person at the poor farm in 1888 was $1.76 per week. The cost increased almost every year and by 1898 the burden was $2.21 per week. Throughout the 20th century the cost continued to climb to $2.59 in 1919, $4.40 in 1929, $6.67 in 1939 and $10.78 in 1949. The cost per week peaked in 1951 at $13.87 before falling dramatically over the next 10 years to $7.51 in 1960.

In 1962, the State Department reduced the number of people allowed to be housed at the county farm from 100 to 93, greatly reducing the amount of income generated by the farm. In 1962, the total contributions from taxpayers to run the county farm was about $30,000. By 1969 that number had jumped to $143,000.

From the 1950s to the end of the millennium the county home was at full capacity or near to it. A waiting list was maintained with anywhere from 40 to 100 people hoping to get a bed at the county home.

As the number of available beds was increased with a new addition in 1973, there was still a long waiting list. The 1975 commissioner's report states, "We now have 194 beds, but could use at this time 250."

By 1985, the cost to care for a resident had increased to $60.43 per week, rising to $81.23 in 1988.

Between 1986 and 1987, the capacity at the nursing home was reduced from 194 beds to 188 beds. Throughout the 1990s the average number of residents fell steadily from 182 in 1993 to 161 in 1999. And the cost for a private room increased from $118.50 in 1992 to $138.50 in 1999.

A further reduction in patient capacity was made in 2000 to 156 beds, greatly reducing the potential income of the nursing home through Medicare and Medicaid reimbursements.

At the dawn of the new millennium, an average of 145 patients resided at the home with the cost of a private room at $175 per day in 2001. By 2006, that cost has risen to $195 per day with an average of 144 patients.

In January 2005, a private nursing home consultant, Genesis Health Care, was hired with the promise to reduce overall health care costs at the nursing home and make the facility self-supporting.

That promise never fully materialized. The contract with Genesis expired in June leaving the county with multi-million dollar deficits that, as in the past, will be borne by the taxpayer.

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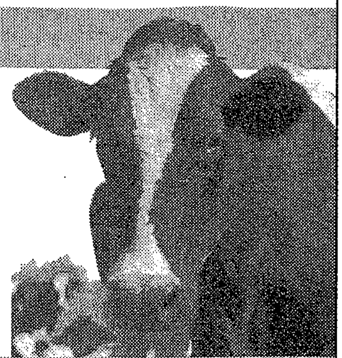
The second part of this three-part series will appear in Thursday's edition and examine the current overall status of the nursing home.

INVENTORY January 1, 1972

Livestock



Cattle

- 52 Cows Pure Bred Registered
- 16 Heifers 2-years Pure Bred Registered
- 11 Heifers yearlings Pure Bred Registered
- 20 Calves born after July 1, 1971 Pure Bred Registered
- 2 Steers 2-years

101 Head

Produce Raised on Farm

589,535	Lbs. Milk	56	Bushels Carrots
3,326	Lbs. Dressed Beef	6	Bushels Cucumbers
235	Tons Hay	7	Bushels Summer Squash
500	Tons Corn and grass silage	5	Bushels Swiss Chard
		750	Heads Cabbage
		4	Bushels Turnips
		60	Bushels Sweet Corn
		30	Heads Lettuce
		58	Bushels Ripe Tomatoes
		19	Bushels String Beans
		200	Lbs. Winter Squash
		5	Bushels Beet Greens
		10	Bushels Beets
		5	Bushels Pears
		1	Bushel Radishes
		24	Bushels Peppers
		11	Bushels Egg Plant