

Annual Report 2012

Commission on State Veterans Nursing Homes

Submitted to

The Honorable John W. Hickenlooper, Governor, State of Colorado

Reggie Bicha, Executive Director, Colorado Department of Human Services

Members of the Colorado Senate:

Committee on State, Veterans and Military Affairs

Committee on Health and Human Services

Members of the Colorado House of Representatives:

Committee on State, Veterans and Military Affairs

Committee on Public Health Care and Human Services

Members of the State Board of Veteran's Affairs

Commission on State and Veterans Nursing Homes

(Statutory qualifications in parentheses)

James C. Bobick, Chair

(Veteran and Member of State Board of Veterans Affairs)

Nancy Lee Ferrier, Secretary

Long-Term Care Ombudsman

(Ombudsman)

Virginia A. Bedford

Director of Resident Services for a Colorado non-profit nursing home management company and retired Policy Analyst, Medicaid nursing homes

(Expertise in nursing home operations, experience in multi-facility management of nursing homes)

Lewis H. Entz

Farmer and retired State Senator

(Veteran)

Alexandra E. Hall

Director, Labor Market Information/Chief Economist

Colorado Department of Labor and Employment

(Veteran)

Justin Martinez

Nursing Home Administrator, Emeritus at Green Mountain, Lakewood

(Expertise in nursing home operations, current nursing home administrator experienced in nursing home financial operations)

Vacant

(Expertise in nursing home operations, current nursing home administrator experienced in nursing home financial operations)

Commission on State and Veterans Nursing Homes

Ground Level, 1575 Sherman Street
Denver, CO 80203

Letter of Transmittal
December 18, 2012

The Honorable John W. Hickenlooper, Governor
State of Colorado
State Capitol Building
Denver, CO 80203

Mr. Reggie Bicha, Executive Director
Colorado Department of Human Services
1575 Sherman Street
Denver, CO 80203

Members of the Senate Committee on Health and Human Services; the House Committee on Public Health Care and Human Services; and the Senate and House Committees on State, Veterans and Military Affairs

Members of the State Board of Veteran's Affairs

Dear Governor Hickenlooper, Mr. Bicha, and Committee and Board Members:

As required by statute, the 2012 Annual Report of the Commission on State and Veterans Nursing Homes is attached for your review. It was my honor to chair the Commission this year and I am pleased to report on the variety of important issues addressed by the Commission in 2012.

Once again the Commission members demonstrated great interest in achieving the successful operation of the state veterans nursing homes. We believe you will find in this report that the veterans nursing homes have completed a productive year and that the Commission appreciates the fine work of many parties involved in this enterprise.

We, the Commission members, considerate it a privilege to serve on a commission of importance to the veterans and other residents of the homes, to their families, and to the citizens of the state. We look forward to again working with and assisting these constituencies in 2013.

Respectfully,

James C. Bobick, Chair

Annual Report 2012

Board of Commissioners of State and Veterans Nursing Homes

Quality of Care

Without a doubt, the first and most important element of the Commission's responsibility is its oversight into the quality of care offered residents of the homes. Quality of care is measured in several respects and the Commission finds the homes excelling in the measurements of quality.

Surveys are conducted by the U.S. Department of Veterans Affairs (VA) and by the Colorado Department of Public Health and Environment (Colorado DPHE). All of the state veteran homes did well in their surveys this year. All four of the homes received perfect surveys – that is, zero deficiencies cited – from the VA this year. This is the second year in a row that Fitzsimons and Homelake had no deficiencies. Comments made at the surveys resulted in corrections actions taken immediately to correct the minor problems.

The state survey results were also successful. The average number of deficiencies for all nursing homes in Colorado is 15 and all of the state veterans homes were below the state average. Fitzsimons had four deficiencies, all minor; Florence seven, all but one minor; Homelake had twelve, all considered minor; and Rifle had 14 deficiencies, twelve in the minor category and still below the state average.

A priority of the homes in the last few years is for each home to gain certification as a home in the Eden Alternative registry of long term care. This year the third of our four veterans nursing homes reached this plateau of recognition. Homelake joined Florence and Fitzsimons in reaching this goal and we also anticipate that Rifle will attain its place on the registry in 2013. It was reported that only seven veterans nursing homes in the nation have received this designation, including the three Colorado homes. However, the importance of recognition in the Eden Registry is not in the plaque on the wall but in the changes that have occurred in the homes.

The Eden Alternative and the corresponding ideas of culture change have been mentioned in previous Commission reports, but what do these phrases mean? The vision of the Eden Alternative is to eliminate loneliness, helplessness and boredom, the conditions that are seen as the bulk of suffering of persons living in institutional settings. Culture change is undertaken to transform institutional approaches of care into the creation of communities where life is worth living. Culture change advocates a shift from institutional models of care to person-directed values and practices that put the resident first, recognizing that person's unique needs, preferences and desires. The values include choice, dignity, respect, self-determination and purposeful living. The ultimate goal of culture change is to have better outcomes and

quality of life for all involved. This goal includes those persons giving as well as those receiving care.

The accomplishments of the homes in their hard work in attaining their inclusion in the Eden Alternative registry is something that Colorado decision makers, as well as citizens concerned with our veterans, should find as a source of pride. Further, the work of culture change has rightly been described as a journey, not a destination, with the result that culture change is an ongoing process.

Another part of the progress of raising the veterans nursing homes to the next level is the application process of the homes for the Quality Achievement Awards of the American Health Care Association. There are three progressive steps in these awards and a home must achieve each level before progressing to the next level. Florence is in the process of completing its application for the Silver Award of the program, the second step in the process, and the other homes are working on applying for the Bronze Award, the initial award of the AHCA.

The beginning step, the Bronze Award, starts with a home developing an organizational profile including vision and mission statements, an awareness of their environmental and customers' expectations, and demonstration of their ability to improve a process. The core values of the Silver award are the concepts of visionary leadership, a focus on the future, resident-focused excellence, management by innovation and a focus on results and creating value.

The Commission is confident that the homes will meet the challenges inherent in attaining these awards as another reflection on the quality of work they perform.

Finances and Census

The financial situation of the state veterans homes is solid. All homes have been in the black for the last year and one-half and no home needs to rely on the other homes for financial sustainability. That was not the case with the former Trinidad State Nursing Home whose losses were subsidized by the veterans homes. The amount the division has in reserve for paying the salaries and operational expenses of the homes is over \$4.2 million.

Maintaining the census at a critical level is necessary for the successful operation and for the financial viability of the homes. The nursing homes at Homelake and Florence were at 88 and 86 percent of occupancy in November, 2012 and Fitzsimons was at 93 percent. The division goal for each home is a census at 85 percent occupancy with these homes continuing to exceed both the division goal and the statewide average of 80 percent. The Commission reviews the census data at each meeting.

The Homelake domiciliary and the Rifle home appear to be recovering from their low census numbers of last year. The Homelake domiciliary had been running in the 50 to 60

percent range for fiscal year 2011-12 but, as of November, the percentage had increased to 67 percent. In previous years the domiciliary had a wait list of persons who wanted to reside there but that list disappeared as the reconstruction of the 50 unit housing complex took more time than expected to complete. Reconstruction was completed last year and, in short, the domiciliary had to rebuild its clientele base and is now recovering from its census downturn.

Rifle is also looking forward to census improvement, although downward census changes can occur quite suddenly. Their census had dropped to the 60 percent range in July but had increased to 76 percent November. There are several reasons for challenges in the census at Rifle but the construction project at the home is a primary cause. It is difficult to market a home that is in the middle of a major construction project no matter how many steps are taken to reduce unsettling effects of the project.

Rifle, to its great credit, continued to be profitable in spite of its lower census. It undertook a number of cost containment measures, including reducing and watching closely the overtime expenses, looking at these expenditures on a daily basis. A new contract for raw food was negotiated, without jeopardizing the nutrition of the residents. Medical supplies were monitored carefully to assure they were ordering supplies judiciously. These are examples of cost containment measures that did not result in a decrease of the quality of care of residents.

Looking into the future, it is entirely possible, maybe even anticipated, that Medicare and Medicaid reimbursement rates will continue to be lowered for nursing homes. Any such reductions will require that the homes review their business practices in a manner similar to that of Rifle. Reductions in overtime, reexamined contracts with vendors, and careful review of their purchases may become the norm. An increase in the census and other outreach to the community, such as the rehab units at Fitzsimons and Rifle, can assist in overcoming decreases in Medicare and Medicaid reimbursement.

Construction Projects

Rifle is the last of the four state veterans homes to receive a major renovation. The project was started in March and is completed except for some planting and landscaping which has been delayed due to the weather.

The special needs area now has its own bathing, kitchen and dining centers, greatly improving the living environment for these residents. There is an expanded courtyard with a beautiful view of the countryside. The outdated nurse call system has been replaced and a new air conditioning and heating system is installed with individual controls for each room. As mentioned earlier, an outdated and largely inaccessible rehab center was made user friendly by expansion and upgraded equipment. Cost of the project was \$5.1 million with \$3.7 million coming from a VA construction grant.

The Commission also wants to recognize and commend Walsenburg on its successful remodeling project of the veterans nursing home at its health care campus. The hospital district work included an enhanced food service area with a large family dining space. A new activities area was created. There is an addition to the memory care unit, with a beautiful garden and an enlarged living room and dining area. The project includes new fire alarm and new security and nurse call systems.

Outpatient Rehabilitation Services

Fitzsimons has established rehab centers for veterans, spouses of veterans, and Gold Star parents who are living outside the facility in their own homes or in assisted living communities. The users are people who do not require 24 hour skilled nursing care, and thus can live at home, but who can benefit from the physical, occupational, and speech therapies offered for outpatients. The therapies assist these clients in gaining strength, improving balance, and becoming more functional following surgery, for example.

The Rifle rehab center is in its initial phase, coming as a result of space was made available as part of its remodeling project. Depending on demand and staff availability, similar centers could be established at the other homes.

Adult Protection

A task force was created this year to explore the need for mandatory reporting of adult physical abuse, sexual abuse and financial exploitation. These are areas of concern to all elderly persons and their loved ones, including residents in nursing homes. The Commission is aware of instances that have occurred outside of the state veterans homes. The Commission takes no position on the recommendations of the task force except to note that the issue of reporting instances of maltreatment or financial malfeasance needs to be considered carefully in the 2013 legislative session. The protection of our most vulnerable citizens is an issue of paramount importance that needs to be addressed.

The Maximo System

Once again the Commission expresses its support for implementation of the Maximo System, a computerized system that records the physical maintenance work orders completed, the scheduled maintenance requirements of equipment, and the inventory needs for maintenance at the veterans nursing homes. The nursing home administrators endorsed this system and were in agreement that the system is becoming more accepted by the staff at the homes. Change is not easily accepted but the Commission sees benefits that far and away exceed any perceived disadvantages of the system.

Trinidad State Nursing Home

Legislation in the 2009 legislative session granted authority to the Department of Human Services to transfer title of the Trinidad State Nursing Home to a private nursing home operator (S.B. 09 056). The major procedural steps for the sale of the property were taken in 2011 and the final details were completed in 2012. As had been reported in most of the Commission's previous Annual Reports, the Trinidad nursing home, which was not a veteran's home, had been losing money, necessitating subsidies from the four state veterans homes to keep it in operation. A few final payments were made this year to complete the unemployment compensation claims for employees and for settlement of Medicaid overpayments that had made near the end of the sale to the private corporation.

Electronic Health Records

An important step was taken this year toward implementing a system for electronic health records and billing system for the veterans nursing homes. The timeline for "going live" with the new system is March 31, 2013 for Fitzsimons and the other homes will roll out in 90 sequences. The division and the homes are working diligently to meet these goals. A welcome feature of the program is the willingness of the contractor, based on its experience with veterans homes in other states, to assist the division with the business changes needed to streamline the division's procedures. This willingness to share the processes and policies of homes with which they are working should give a boost to implementing the systems in Colorado.

Statutory Amendment

A recommendation in last year's report was that the name of the Commission be amended slightly to reflect the fact that the state no longer owns and operates a state nursing home. The sale of the Trinidad State Nursing Home rendered the statutory language "State and Veterans Nursing Homes" incorrect. The Commission, therefore requests that the word "and" be deleted from the statutes creating the Commission (sections 26-12-401 and 402, C.R.S.) The title of the Commission would then be "Commission on State Veterans Nursing Homes." We ask that this amendment be forwarded to the Revisor of Statutes for inclusion in the "Revisor's Bill" of the 2013 legislative session.