

Annual Report 2018

Commission on Veterans Community Living Centers

Submitted to:

The Honorable Jared Polis, Governor, State of Colorado

Michelle Barnes, 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 Veterans Affairs

January, 2019

Commission on Veterans Community Living Centers

(Statutory positions in parenthesis)

Karren E. Kowalski, Ph.D., Chair

President and CEO, Colorado Center for Nursing Excellence
(Veteran)

William L. Robinson, Vice Chair

(Veteran and designee of the State Board of Veterans Affairs)

Carolyn Ruhl, Secretary

Nursing Home Administrator, Eben Ezer Lutheran Care Center, Brush
(Expertise in nursing home operations and nursing home administrator at the time of appointment;
experience in financial operations of a nursing home)

Kathleen N. Dunemn, Ph.D.

Veteran, Professor of Nursing, University of Northern Colorado
(Practicing clinical experience in nursing homes)

Anne K. Meier

Colorado State Long-term Ombudsman, Disability Law Center, Denver
(Ombudsman)

Richard E. Young

(Veteran)

Vacant

(Expertise in nursing home operations and experience in multi-facility management)

Commission on Veterans Community Living Centers

Tenth Floor, Colorado Human Services Building
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January 8, 2019

The Honorable Jared Polis, Governor
Office of the Governor
136 State Capitol Building
Denver, CO 80203

Ms. Michelle Barnes, 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 Veterans Affairs

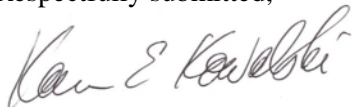
Dear Governor Polis, Ms. Barnes, and Committee and Board Members:

The 2018 Annual Report of the Commission on Veterans Community Living Centers is submitted for your review. A summary of the key issues and Commission recommendations is provided on the blue pages that follow.

The Commission continued its approach in 2018 of holding our meetings at the state Veterans Community Living Centers – Fitzsimons with two visits, and at Florence, Homelake and Rifle, and at the Veterans Center at Walsenburg, which is part of the Spanish Peaks Hospital District. These meetings have given us the opportunity to hear directly from the staff and residents and to discuss with them issues of concern, their needs and accomplishments. The Commission's recommendations and the actions taken are based largely on our visits to the centers.

Several of the issues raised in this report involve long-term planning and cannot be resolved in a short period of time. The Commission will continue to provide the expertise of our members in addressing both long-term and short-term issues as we have discussed in this report.

Respectfully submitted,



Karren E. Kowalski, Ph.D.
Chair, Commission on Veterans Community Living Centers

Key Issues and Recommendations

Staffing and Pay Issues

As mentioned in previous Annual Reports, the Commission is convinced that the direct care staff vacancies and turnover rates at the veterans centers are reaching a crisis stage. The centers report extreme difficulty in recruiting and retaining the direct care staff, particularly CNAs and RNs. The reasons are simple: a nationwide shortage of nurses and assistants and the low wages within the state salary system. Simply put, the centers cannot compete with hospitals, nursing homes and other health care facilities.

The staff shortage has resulted in secondary effects: Some mandatory overtime - often on short notice - has caused some employees to leave. Critical vacancies are filled with agency temps who cost about one-third more than their state contemporaries and who often do not understand the culture of the veterans centers. This degrades the service provided to our veterans. In some instances, the staff shortage has required that a hold be placed on admissions. This impacts the budgeted census and the centers struggle to operate in the black. Non-competitive wages are cited by all the Nursing Home Administrators as the greatest issue creating excessive staff turnover and position vacancies.

The Department of Human Services budget proposal to increase critical direct care staff salaries to the state midrange promises to improve the situation and make salaries more competitive with the market. Evidence from the Regional Centers and the Mental Health Institutes, where salaries were increased during the last three years, suggests that this can decrease vacancies by about two-thirds and turnover by one fourth.

Recommendation: The Commission recommends that the General Assembly approve the proposal submitted to the Joint Budget Committee for pay increases, over a two fiscal year period, for the direct care providers at the veterans centers and other agencies of the Department of Human Services that provide 24/7 care.

Problems at Fitzsimons

Our report cites problems confronted at the Fitzsimons veterans center. The Nursing Home Administrator resigned in August, the latest of six who have left that position in the last few years. This resignation raised the obvious question of why are there so many turnovers in this position? Numerous other key staff positions are vacant, or are staffed on a temporary basis, and need to be filled by permanent staff. The Commission is concerned with addressing the root causes of the turnover and vacant positions, including a need for culture change whereby all employees are treated with respect.

Recommendations. The Commission will continue to monitor and advise the administration of short term and long term possible changes for the veterans centers. Areas of interest include the slowness of the personnel system that results in time lags in hiring. When admissions of veterans are limited due to staff shortages, is it partly due to the salaries offered? In the longer term, the centers are required to follow the state personnel rules, contracting procedures and state salary rules. Is this business model adequate in this competitive market? The Commission recommends that a consultation team be appointed to look at the issues and make recommendations for changes to the business model.

Kudos to the Division

Three innovations at the Veterans Centers supported by the Commission are noted in the report:

- (1) A tele-health program at Homelake offers specialized resident care without their leaving the center.
- (2) Pharmacy services are now provided to the other facilities by Fitzsimons, with expected results of reduced possible errors and considerable savings in pharmaceuticals.
- (3) An on-line computer source, Lippincott Procedures, is available at each center that provides guidance and information for the direct care staff.

Annual Report, 2018

Commission on Veterans Community Living Centers

The Commission on Veterans Community Living Centers is pleased to submit its 2018 Annual Report as required by Colorado statutes. The Commission is composed of seven members that represent different backgrounds and areas of expertise that relate to the operation of the veterans community living centers and to serve the best interests of veterans in Colorado.

Two of the Commission members are appointed as veterans, one of whom is the designee of the state Board of Veterans Affairs and is the liaison to the Board, another is a nursing home ombudsman, and three are appointed as representing different areas of expertise in the operation of nursing homes. The members are appointed by the Governor for four-year terms and are subject to confirmation by the Colorado Senate.

There are four state veterans community living centers and a fifth center is part of, and is operated by, the Huerfano County Hospital District located in Walsenburg. The state centers are part of the state Department of Human Services, specifically the Division of Veterans Community Living Centers. The official names of the centers are as follows, although this report references the centers by their locations, as is the commonly used nomenclature:

Bruce McCandless Veterans Community Living Center at Florence

Veterans Community Living Center at Fitzsimons at Aurora

Veterans Community Living Center at Rifle

Veterans Community Living Center at Homelake

Spanish Peaks Veterans Community Living Center at Walsenburg

The following duties of the Commission are set forth in statute:

Advise the Division of Veterans Community Living Centers and each of the individual veterans centers;

Provide continuity, predictably, and stability in the operation of the veterans centers;

Provide guidance to future administrators at the veterans centers based on the collective institutional memory of the board of commissioners.
(Section 26-12-402 (2), C.R.S.)

The statute further states that the Commission shall “Endeavor to ensure that the highest quality of care is being provided at the veterans centers and that the financial status of the veterans centers is maintained at a sound level.”

In meeting these directives, the Commission met six times this year. For the third year in a row, the Commission held meetings at each of the centers. The visits are important for the Commission in being able to hear directly from the administrators, staff, and residents and to see first-hand the recent physical improvements and the needed upgrades at the centers. Reports were received concerning the census and financial condition at each center, the results of the survey inspections of the state Department

of Public Health and Environment and the Veterans Administration (VA), the marketing programs underway by the Division and at the individual centers. Attendance by Commission members at these meetings has been strong.

The Annual Report of issues and recommendations of the Commission are to be sent to the Governor, the Executive Director of the state Department of Human Services and, by electronic transmission, to members of the state Board of Veterans Affairs and four committees of the General Assembly: the Senate Committee on Health and Human Services, the House Committee on Public Health and Environment, and the House and Senate Committees on State, Veterans, and Military Affairs.

Recruitment and Retention of Staff

The salary situation at all of the veterans centers has reached a critical stage, especially for the direct care staff – Certified Nursing Assistants (CNAs), Licensed Practical Nurses (LPNs) and Registered Nurses (RNs). As had been recommended in previous Annual Reports, the Commission recommends increase in pay for nurses at all levels, and especially for CNAs, at the veterans centers. The shortage of nurses is a national crisis, which is certainly true in Colorado, and has resulted in the exceptional competition for nurses at all levels and at all types of health care facilities, not just nursing homes. The salary situation compounds the problems of the nursing shortage, both in the recruitment of new staff and their retention after being hired. With that said, however, the Commission's major concern with the nursing staff shortage is that it compromises the care to veterans.

A study by the Department of Human Services found that the state wages for the direct care staff are not competitive, well below the midpoint of the job classification pay range. In the Denver area CNAs wages start between \$15 and \$22 per hour but the starting wage in the state's plan is \$11.47 per hour. For Registered Nurses, the base pay offered at a private sector health care provider is approximately \$20,000 per year higher than the state base pay.

The Governor's budget recommends a two-phase implementation over the next two fiscal years to increase salaries of the direct care staff job classifications at the 24/7 care facilities of the Department of Human Services. For FY 2019-20, the appropriations request is for \$10.3 million from the General Fund and \$3.6 million cash funds of the Department. Of the total appropriation for the next fiscal year, the veterans centers would receive \$6.2 million, \$2.5 million from the General Fund and \$3.7 from cash funds. The Commission is in full agreement with the budget request submitted to the Joint Budget Committee and urges its favorable consideration. It should be noted that a similar budget request, to increase pay at the Veterans Community Living Centers for FY 2018-19, was submitted earlier, however, it was not approved by the Joint Budget Committee.

Here is what the nursing home administrators told the Commission when discussing their own particular problems of adequate staffing:

Homelake. The staff shortage problem has caused lowered staff morale and burnout with the staff facing long hours in order to fill in for vacant positions. Every health related center in the San Luis Valley has struggled to get staff. It is difficult to train new CNAs when there are problems in having enough experienced nurses to work the floor. Homelake is following the C-Stat benchmarks of 24/7 facility staffing but it struggles to maintain the minimum 3.2 hours of care per patient, per day (PPD) ratio as required by the Department of Human Services.

The Commission was told that the issue of retention at Homelake is about pay, especially for the younger staff including CNAs. The younger staff members do not care about the retirement benefits or vacations offered to state employees. It is about survival from day to day.

Bruce McCandless at Florence. Administrator Barbara Moore reported that the center struggles with the shortage of nurses in a rural community. The catchment area for the staff is primarily Fremont County with competition for staffing coming from the hospital in Canon City and five nursing homes and home health agencies along with doctor's offices, all with which the center is competing for staff. Beginning in January, 2017, the direct care staff at the center was at 73 percent, well below the goal of the center of having 81 percent as its minimum staffing level. In late 2017, the direct care staffing level started an upswing that provided an increased census that reached 92 percent of capacity.

One of the strategies Florence used to improve census and recruit staff included targeted advertising, with testimonial ads being sent to veterans and their families by staff members who use their own social media. Referral bonuses have worked by which present staff members receive a bonus for referring nurses who stay for six and then twelve months. They found that sign-on bonuses for new staff do not work as people come in for the bonus period and then leave. Florence is developing its own staff, which includes incentives of offering tuition assistance for all staff and is planning CNA classes.

Rifle. The Administrator, Barbara Grossman, told the Commission that her concern about personnel is not so much about the managers leaving, but is with the approximately one-third of the staff who are able to receive more money working at other facilities. The primary impact is not just about CNAs but also includes the dietary, housekeeping and maintenance personnel.

Construction is under way for two projects in Rifle of the Grand River Hospital District that will increase the competition for staff in what is an already a highly competitive market. First, there is the replacement, with an expansion, of the existing nursing home literally next door to the veterans center in Rifle. When completed in late 2019, the home will be recruiting 89 new FTEs. The second construction project is an expansion to the district hospital that is adding staff and is paying more money across the board.

Even though there are empty beds at the Rifle center, they cannot increase their census due to the staffing shortage. Most of the available beds are in the secured memory care unit where there is the potential of incidents taking place that would require additional staff. What is needed before any census increase can occur is another RN and four more CNAs, all in short supply in the Rifle area.

Fitzsimons. The Commission was told by the Nursing Home Administrator (NHA), that the number one reason for nurses leaving was the issue of pay. In further confirmation of the problem, Mark Wester, Director of the Office of Community Access and Independence, accompanied by Commission Vice Chair William Robinson, met with six employees at Fitzsimons who said their only issue was the pay. They had no other complaints. One CNA had been there two years and another for four years but the new CNAs were coming in at a higher rate of pay than those who were doing their training. The employees said they are told "We will fix the pay" but that does not happen.

Problems at Fitzsimons

A significant amount of the Commission's time in the last months of the year was given to issues confronting Fitzsimons. Most significantly, the Nursing Home Administrator resigned in August prompting the question of why has there been such a turnover of persons holding this position. There have been six NHAs at Fitzsimons in the last few years indicating that there are some seemingly intractable problems that need to be addressed. There were other vacant key positions that needed to be filled, including the Assistant NHA, the Assistant Director of Nursing, three Nurse Managers and the Director of Social Services.

As an immediate stopgap, the Director of the Division, Aaron Termain, stepped in as the acting administrator and that position is now held by a contract NHA. Eric Johnson, Deputy Director of the

Office of Community Access and Independence, is now the appointing authority for the center. However, the root causes for the key administrators choosing to leave need to be addressed to break the cycle of high turnover in the administrative positions. The Commission sees a need for a culture change whereby all employees and residents are operating as a caring and concerned team. Changing the sometimes-adversarial culture will be a challenge for new leadership.

Whether there are any options to the present system for “enterprise” agencies is something the Commission is interested in exploring. We suggest a time-limited VCLC Consultation Team, appointed by the Executive Director, composed of experts in the administration and provision of long-term direct care service and support as well as constituency representatives, to serve without compensation, to examine and propose policy and administrative reforms that would lead to long-term quality, efficiency and effectiveness in the operation of the VCLCs. Potential membership would include representation from the state Department of Public Health and Environment, associations representing for-profit and non-profit providers of long-term care, the long-term care ombudsman, the United Veteran’s Coalition, representatives from one or more of the VCLCs, and managers responsible for the VCLCs from the Department of Human Services.

Topics to be examined include: The optimal business model(s) for the operation of the VCLCs; recognizing the unique opportunities that may be available due to the enterprise status, including the possibility of public-private partnerships; personnel policies and options, either within the state personnel system or alternatives outside the system; models of care, culture change, and administration demonstrated to be effective elsewhere; possible legislative changes to effect positive long-term reforms.

Veteran’s Admissions to the Centers

An unresolved issue for the Homelake and Rifle veterans centers is that holds are placed on new admissions due to the difficulties of filling staff positions. This problem has an immediate negative impact on veterans who are eligible and need the services provided at the centers but are forced to wait.

The staff shortages bring up the previously discussed salary issues but there are other problems in hiring as well. For example, the requirements of the state personnel system make the hiring procedures slow with the result that some qualified people decide to take other employment rather than waiting for the state process to be completed.

Census and Financials

The reports of the census of residents are provided at every meeting, along with the financial condition of the centers, which has a direct correlation to the census. The census remained remarkably stable at all of the centers from January through November, using the latest numbers available. The average census for all centers for the eleven-month period was at 418 residents, reaching a high of 427 in July and a low of 411 in November. The four centers operated by the state have 484 beds available.

The lowest average census for the year through November were at Rifle (75.3 percent occupancy) and at the Homelake SNF (75.0 percent), a reflection of the difficulty at these centers of filling staff vacancies. In terms of success, Florence stands out with an average of 90.3 percent occupancy. Fitzsimons was at 88.5 percent through November. The Homelake domiciliary, which has been of concern with its low census, reached 83.5 percent as its average, January through November, and 88.0 percent occupancy in November.

As for the financial situation, Fiscal Year 2017-18 ended with a profit for the consolidated veterans centers of \$188,000 (all totals rounded). All centers made a profit except for a loss at Rifle of \$774,000 and the Homelake domiciliary at \$64,000. Homelake skilled nursing and the domiciliary combined showed a profit of \$294,000; Florence was at a plus of \$428,000; and Fitzsimons had a \$593,000 profit. (These totals are before GASB 68, the requirement by which governmental entities include the cost of unfunded pension liability in their financial statement.)

For the first four months of the current fiscal year, July through October, net profits are reported for Homelake (SNF and domiciliary) \$260,000; Florence 193,000; Rifle \$89,000; and Fitzsimons \$170,000. The total profit for the consolidated homes was \$734,000 for the four-month period before GASB 68.

Tele-health

The Commission has supported an agreement with the VA Regional Medical Center in Denver that has allowed the implementation of a tele-health program at Homelake by which health care professionals with specialized training can communicate directly with residents and to coach the staff at the veteran's centers about the care the residents need.

Homelake residents are benefited greatly by this program that has a major advantage of reducing the number of long trips by residents to the hospitals in Denver and Pueblo. It is difficult for the elderly residents to endure eight to ten hour days for them to see specialists who they can now communicate with via television. Another benefit seen is that these trips also involve significant staff time in accompanying the residents to the specialists. There are still some residents who need to travel to see the specialists in person but a significant number can get the treatment advice and counsel they need while remaining at the center.

Pharmacy

A major change in providing pharmacy services to the three rural veterans centers began this year, with the Commission's wholehearted endorsement. The Fitzsimons center now prepares the pharmaceuticals needed that are delivered to Homelake, Florence and Rifle. The possibility for error is reduced and there is an estimated savings to the centers that could reach many thousands of dollars. Florence did have its own pharmacy so this development represents a major change for that center. The deliveries have been on time and the prescriptions have been accurate.

A part of the new program is the addition to the centers of automated dispensing machines for a supply of commonly used medications that the nurses will have immediately on hand. These machines have been installed but still need to be licensed and additional staff training needs to be completed. There should be a cost savings as well as a convenience factor achieved when these machines become fully operative.

Lippincott Resources

The Commission commends the Division and each Veterans Community Living Center for deciding to subscribe to the Lippincott Procedures, which is an on-line computer source for instant, evidence-based guidance for the direct care providers at the veterans centers. The information is kept current with up to date information. This program helps the staff to make informed clinical decisions and reduces errors by standardizing the care of the residents. Since the time this service was started at the centers, its use by our direct care staff has increased substantially. The Commission was told that the centers have gone from some use to now with almost everyone using the service.

Construction and Remodeling

We need to be aware that the Veterans Community Living Centers are aging and in need of significant updates. It is over 16 years that Fitzsimons, the most recent center built, has been in operation with Florence at 41 years, Rifle at 31 years and, of course, Homelake at 127 years. Since the time of their construction the expectations of long-term nursing facilities has changed with the emphasis now on more private rooms, space for one's spouse, individual bathrooms, attractive lobbies, and more rehabilitation and fitness areas. To be competitive in the market, our centers need to be able to address these types of amenities.

The Veteran's Trust Fund is one of the main sources of outside funding with grants from the Fund awarded by the state Board of Veterans Affairs. These grants have enabled the all of the centers to continually improve their facilities with projects such as constructing a new kitchen and the replacement of windows at Rifle, and the installation of new flooring and handrails, making sidewalk, street and parking improvements at Homelake. It would seem that a long-range plan is necessary for incremental financing, and staging over time, the expensive projects such as creating private rooms and providing additional bathrooms.

One notable capital improvement this year was the completion of the long delayed renovation of the chapel at Homelake. The building originally opened in 1898 but was closed in 2005 because of its unstable foundation. With a private donation totaling \$500,000, the foundation was reconstructed and the building restored and is in use by veterans, their families, community members and employees at Homelake.