



Will Your On-Site Laundry Survive the Sea of Rising **COSTS?**

3 Reasons Long Term Care Facilities are Outsourcing Laundry!

**MINIMUM
WAGE HIKES**

**DECREASED GOVERNMENT
REIMBURSEMENT FOR CARE**

**INCREASED COST OF
REGULATORY COMPLIANCE**



Costs are on the rise!

Minimum wage hikes... decreased reimbursement for care... increased regulatory compliance...

These three ongoing changes are going to shrink your bottom line. Add to them the challenges of finding labor, shifting to green operations, and managing infection control risks and you have a perfect storm of rising costs. Can you handle what's coming? Do you have a plan in place to deal with a changing business environment?

Are you ready to face these costs?



Minimum wage increases will drive up labor costs

A recent study by RTI International assessed the effects of wage increases for long-term care providers. Examining minimum wage levels of \$10, \$12, and \$15, they found that providers would experience total cost increases of 1%, 5%, and 13%, respectively. Though some providers might not be facing minimum wage hikes now, the national trend is for raising minimum wage levels. It's coming soon and your costs will increase as a result.

Government reimbursement of care will drop

According to a Kaiser Family Foundation study in 2016, Medicaid and Medicare are the primary payers of nursing home care for over 75% of U.S. long-term care residents. Medicaid is estimated to grow by 6% annually, hitting \$650 billion by 2027, and Medicare's hospital insurance fund is projected to be insolvent by 2026. What does this all mean for providers? A greater risk that government payments for resident care will drop. And *that* will curb your revenue.

Increased regulatory compliance will drive up operational costs

OSHA has ramped up its enforcement of regulations concerning hazards at nursing homes and long-term care facilities. Combined with increased fine levels and an expansion of CMS infection control requirements, providers can expect growing compliance costs. These costs add up fast, especially with wage hikes and decreased reimbursements.

But there's hope!



We do it more cost-effectively than you!

The cost of doing laundry yourself is high. Based on a study of hundreds of U.S. long-term care facilities, on-premise laundry costs can be up to 30% greater than the costs of outsourcing to a laundry service provider. That's a huge difference! And when you outsource, you do more than just save money: you get other benefits, too.



You'll save green while being green

Laundry service providers manage resources like nobody's business. From natural gas consumption to water and sewer management, we keep our resources under strict control. Outsourcing is a great way to show your residents and their families that you're focused on preserving the environment while always providing great care.

Greater controls reduce the risks

Finely-tuned process controls, such as the separation of soiled linen from clean textiles, enable providers to enhance infection prevention. This translates to a direct benefit to you and your residents: the reduced possibility of injuries and illnesses associated with infectious bacteria. Also, there is a growing trend of laundry facilities seeking and achieving Hygienically Clean certification.



Hygienically Clean establishes microbiological testing standards as well as mandatory process requirements that enhance a facility's ability to produce hygienically clean linen. Check out hygienicallyclean.org for more information.

Use the space for something great

Transform that old laundry space into something more useful: a therapy center to ease pain or a spa for relaxation could greatly enhance the value of your facility. And rather than being a cost center, that new space can generate revenue for you!