



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:

HOUSE PUBLIC HEALTH AND HUMAN SERVICES
SENATE HEALTH AND HUMAN SERVICES COMMITTEE
GOVERNOR

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

C.R.S. 25-1-107.5

May 20, 2013

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Governor John W. Hickenlooper
136 State Capitol
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The Department of Health Care Policy and Financing and the Department of Public Health and Environment (the Departments) present this report with respect to their compliance with requirements for an annual report of the expenditure of monies in the Nursing Home Penalty Cash Fund (NHPCF), as stipulated in Section 25-1-107.5, C.R.S.

The Departments, with the assistance of the Nursing Facility Culture Change Accountability Board (NFCCAB), shall jointly submit an annual report to the governor and the health and human services committees of the senate and house of representatives of the general assembly, or their successor committees, regarding the expenditure of monies in the nursing home penalty cash fund for the purposes described in subparagraph (II) of paragraph (c) of subsection (4) of this section. The report shall detail the amount of monies expended for such purposes, the recipients of the funds, the effectiveness of the use of the funds, and any other information deemed pertinent by the departments or requested by the governor or the committees.

The Department of Health Care Policy and Financing and the Department of Public Health and Environment are pleased to submit this report on behalf of the Board. The Departments are supportive of culture change initiatives and appreciate the Board's work on this important issue. The report describes the goals, costs, and results of Fiscal Year (FY) 2012-13 projects funded by FY 2011-12 grants from the NHPCF for projects to benefit nursing home residents by improving their quality of life, as authorized by the statute. Attachment A contains information on the FY 2012-13 projects funded by FY 2011-12 grants.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, MaryKathryn Hurd, at MK.Hurd@state.co.us or 303-547-8494 or Nancy McDonald, Director, Health Facilities and Emergency Medical Services Division, Department of Public Health and Environment, at 303-692-2613.

Sincerely,



Susan E. Birch, MBA, BSN, RN
Executive Director
Department of Health Care Policy and
Financing

SEB/zjl

Sincerely,



Christopher E. Urbina, MD, MPH
Executive Director and Chief Medical Officer
Department of Public Health and Environment

cc: Senator Irene Aguilar, Chair, Health and Human Services Committee
Senator Linda Newell, Vice-Chair, Health and Human Services Committee
Senator Jeanne Nicholson, Health and Human Services Committee
Senator John Kefalas, Health and Human Services Committee
Senator Ellen Roberts, Health and Human Services Committee
Senator Kevin Lundberg, Health and Human Services Committee
Senator Larry Crowder, Health and Human Services Committee
Representative Dianne Primavera, Chair, Public Health Care and Human Services Committee
Representative Dave Young, Vice Chair, Public Health Care and Human Services Committee
Representative Jenise May, Public Health Care and Human Services Committee
Representative Beth McCann, Public Health Care and Human Services Committee
Representative Sue Schafer, Public Health Care and Human Services Committee
Representative Jonathan Singer, Public Health Care and Human Services Committee
Representative Max Tyler, Public Health Care and Human Services Committee
Representative Amy Stephens, Public Health Care and Human Services Committee
Representative Kathleen Conti, Public Health Care and Human Services Committee
Representative Janak Joshi, Public Health Care and Human Services Committee
Representative Lois Landgraf, Public Health Care and Human Services Committee
Representative Justin Everett, Public Health Care and Human Services Committee
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Lorez Meinhold, Community Partnerships Office Director
Tom Massey, Policy and Communications Office Director
MaryKathryn Hurd, Legislative Liaison
Rachel Reiter, Communications Director

Cash Fund Report

Introduction

House Bill 09-1196 was passed during the 2009 session of the Colorado General Assembly. This is the third 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 the 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. CMS required all states to begin using their CMP's collected for programs that benefit resident on January 1, 2012. Board members met with CMS in the Denver Regional Office in February 2012 to understand expectations and process for gaining CMS approval for the grants in Colorado. The most recent grants recommended by the Board were processed timely and with follow-up to questions posed by CMS.

Nursing Facility Culture Change Board Appointment and Development

In August 2009 Governor Ritter appointed nine of the ten members to the Board as required by the law. All positions open at the time of this report in the prior year have been appointed with new members by Governor Hickenlooper. The Board was pleased to have a person from the disability community join the Board as required in the original legislation. This member lives in a rural nursing home and provides the Board with great insight.

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 was 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.

In this recent fiscal year the Board continued to meet, identified a new chair (due to a resignation of the Chair), reviewed new grant applications, conducted on-site visits for current grants, developed protocols for quarterly reporting and final reports, developed fiscal responsibilities and made recommendations to the Departments for new grants. The Board also worked through fund disbursements with Health Care Policy and Financing staff and continued to meet the Departments' staff to keep them informed about the Board's activities and obtain clarification about disbursements and reporting requirements.

Grants and Monies Expended

Grant criteria and applications continue to be posted on the Departments' websites and those of various state and shareholder organizations throughout Colorado.

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 in the first year and received 10 additional grant applications in 2011. During the third year the Board received 16 grant applications and disbursed funds to eight organizations. The applications were thoroughly reviewed and scored by the Board using uniform criteria. The Board made recommendations to the Departments for eight 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 and no capital requests were funded. Two 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. The Board determined that grantees who received funding in one fiscal year would not be eligible for funding the following year. This was identified in the grant application process and none applied. The Board will increase their efforts to educate stakeholders on culture change concepts and grant criteria. The department required new processes for disbursements in 2011- 2012. Organizations receiving grants were provided with a State vendor number and invoiced the Department monthly for reimbursement.

The grants funded in the 2011-2012 cycle were all completed and quarterly reports reviewed by the Board and HCPF. Reports included grant deliverables and financial accounting of how the funds were spent. Board members were assigned to liaison between the organization and the Board. The Board conducted on-site visits or in person meeting with five organizations receiving grants. Results were impressive, sustainable and replicable.

The grant recipients, amounts awarded, and purposes of the grants for Fiscal Years 2011-2012 are summarized on Attachment A of this document. The table below identifies the financial accounting for the funds available for grants completed in FY 2010-2011 and 2011-2012.

Total Funds Allocated in FY 2010-2011	\$ 81,922.50
Grants Funds Awarded	\$ 77,400.00
Board Expenses and Surety Bond Expense	\$ 628.00
Undisbursed funds	\$ 3,894.50
Total Funds Allocated in FY 2011 -2012	\$ 53,000.00
Grants Funds Awarded	\$ 48,270.00
Board Expenses	\$ 500.00
Undisbursed funds	\$ 3,428.00

The undisbursed funds remain in the Nursing Home Penalty Cash Fund. Since the Department disbursed the funds directly to the grantee in 2011-2012 there was no requirement for a surety bond.

Effectiveness of the Use of the Funds

The Board continued to meet throughout Fiscal Year 2011-2012 to define processes, and review quarterly reports and new grant applications. The Board completed the review of two cycles of grants as of June 30, 2012 because of changes in the way grants were funded and reimbursed by the Department.

Each grant recipient is 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 Board and the Department review quarterly reports for each grant. The grantees are reimbursed by the Department as invoices are received throughout the year. Although the grants awarded have been effective and benefited Colorado's nursing home residents, the grants could be more effective if they had a longer time frame, up to and including three-year grants.

The Board continues to monitor and appreciate the sustainability of grants funded in prior years. Seed money used for the Colorado State and Veterans Nursing Homes continues to provide person-centered care training through Eden Educators, a train-the-trainer approach delivering principle-based workshops for their staff. The Neighborhood Guide, a person who has education and skills in developing and mentoring high functioning self-directed work teams in a person-centered care community, has been implemented across 12 Colorado nursing homes and is continually offered to staff for becoming a neighborhood guide. Digital stories about culture change have been replicated on a DVD and provided to 500 organizations. These can also be viewed on social media at YouTube providing all Colorado's nursing homes access.

The process for grant awards for Fiscal Year 2013-14 is in progress and is outlined in Attachment B. Grant applications are due on December 7, 2013. The amount available for awards and disbursement in Fiscal Year 2012-13 is \$52,676.46 which is 25 percent of the CMP's collected 2011-2012.

Opportunities

Throughout Fiscal Year 2011-2012 the Board and Department met and worked on processes to disburse funds and review grant reports. Currently, the Departments have identified new processes with the Board for funding grants. In Fiscal year 2011-2012, organizations approved for grants by the Board were reimbursed for expenses rather than receiving funds in advance. This retrospective process will continue in the current year. The Board has also created a timeline with the intention of identifying and completing recommendations for grants earlier in the fiscal year. Discussion continues with CMS about funding three-year grants. The Board is in favor of supporting legislation to identify processes for disbursements and providing additional monies from the Nursing Home Cash Penalty Fund for grants, annually.

Returning unspent money from the grants continues to be a challenge, since limited funds (25% of prior year's CMP's) leave little money to return. This is the first year monies have been returned. The Board recognized fiscal difficulties because of truncated grant cycles and recommends legislation or process in the Department to make these funds available for additional grants or for extending the timeline for the grant money to be spent. One approach would be to extend grants beyond the fiscal year to allow grantees to finish spending the money awarded. On some occasions, obstacles do arise and prevent the organizations from spending the money awarded by June 30th each year and with the Department's approval the Board has extended some grants into the next fiscal year.

The Board has identified the opportunity to increase efforts for outreach through education and awareness. They will provide education at the 2013 Colorado Accord and through other venues identified throughout the year. Efforts in this area should increase the number of grants submitted with sustainability; ultimately benefiting residents living in Colorado nursing homes.

The Colorado Culture Change Coalition continues to provide administrative support to the Board, as to not burden the Department with unnecessary administrative costs to support the Board's work. The Coalition is committed to continuing this support in future years. Currently the Board does not spend all of the money allowed in the legislation for administrative costs and can provide reimbursement to the Coalition when funds permit.

ATTACHMENT A

ORGANIZATIONS RECEIVING 2011-2012 DISBURSEMENTS FROM THE NURSING HOME CASH PENALTY FUND

1. Colorado Culture Change Coalition - \$30,200

The Colorado Culture Change Coalition, a non-profit organization in Colorado partnered with Center for Digital Storytelling to train 10 staff from six nursing homes to develop digital stories about person centered care from residents living in the respective nursing homes. The grant included staff training, on site visits to the nursing homes and development of 20 digital stories, 500 DVD's and discussion guide of the stories and a public screening at the Denver Film Center to unveil the stories. The event was attended by over 150 people from many organizations, residents, family, staff members, ombudsman, regulators, educators and policy makers. "Staff attending reported high satisfaction with the workshop experience and some said it was one of the best experiences they ever had." Regis University was engaged to complete research for the project.

2 Christian Living Communities - \$10,800

Christian Living Communities operates three nursing facilities in the Denver metro area and partnered with the Alzheimer's Association to develop and provide 'Leaders in Dementia' certification course for 14 mentors and 20 new employees. The training has a person-centered emphasis for staff and families working with people with dementia.

3 Eben Ezer - \$4000

Eben Ezer is a nonprofit Elder community operating a nursing home in Brush, Colorado. This grant provided monies for tuition for certified nursing assistant training at Ft Morgan Community College to cross train five staff members as certified nursing assistants. Two of the staff who work in the activities department of the nursing home and reported the cross training has provided a opportunity to use new skills and has had a positive impact on the residents." This grant was extended for staff to complete program across additional semester at the college.

4 Colorado State Veterans Nursing Home at Fitzsimons - \$3,270

Colorado State Veterans Nursing Home at Fitzsimons serves approximately 180 veterans or their spouses. This grant provided monies for an Adopt a Veteran for 75 veterans to combat loneliness. The grant provided funding for education, fliers, lapel pins and photographs, a celebration dinner and certificate, and outings for the veteran and volunteer.

ATTACHMENT B

ORGANIZATIONS RECEIVING 2012-2013 DISBURSEMENTS FROM THE NURSING HOME CASH PENALTY FUND

1. Good Samaritan Society - Loveland Village- \$4,300

Loveland Village serves approximately 104 long term care residents with 180 staff members. The Good Samaritan Society is a faith based nonprofit organization operating several facilities in Colorado. This grant provides funding for “Essentials of Person Directed Dementia Care” through the Alzheimer’s Association for a neighborhood caring for those persons with dementia. Staff, families and volunteers will receive training which will be videotaped and be available for use again and replication.

2. Amberwood Rehab and Care Center - \$10,000

Amberwood is a 75-person nursing home in central Denver. This grant funds a project called “From Medication to Meaning: Improving Lives One (Less) Pill at a Time. The project will provide education to residents on medications prescribed benefits and side effects, supporting them to make informed decisions about medications. The hypothesis for the project identifies a 50% reduction in medications and provides physician education, alternative and other wellness approaches.

3. Pinon Management - \$33,800

VivAge previously known as Pinon Management, recently merged with Quality Life Management operates approximately 22 nursing homes in Colorado. This grant creates a resident-centered leadership mentoring program for Nursing Home Administrators. The proposal quotes “Leadership is the single factor of whether an organization makes the leap to a resident centered model”. The project anticipates translating leadership best practices into a comprehensive mentoring in a living laboratory at Cambridge Care Center.