

October 1, 2013

Governor John W. Hickenlooper
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) submit this report to comply with the requirements for an annual report of the expenditure of moneys 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 moneys 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 moneys 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 appreciates 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 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 the grants.

If you require further information or have additional questions, please contact the Department of Health Care Policy and Financing's Legislative Liaison, MaryKathryn Hurd at 303-547-8494 or the Department of Public Health and Environment's Legislative Liaison, Eliza Shultz at 303-913-1955.

Sincerely,



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



Larry Wolk, MD, MSPH
Executive Director and Chief Medical Officer
Department of Public Health and Environment

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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
Representative Jim Wilson, Public Health Care and Human Services Committee
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Tom Massey, Policy and Communications Office Director
MaryKathryn Hurd, Legislative Liaison
Rachel Reiter, Communications Director



**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:

THE GOVERNOR
HOUSE PUBLIC HEALTH AND HUMAN SERVICES
SENATE 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, 2013

FY 2012-13 Cash Fund Report

Introduction

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

The intent of the legislation was to authorize the use of a set portion of the Nursing Facility Cash Penalty Fund, every fiscal year, for grants to improve the quality of life for nursing homes residents. The legislation also delineates how the allotted money can be used for quality of life or culture change purposes including but 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, the initial year of the legislation, \$200,000 was allocated for grant disbursements for such purposes. In subsequent years, 25 percent of 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 for culture change 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, and dignity; while sometimes reducing reliance on palliative medications and restrictive living. This is a transformative model of care moving the traditional hospital-like nursing home of the past to one that is centered on the elder and disabled residents directing their daily lives. It focuses on 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 of culture change because it

is available to all of Colorado's nursing homes and allied resources. This resource promotes more modern approaches for resident-centered care, consumer and staff education and sets new benchmarks. The Centers for Medicare and Medicaid Services (CMS) promotes the use of Civil Money Penalties (CMP) 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 residents on January 1, 2012. Board members met with CMS in the Denver Regional Office in February 2012 to understand its' expectations and process for gaining CMS approval for the grants in Colorado. CMS has agreed by their approval, that all grant recommendations by the Board met the goals and the spirit of their guidance to move Colorado closer to resident-centered experiences and positive culture change.

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. At the time of this report, all Board positions are filled. 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. Board members have been educated 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, reviewed new grant applications, conducted on-site visits or had presentations from the current grantees, developed protocols for quarterly, monthly and final reports, systematized invoice approvals, strengthened fiscal oversight and made recommendations to the Department of Health Care Policy and Financing and the Department of Public Health and Environment (Departments) for new grants. The Board also clarified fund disbursements and reporting requirements by working closely with Health Care Policy and Financing staff.

Grant Processes

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. For the fiscal year, 2013-14, thirteen grant applications were thoroughly reviewed and scored by the Board using uniform criteria. The Board recommended four grants from the pool of thirteen that 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 and CMS approved the recommendations from the Board. Some organizations were recommended for only a portion of the funds requested in their original proposals if specific line items were not

aligned with CMS guidance or to accommodate the limited funds available. Rarely were administrative costs funded, and no capital requests were funded. Some proposals from the pool of thirteen did not receive consideration because they did not meet pre-defined criteria or did not address furthering culture change concepts and practices in the long-term care community. The Board also has maintained a policy that grantees who received funding in one fiscal year would not be eligible for funding the following year. The Board will continue to seek opportunities to educate stakeholders on culture change concepts and grant criteria.

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, deliverables 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.

The grants funded in 2012-2013 cycle are now all completed. Reports included grant deliverables, invoices and financial accounting of how the funds were spent. Board members were assigned to liaison between the organization and the Board. Grant applications are due in December 2013 for the sixth cycle.

The Board has identified the opportunity to increase efforts for outreach through education and awareness. This past grant cycle the Department of Public Health and Environment posted the grant application through their web portal, communicating with all nursing home leadership in the State. This produced an increase in grant applications. This communication approach and others will continue to be used and supported by the Board.

The grant recipients, amounts awarded, and purposes of the grants for Fiscal Years 2012-2013 are summarized on Attachment A of this document. The table below identifies the financial accounting for the funds available for grants completed in FY 2012-2013.

Total Funds Allocated in FY 2012-2013	\$	53,000
Grants Funds Awarded	\$	47,633
Board Expenses	\$	1870
Undisbursed funds	\$	3497

The undisbursed funds remain in the Nursing Home Penalty Cash Fund and are typically the result of unanticipated circumstances resulting in unspent grant funds or changing needs for Board expenses.

Effectiveness of the Use of the Funds

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 3 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 funded in a previous grant cycle, is a curriculum supporting a person with training to develop and mentor high functioning self-directed work teams in a person-centered care community. The curriculum has been implemented across Colorado nursing homes, is now a registered training program of the Eden Alternative, and is being taught nationally. Also from a previous cycle, digital stories about culture change have been replicated on a DVD and provided to 500 organizations for use. These can also be viewed on social media at YouTube providing all Colorado's nursing homes access. In 2012 – 2013, there were many successful reports from grant recipients. Amberwood Court told about the wellness cart that included aromatherapy oils, lotions for massage, eye masks and books used as alternative to antipsychotic medications to allay agitation for residents. Meeting with families and residents provided additional education and opportunities to ask questions and explore alternatives.

In the VivAge leadership grant many stories reflected on the changes in the life of the resident and relationships with staff. Turnover decreased and relationships with staff and residents thrived. A how-to manual on nursing home leadership was an outcome, providing for replicable programs and sustainability, important to growth in this movement in long term care. Grants awarded for Fiscal Year 2013-14 are in the process of being selected and finalized.

Opportunities

Guidance from CMS suggests that longer grant periods create more impact and ability to measure outcomes. Board members are in favor of supporting legislation to streamline processes for disbursements and expand the available monies from the Nursing Home Cash Penalty Fund for grants.

Using unspent money from the grants is a challenge because the money for each cycle is currently only available in that fiscal year and cannot roll over. The Board has recognized fiscal difficulties and grantees have experienced abbreviated time to complete grants due to truncated grant cycles. Board members may recommend legislation to extend 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.

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 this.

ATTACHMENT A
ORGANIZATIONS RECEIVING FY2012-13 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 provided funding for "Essentials of Person-Directed Dementia Care" through the Alzheimer's Association for a neighborhood that cares for those persons with dementia. Staff, families and volunteers received training. Sessions were broken down into two four-hour classes then supplemented by 6 two-hour meetings to facilitate the various working hours of staff at Good Samaritan.

This community provides in-depth training to staff who work directly with residents who have dementia. The staff now has the knowledge base to provide more person-centered care. They included staff from the clinical areas (which includes Nurses, C.N.A.s, therapists, social workers, and activities), Assisted Living, Senior Living, Dietary, Home Care, and Housekeeping, Laundry and Maintenance. This was important to them because employees in all these different departments have daily contact with the residents. Each department has equally important relationships with each resident. Employees now have a better grasp of how to approach residents, how to help residents with unmet needs, and how to communicate most effectively, preserving the dignity of each resident.

The sessions were all video-taped. Each session has been converted to a CD that can be used for new staff at Good Samaritan. The community was extremely grateful for the opportunity to complete this education.

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

Amberwood is a 75 person nursing home in central Denver. This grant funded a project called "From Medication to Meaning: Improving Lives One (Less) Pill at a Time. The project provided education to residents on medications' prescribed benefits and side effects to support them to make informed decisions about medications. The hypothesis for the project identifies a 50% reduction in medications and provides physician education, alternative non-pharmacological and other wellness approaches. The facility Medical Director was the project leader. This grant mirrors a Centers for Medicare and Medicaid national initiative to reduce the use of antipsychotic medications in nursing homes. During this grant period the provider pharmacy installed new software to assist in collecting and analyzing data. Appropriate medication reduction recommendations were made to attending physicians. The medical director created targeted Risk / Benefit forms for providers and patients or their MDPOA/Guardian to sign. Based on feedback from several families and staff, the process is more comprehensive with the target number of educational handouts / forms increasing from 5-6 to 30-40 per month. The facility has a room to combine massage, music and aromatherapy for small groups using these non-pharmacological approaches rather than medications to meet needs of residents. A diffuser was added recently that allows for group aromatherapy. Massage

therapy chairs were added throughout this home as a way for residents to sit down and relax, reduce anxiety or reduce other unmet needs. Approximately 45-50 residents per month had medication regimes reviewed and education and recommendations provided. Outcomes identified were:

- The use of antipsychotics in Long Term Care (LTC) patients, reduced from 12.6% in to 7.5% on the most recent data collected and reported by CMS for this measure. At the beginning of the grant, there were 11 LTC patients taking a total of 18 Antipsychotics (some taking multiple agents), 5 of whom had primary Schizophrenia.
- At the end of the grant, there were 7 LTC patients taking a total of 11 Antipsychotics (some taking multiple agents), 5 of whom had primary Schizophrenia. Both patients without primary schizophrenia were taking only 1 antipsychotic, but each of them had undergone a dosage reduction of greater than 50%.
- Though not a primary goal of the grant, routine Anxiolytics were discontinued in 1 of the 6 patients receiving them. All 5 others had undergone dosage reductions.
- At the beginning of the grant, there were 8 LTC patients taking sedative/hypnotics for sleep. At the end of the grant, there were 4 LTC patients taking sedative/hypnotics for sleep. Three of the 4 had undergone a dosage reduction of > greater than 50%.
- There was a 17% reduction in antidepressant use without any adverse consequences noted.
- There was approximately a 25% reduction in non-psychotropic medications during the same period and 20% fewer medications ordered on newly admitted patients at the end of the study than at the onset.

3. VivAge - \$29,633

VivAge previously known as Pinon Management, recently merged with Quality Life Management and operates approximately 22 nursing homes in Colorado. This grant created 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 outcome of the project translated leadership best practices into a comprehensive mentoring approach in a living laboratory at Cambridge Care Center. The organizational climate created a new "feel" of positivity in the nursing home. One grant report stated "people are working together, and the residents are benefiting from the reduced staff conflict and negativity". A guide about how to transform leadership in the organization was completed and published for all the organization's administrators. Once completed and incorporated into Vivage's growth of administrators, the number of people impacted will grow exponentially. Administrators in the organization's other nursing homes are being trained to mentor others in leadership practices and approaches. The completed program will be incorporated into Vivage's orientation of new administrators. Parts of the program will be incorporated into a full-day intensive session that will be delivered at the Pioneer Network Conference in August. Both resident and staff satisfaction results improved over the period of the grant.

On one of the neighborhood teams where people live with chronic mental illness, the team participated in an amazing cross-functional, cross-discipline discussion about how to meet the needs of some of the more challenging residents. Discovery included who and what works well with each resident, and what kinds of things to try if an expression of unmet needs is displayed. Everyone on the team was included – housekeepers, dietary workers, laundry, social services, activities, nursing and managers. This is helping each resident become well-known and creating an environment where they are honored and respected and the onus is on the staff to discover their unmet needs, rather than label them behavior problems.

4. Brookshire House – \$4,000

Brookshire House is a 70 person long term care community in central Denver. This grant provided for the use of aromatherapy using essential oils to reduce depression in the residents. Thirteen nursing facilities have adopted aromatherapy as another tool to sustain positive quality of life for nursing facilities due to the Culture Change grant given to Brookshire in FY 2012-13. While resident samples were small for statistical purposes, there were observable changes in resident demeanors that previously were challenged with anxiety and agitation due to dementia and depression. Using aromatherapy during activities, at times of predictable stress, and in place of psychotropic intervention has demonstrated anecdotal improvements such that the facilities have purchased their own fragrance kits and are committed to continuation of the effort beyond the grant period. The outcome of the investment has allowed more focused activity participation, less paranoia and distrust of others, less inappropriate behavior, deeper breaths, increased socialization, better appetites and more recollections of happy memories associated with particular fragrances. Brookshire conducted a PHQ9 assessment prior and post to 28 residents receiving the aromatherapy. 39.2% had the severity of their depression reduce, 17.9% increased and 42.9% did not change. However this assessment is a self-report questionnaire. Perhaps more significant was that antipsychotic medication for short-term and long term residents were able to be reduced from 47.9% to 12.9% over the same period. The grant amount requested was small, \$4,000. However, the impact was seemingly strong.