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**Colorado Department  
of Public Health  
and Environment**

**COLORADO DEPARTMENT OF HEALTH CARE  
POLICY AND FINANCING  
AND  
COLORADO DEPARTMENT OF PUBLIC  
HEALTH AND ENVIRONMENT**

**REPORT TO JOINT HEALTH AND HUMAN SERVICES COMMITTEE**

***ANNUAL REPORT OF EXPENDITURES  
FROM THE NURSING HOME PENALTY CASH FUND***

**C.R.S. 25-1-107.5**

**OCTOBER 1, 2010**

October 1, 2010

The Honorable Jim Riesberg, Chair  
House Health and Human Services Committee  
200 E. Colfax Avenue, Room 271  
Denver, CO 80203

Dear Representative Riesberg:

Enclosed please find the Colorado Department of Health Care Policy and Financing's and the Colorado Department of Public Health and Environment's joint submission to the House Health and Human Services Committee reporting expenditures from the Nursing Home Penalty Cash Fund for measures that will benefit residents of nursing facilities by improving their quality of life at the facilities.

Section 25-1-107.5, C.R.S. (2009) requires the Departments, with the assistance of the Nursing Facility Culture Change Accountability Board, to submit a report, by October 1, each year. The report shall include: the amount of moneys expended for such purposes, the recipients of the funds, the effectiveness of the uses of the funds, and any other information deemed pertinent by the Departments or requested by the Governor or the Committees. The statute requires the Departments to distribute funds for such purposes based on the recommendations of the Nursing Facility Culture Change Accountability Board, which the statute required to be established.

Questions regarding this report should be addressed to Janice Brenner, Policy Analyst, Long Term Benefits Division, at [janice.brenner@state.co.us](mailto:janice.brenner@state.co.us) or 303-866-4758.

Sincerely,



Joan Henneberry  
Executive Director  
Department of Health Care Policy  
and Financing

Sincerely,



Martha Rudolph  
Executive Director  
Department of Public Health  
and Environment

JH: jb

Enclosure: Expenditures from Nursing Home Penalty Cash Fund Report

October 1, 2010

The Honorable Betty Boyd, Chairman  
Senate Health and Human Services Committee  
200 E. Colfax Avenue, Room 346  
Denver, CO 80203

Dear Senator Boyd:

Enclosed please find the Colorado Department of Health Care Policy and Financing's and the Colorado Department of Public Health and Environment's joint submission to the House Health and Human Services Committee reporting expenditures from the Nursing Home Penalty Cash Fund for measures that will benefit residents of nursing facilities by improving their quality of life at the facilities.

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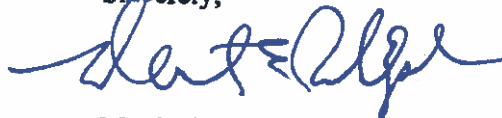
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Joan Henneberry  
Executive Director  
Department of Health Care Policy  
and Financing

Sincerely,



Martha Rudolph  
Executive Director  
Department of Public Health  
and Environment

JH:jb

Enclosure: Expenditures from Nursing Home Penalty Cash Fund Report

Cc: Representative Sara Gagliardi, Vice-Chairman, House Health and Human Services Committee  
Representative Cindy Acree, House Health and Human Services Committee  
Representative Dennis Apuan, House Health and Human Services Committee  
Representative Cheri Gerou, House Health and Human Services Committee  
Representative John Kefalas, House Health and Human Services Committee  
Representative Jim Kerr, House Health and Human Services Committee  
Representative Dianne Primavera, House Health and Human Services Committee  
Representative Ellen Roberts, House Health and Human Services Committee  
Representative Spencer Swalm, House Health and Human Services  
Representative Max Tyler, House Health and Human Services  
Senator Linda Newell, Vice-Chair, Senate Health and Human Services Committee  
Senator Morgan Carroll, Senate Health and Human Services Committee  
Senator Kevin Lundberg, Senate Health and Human Services Committee  
Senator Shawn Mitchell, Senate Health and Human Services Committee  
Senator Paula Sandoval, Senate Health and Human Services Committee  
Senator David Schultheis, Senate Health and Human Services Committee  
Senator, John Morse, Senate Majority Leader  
Senator Mike Kopp, Senate Minority Leader  
Representative Terrance Carroll, Speaker of the House  
Representative Paul Weissmann, House Majority Leader  
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John Barry, Deputy Director, Medical & CHP+ Program Administration Office  
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John Bartholomew, Chief Financial Officer  
Nicole Storm, Legislative Analyst  
Joanne Lindsay, Public Information Officer  
HCPF Budget Library, HCPF Budget Division  
Maxine Roby, Chair Person, Nursing Facility Culture Change Accountability Board

# Cash Fund Report

## Introduction

House Bill 09-1196 was passed during the 2009 session of the Colorado General Assembly. This is the first annual report created by the Department of Health Care Policy and Financing and the Department of Public Health and Environment (Departments), with assistance from the Nursing Facility Culture Change Accountability Board (Board).

The intent of the legislation was to authorize the use of a portion of the Nursing Facility Cash Penalty Fund, every fiscal year, for measures to improve the quality of life for nursing homes residents. The purposes that could be used as a basis for consideration for distribution include but are not limited to:

- consumer education on assessing culture change in nursing facilities and recognizing whether a nursing facility uses resident centered care
- training for state surveyors, supervisors, and the state and local long term care ombudsman regarding culture change in nursing facilities
- development of a newsletter and website detailing information on culture change in nursing facilities and related information
- education and consultation for the purposes of identifying and implementing culture change initiatives in nursing facilities

The Board was established to review and make recommendations to the Departments for the use of the authorized funds. In Fiscal Year 2009-10, \$200,000 was allocated for grant disbursements for such purposes. In subsequent years, 25 percent of the new monies from Civil Money Penalties deposited in the fund the previous fiscal year are available for culture change grants. No more than 10 percent of the available funds can be used for Board administrative support.

## Culture Change and Resident-Centered Care

Board members have provided the information in this section regarding culture change and resident-centered care in Colorado and the nation:

Resident-centered care is about treating the most vulnerable people in our communities with dignity and respect. Culture change and resident-centered care creates home, meaning, purpose, spontaneity, and the ability to give as well as receive care. Residents living in nursing homes where this philosophy has been adopted have choice in routines and schedules and a more home-like environment, providing for self determination, respect, dignity, and sometimes less reliance on palliative medications and decreasing likelihood of more restrictive living. This is a new model of care which will transform the traditional nursing home of the past, modeled after a hospital, to one that is centered on elder and disabled residents directing their choices, routines, schedules, and environment. It focuses on creating a home, empowering residents and staff to create a place they want to live and work in respectively.

Colorado has always been seen as an innovative leader in the nursing home community. House Bill 09-1196 seeds new opportunities to transform the delivery of care in a facility based

environment to resident-centered care, statewide. The ability to use Nursing Home Penalty Cash Funds encourages wide-spread adoption of the new paradigm through all of Colorado's nursing homes and allied resources, especially enhancing current thinking for consumer education and setting new benchmarks. The Centers for Medicare and Medicaid Services (CMS) supports the use of Civil Money Penalties (CMP), the source of funds in the State Nursing Home Penalty Cash Fund, to improve the quality of life for nursing home residents. CMS has provided guidelines that include directing CMP funds to entities other than nursing homes as long as funds are used in accordance with statutory intent. CMS is very interested in innovative practices that benefit nursing home residents. Colorado is one of 13 other states using CMP funds for this purpose.

### **Nursing Facility Culture Change Board Appointment and Development**

In August 2009 Governor Ritter appointed nine of the 10 members to the Board as required by the law. There is an open position for one member, representing a person with a disability residing in a nursing home or a member of that person's family.

The Board met for the first time on December 14, 2009. A Board Chairman and Vice Chair were elected by the Board. Board organization, structure, responsibilities, accountability and administrative support were determined with stakeholder and Departmental input. Since this initial meeting the Board has met monthly, identified a process for stakeholder education and input, developed criteria for grants and timelines, and developed processes for application submissions, disbursement of funds, reporting, communication, and Board meetings. The Board has provided education about culture change and resident-centered care. The Board directed legal questions and inquiries to the Department of Health Care Policy and Financing.

### **Grants and Moneys Expended**

Grant criteria and applications were posted on the Departments' websites and those of various state and shareholder organizations throughout Colorado. A release was sent to the media resulting in an article appearing in the Pueblo Chieftain and a Pennsylvania newspaper.

The Board received and reviewed 36 applications from various organizations in Colorado including consultants, charitable organizations, nursing home providers, management companies, higher education, government and others. The applications were thoroughly reviewed and scored by the Board using uniform criteria. The Board made recommendations to the Departments for 10 grants to receive funds. The recommended grants met the statutory standard and spirit, were innovative, were replicable, able to be evaluated, sustainable, and impacting multiple nursing homes and/or residents. Both Departments approved the recommendations from the Board. Some organizations received only a portion of the funds requested in their original proposals. Rarely were administrative costs funded.

The Culture Change Accountability Board received more proposals than the Board was able to fund. Some of the proposals did not meet pre-defined criteria or did not address furthering culture change concepts and practices in the long-term care community. To avoid conflict of interest, or perceived conflict of interest, Board members whose organizations' proposals were being considered recused themselves from discussion and voting on their proposals. The Board

has determined that current grantees will not be eligible to receive funds in the next funding cycle. The Board will increase their efforts to educate stakeholders on culture change concepts and grant criteria.

The grant recipients, amounts awarded, and purposes of the grants are summarized on Attachment A of this document. The table below identifies the financial accounting for the funds available.

Total Funds Allocated in FY 2009-10	\$	200,000
Grants Funds Awarded	\$	194,997
Board Expenses and Surety Bond Expense	\$	1,575
Undisbursed funds	\$	3,428

The undisbursed funds remained in the Nursing Home Penalty Cash Fund.

#### **Effectiveness of the Use of the Funds**

The Board met on September 17, 2010 to review the first quarterly reports from the Fiscal Year 2009-10 grant recipients. All grant projects are in process and will be completed by June 30, 2011. Each grant recipient was required to identify in the organization's grant application: organizational information, an organization financial statement, a budget for the project, project information, project impact and a project evaluation plan, including the impact on residents residing in nursing homes. The grantees received their funds on or before June 30, 2010. At this time, all grants have reported on the initial project development. It is expected that the next legislative report will report on whether and to what extent the grants resulted in culture change and resident-centered care.

The process for grant awards for Fiscal Year 2010-11 is in progress. Grant applications are due on December 31, 2010. The amount available for awards and disbursement in Fiscal Year 2010-11 is \$81,922.50, which is 25 percent of the \$327,690 in CMP funds received in Fiscal Year 2010-11.

#### **Opportunities**

Late in April 2010 The Department of Health Care Policy and Financing notified the Board that disbursement of funds by individual contracts was unlikely by June 30, 2010 due to Department procurement workload. The Colorado Health Care Education Foundation, a non-profit organization, agreed to become the fiscal agent for the funds and contracted with The Department of Health Care Policy and Financing to disburse the funds prior to the close of the fiscal year. The timing identified a process challenge. As a result, the Board identified the need for potentially revising the legislation for a more efficient and effective disbursement process in the future. The Board has also created a timeline with the intention of identifying and completing recommendations for grants earlier in the fiscal year.

Currently the Colorado Culture Change Coalition, Colorado Health Care Association and the Departments are collaborating to identify a Board member representing the disability community as identified in the statute.



## **ATTACHMENT A**

### **ORGANIZATIONS RECEIVING 2009-10 DISBURSEMENTS FROM THE NURSING HOME PENALTY CASH FUND**

**1. Colorado Culture Change Coalition, Rebecca Paskind, Board Member  
Distribution Amount: \$50,600**

Raising consumer awareness of resident-centered care; tasks for accomplishing consumer awareness include:

- a. Improvements to the Colorado Culture Change Coalition Website specifically intended to educate consumers on the resident-centered care model.  
**Proposed funding \$5000**
- b. Development and training of a state-wide Volunteer Speaker's Bureau that can educate consumers about resident-centered care at local venues across Colorado, such as senior centers, libraries, and clubs, partnering with other organizations that have access to consumers to make these presentations.  
**Proposed funding \$25,350**

c. Colorado Accord 2011  
**Proposed funding \$17,000**

Funds from HB 09-1196 will be used to help present a 2011 Colorado Accord, for all stakeholders, to be held in early 2011 as a follow up to the two-day Colorado Accord held in December 2008. Additional funding for this project will be sought to make this feasible. This Accord will target consumer attendance and participation. The goal for the 2011 Accord will be to partner with other not-for-profit organizations serving elders and their care partners to bring the consumer's voice to the table.

d. "Culture Change 101"  
**Proposed funding \$3,250**

Funds from HB09-1196 would be used to develop an introductory training on culture change that will be in used in collaboration with Northern Colorado Culture Change Coalition Network represented by CCCC and will educate community members and nursing home providers and staff unfamiliar with culture change.

**2. Colorado Department of Human Services, Division of State and Veteran Nursing  
Homes, Viki Manley  
Distribution Amount: \$10,050**

Funds from the CMP grant will be used to send staff members to the Eden Alternative Train the Trainer Program. This program certifies participants to teach the Eden Associate Training. The Eden Associate Training is a three-day course focused on the Eden Philosophies of eliminating loneliness, helplessness and boredom. The Train the Trainer program will allow the homes to provide the Eden Associate training in-house. This will decrease the cost of the training and associated travel expenses.

**3. EDU-Catering, Carmen Bowman**  
**Distribution Amount: \$2,500**

This small project seeks to do two things: 1) not "train" surveyors but instead continue to expose them to culture change ideas and how nursing homes around the country are implementing new ideas and remaining compliant with the federal requirements and 2) include surveyors in a dialog regarding what are barriers to culture change ideas in their opinion as surveyors knowing the federal regulations and survey procedures intimately with the goal of deciding what true barriers exist and creating a document specifying them and any ideas/solutions to overcome them to be submitted to CMS Central Office as an end product.

**4. EDU-Catering, Carmen Bowman**  
**Distribution Amount: \$23,000**

**Changing Culture Collaborative**

Twenty nursing homes would be chosen that volunteer to be a part of a collaborative where they agree to implement culture changes and in return receive free training quarterly and at a mid-way all day workshop addressing barriers identified during quarterly coaching sessions and the benefit from learning from others. Each home would be coached to use the Artifacts of Culture Change measurement tool and identify real and/or perceived barriers.

**5. Exempla Colorado Lutheran Home**  
**Distribution Amount: \$3,600**

**Aromatherapy Pilot Project Addendum**

The project scope and purpose will not change based on the partial grant funding. We will continue with the full Aromatherapy pilot program as outlined in the grant application. Exempla Colorado Lutheran Home (ECLH) will fund the additional \$2,400 needed to complete the project as originally purposed. The full cost of this program is \$6,000, \$3,600 coming from the CMP Distribution Grant and \$2,400 from ECLH. The grant funding will be used to cover \$3,600 of the consultant fees, ECLH will fund the remainder of the consultant fees and will also cover the cost of supplies.

The intent of HB 09-1196 is to promote innovation in long-term care with a focus on person-centered care. Sleep quality has been directly correlated with quality of life, and

reported quality of health in older adults. A good night's sleep gives elders the ability to enjoy their lives and pursue activities of interest and meaning. Insomnia can affect all aspects of a human life, including physical wellbeing, life satisfaction, depression and mood, and the ability to take part in the community within and outside of ECLH.

Aromatherapy is one method for encouraging quality sleep (Wolfe & Herzberg, 1996). ECLH is proposing to launch an aromatherapy pilot program to promote the quality of sleep in a group of nine residents who currently are experiencing insomnia. Our proposed project would provide the option of aromatherapy to our residents who wish to take part in the program to enhance their sleep quality. Providing choices in care is inherent to the mission and values of ECLH. ECLH will hire a consultant to assist with the background data gathering, to teach the staff at ECLH the principles of aromatherapy, to provide expert guidance in the data collection and to assist in the therapy itself.

**6. The GLBT Community Center of CO, Rob Holting**  
**Distribution Amount: \$12,500**

This grant will improve the quality of life for LGBT elders by erasing fears and overcoming barriers to receiving quality long-term care by educating LTC facilities and their staff to be more culturally competent and aware of this often-neglected population. Together SAGE of the Rockies and Piñon Management will create a new model that contributes to changes in culture to ensure the visibility and individualized care of LGBT persons receiving skilled care.

**7. Highline Rehabilitation & Care Community, Jennifer Brown**  
**Distribution Amount: \$10,165**

The facility will attempt to decrease medications for Residents with Dementia to be replaced by therapeutic modalities and behavioral approaches. Example: Herbal Supplements, Therapeutic Touch, Aroma Therapy, Validation Therapy, Massage Therapy, Hydrotherapy, Heat, Music, Meditation, Yoga, Detoxification and Pressure type therapies. The long term benefit for the resident will be a improvement reflected in one or more of the following areas: decreased restraints, behaviors, depression, thought process, weight, falls or medications. The facility already has processes in place to collect data to measure the above changes.

**8. The Legal Center, Mary Ann Harvey**  
**Distribution Amount: \$47,800**

Funds will primarily be used for the design, marketing, production and distribution of a fully updated Residents' Rights Bingo Game. In the 20 years since the game was launched, life in long-term care facilities has changed. The explosive growth of the Culture Change movement across the country and in Colorado has highlighted additional areas for improvement as well as generated new methods and models for improved delivery of care and enhanced quality of life. Our knowledge of the importance of

residents' rights and quality of life issues has increased, but so have staff shortages! Many older people are computer literate, relying on technology for information, education and entertainment.

**9. North Star Community, Marcia Brenowitz**  
**Distribution Amount: \$4,782**

North Star Community will use these grant funds to develop and implement music therapy programs at nursing facilities throughout northern Colorado, including Fort Collins, Loveland, Windsor, Greeley, and surrounding areas. We will collaborate with the rehab and/or the activities departments within those facilities, working to tailor a music therapy program to best meet their residents' needs.

**10. Pinon Management, Nancy Fox**  
**Distribution Amount: \$30,000**

**Proposed Project: *Creating Sustainable Resident-Centered Care Through the Development of Neighborhood Guides***

The funds from this grant would be used to design a curriculum to develop Neighborhood Guides from each of six different Piñon managed communities. These communities have been chosen to provide a broad spectrum of demographics, thus allowing the project leaders to ascertain unique challenges that may be wrought by different types of communities (urban vs. rural, large vs. small, short-term vs. long-term care neighborhoods, serving younger vs. older populations, traditional vs. uniquely-abled populations, English-speaking vs. non-English-speaking staff and residents). Four people from each of these 6 communities will be invited to participate in the project to become Neighborhood Guides. The timeline for this project is 12 months, beginning in June 2010. Curriculum and resource development would require 6 weeks prior to an initial 3-day retreat, providing the Guides with the foundational knowledge and tools to begin the development of their neighborhood teams. The new Guides would then return quarterly for 2-day sessions designed to promote continued growth and mentoring, as well as review and discussion of their work via videos they will submit of actual team meetings they are facilitating. In these sessions, the project leaders will also provide additional education and tools for the Guides to use during the upcoming quarter, as well as opportunity to discuss challenges, problem-solve, and support each other in their growth. This allows for a total of 9 days of education for the Guides. Upon initiation of the project and during each quarter, one of the Piñon culture change specialists would visit each of the participating communities to apply and review measurement tools and to personally observe the new Guides and offer support and guidance for improvement. The specialists will be available throughout the project by phone and email to problem-solve and brainstorm with the new Guides.