

STATE OF COLORADO

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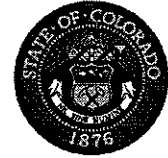
COLORADO DEPARTMENT OF HUMAN SERVICES

OFFICE OF ADULT AND VETERANS SERVICES

John P. Daurio, Manager

DIVISION OF STATE AND VETERANS NURSING HOMES

Marc Fuller, Director



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Bill Owens
Governor

Marva Livingston Hammons
Executive Director

May 30, 2002

The Honorable Doug Dean
Speaker of the House
Colorado State Capitol
200 East Colfax Avenue
Denver, CO 80203

Dear Representative Dean:

Enclosed is the FY 2000-01 annual report of the Division of State and Veteran Nursing Homes. This report is submitted pursuant to Section 26-12-108(1)(C), C.R.S., which requires the Department to submit an annual report.

Please do not hesitate to contact me at (303) 866-2259 if you have any question or require any additional information.

Sincerely,

Marc Fuller, Director
Division of State and Veterans Nursing Homes

Cc: The Honorable Stan Matsunaka, President of the Senate
The Honorable Brad Young, Joint Budget Committee Chairman
Colorado Legislative Council

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Division of State and Veterans Nursing Homes

Annual Report

Fiscal Year 00-01

Division of State and Veterans Nursing Homes Fiscal Year 00-01 Annual Report

Division Role and Mission

The mission of the Colorado Division of State and Veterans Nursing Homes is to provide superior nursing care in an environment that enhances the life of each resident.

Performance Objectives

The Division has adopted several performance objectives to measure its outcomes, including customer and staff satisfaction and the quality of care provided to residents. The Division's performance objectives begin on Pages 4 and the facilities performance objectives begin on page 8.

Division Background Information

The Colorado Division of State and Veterans Nursing Homes is located in the Office of Adult and Veterans Services in the Colorado Department of Human Services. The Division includes five facilities that provide skilled nursing and one domiciliary (assisted living) care that primarily serve honorably discharged veterans and their spouses or widows. Four of these facilities (Florence, Homelake (located near Monte Vista), Rifle, and Walsenburg) participate in the U.S. Department of Veterans Affairs (VA) state home program to provide skilled nursing care for veterans. The Trinidad facility is open to all Colorado residents in need of skilled nursing care. In addition to the five skilled nursing facilities, the Division operates a domiciliary program for veterans at the Colorado State Veterans Center at Homelake. All the facilities are surveyed and licensed by the Colorado Department of Public Health and Environment, Health Facilities Division. In addition to the state survey and licensure requirements, the four veterans nursing facilities and the domiciliary are annually surveyed by the VA and must meet additional qualifications to receive VA status. Each state nursing home is a participating Medicaid provider.

The State operates four veterans facilities and one domiciliary in partnership with the VA. The partnership with the VA requires that each facility 1) maintain a 75 percent veteran population; 2) operate as a veterans home for a minimum of twenty years; and, 3) maintain VA per diem certification. The VA requires the remaining 25 percent of each home's population to include spouses of veterans or parents all of whose children died while serving in the armed forces of the United States.

The VA provides an operating grant to recognized State homes that meet and maintain VA standards. The VA operating grant payment relates to the number of veterans for which the facility provides care. For fiscal year 00-01, the VA operating grant is \$53.17 per day per qualified resident. The VA transmits the grant directly to the state home and is used to partially offsets the costs of operating the state veterans homes. In FY 00-01, VA per diem grants represented 28 percent (or \$5.98 million) of the total revenue collected by the four state-operated homes (including the Homelake Domiciliary).

Facility Descriptions

Each facility is briefly described below. Additional information about each facility is also provided later in this report beginning on Page 8.

- The ***Florence State Veterans Nursing Home*** is a 120-bed skilled facility certified by the VA. The facility, which opened in 1976, includes a 14-bed Special Care Unit that provides safe and specialized care for residents with Alzheimer's disease or related conditions that require a secure environment.
- The ***Colorado State Veterans Center at Homelake*** includes a 60-bed skilled nursing facility (constructed in 1990) and a 46-bed domiciliary (assisted living) program certified by the VA. The State Veterans Center at Homelake is Colorado's oldest veterans home, originally opening in 1889 as the Soldiers and Sailors Home to serve Civil War veterans. The domiciliary provides programs and services to residents in a home environment by providing assistance with the activities of daily living and by providing home health nursing interventions.
- The ***Rifle State Veterans Nursing Home*** is a 100-bed skilled facility certified by the VA. The facility, which opened in 1987, includes a 12-bed special care unit for residents with Alzheimer's disease or related conditions.
- The ***Trinidad State Nursing Home*** is a 182-bed skilled and intermediate care facility. The facility, which opened in 1957, includes a 32-bed unit for residents with Alzheimer's disease or related disorders and an adult day care program that serves up to 16 clients.
- The ***Walsenburg State Veterans Nursing Home*** is a 120-bed facility certified by the VA. The facility opened in 1993 and is operated for the Division on an intergovernmental contractual basis by the Huerfano County Hospital District. The facility includes a 20-bed special care unit for residents with Alzheimer's or other related conditions. The nursing facility is located in the same building with the Huerfano Medical Center, which includes a 26-bed acute/skilled care community hospital.
- The ***Fitzsimons State Veterans Nursing Home*** is a "state of the art" 180-bed skilled nursing facility. Its located on the site of the former Fitzsimons Army Medical Center in Aurora, Colorado near the southeast corner of Montview and Peoria. The facility is planning a "Grand Opening" July 3-5 2002, and will begin admitting residents by the end of July. In order to assure that the medical needs of the residents are met, the facility will phase in admissions with the first residents being admitted in July and it is anticipated that full census will be reached by February 2003. Fitzsimons will predominately serve veterans from the Front Range and northeast areas of the State.

Financial Operation and Current Financial Status

Financial operation (state-operated homes) – Colorado law (section 26-12-110, C.R.S.) recognizes the state homes as an enterprise for purposes of Article X, Section 20 of the State Constitution (TABOR). Consistent with this enterprise status, current

law directs that the operation of the state homes be self-sustaining and cover operating costs. With the exception of the domiciliary program at Homelake, the Division does not receive General Fund support.

Each facility generates operating revenues through resident daily rates, which include resident payments, Medicaid payments, and VA grant payments (with the exception of the Trinidad home, which does not serve veterans). Pursuant to state law, the Department deposits all revenues into the Central Fund, which is administered by the State Treasurer. State law authorizes the Department to use monies in the Central Fund for the direct and indirect costs incurred for the operation and administration of the state homes, including capital construction and controlled maintenance. Pursuant to statute, expenditures from the Central Fund do not require an appropriation by the General Assembly. In FY 00-01, resident payments provided 29.7 percent of total revenue; the remaining balance of 41.0 percent came from benefit payments from such sources as Medicaid and pensions; and the VA grant provided 28 percent of total revenue. Only 1.3 percent of total revenue came from the General Fund solely for operation of the Homelake Domiciliary.

Current law (section 26-12-107, C.R.S.) requires the Department of Human Services to manage all state nursing homes as a group, unless the Department contracts for the management of a facility. Thus, the current four state-operated facilities (Florence, Homelake, Rifle, and Trinidad) and Fitzsimmons are managed as one business, similar to a private sector skilled nursing corporation. Each facility is expected to be individually gainful and also support the other facilities financially as may be necessary.

Financial operation – intergovernmental contract operated Walsenburg facility –

The Colorado Department of Human Services contracts with the Huerfano County Hospital District for the operation of the Walsenburg facility. Under this contract, the District assumes responsibility for financing operating deficits and has a claim on residual assets, if any, after its contractual obligations are met. All revenues, bank accounts, and accounts receivable accrue to the benefit of the District and are not reflected on the state's financial system. The Division employs a full-time project officer, as required by the U.S. Department of Veterans Affairs, to monitor the home's operation and compliance with the contract. In addition, the contract requires the District to submit monthly financial statements and an annual audit to the Department.

Current financial status – state-operated facilities – A comparative Statement of Revenue and Expense for fiscal years 99-00 and 00-01 for the four state-operated facilities (including the Homelake Domiciliary) is provided on Page 22. In addition, a Statement of Revenue and Expense detailing the FY 00-01 financial status of each facility is provided on Pages 20. As the comparative Statement of Revenue and Expense on Page 22 indicates, total revenue increased by 5.1 percent (from \$18.3 million to \$19.3 million) while total expenses increased by 9.3 percent (from \$17.5 million to \$19.1 million). As a result, cash income at the four state-operated facilities decreased from \$947,010 in FY 99-00 to \$255,256 in FY 00-01, a decrease of \$691,754 (73 percent). The significant increase in expenses is related to the increase in the personal service and workman's compensation insurance expense. Cash income is retained in the Central Fund to provide an operating reserve and to also fund long-term facility needs, controlled maintenance, capital construction, and information systems needs at the state-operated facilities.

A comparative balance sheet for fiscal years 99-00 and 00-01 for the Division is provided on Page 18. In addition, a balance sheet detailing the FY 00-01 financial status of each facility is provided on Pages 18-19. As the comparative balance sheet on Page 18 indicates, total assets declined by \$459,471 and total liabilities increased by \$26,992. The decrease in total assets largely reflects FY 99-00 controlled maintenance expenditures, including expansion of the dining room at the Colorado State Veterans Center at Homelake and weatherization renovations.

Current financial status – Walsenburg facility - A comparative balance sheet for the contract-operated Walsenburg facility (operated by the Huerfano County Hospital District) is provided on Page 23 and a comparative income statement is provided on Page 24. As the comparative income statement indicates, total revenue increased from \$4.6 million to \$5.2 million or an increase of 12 percent. Total expenses increased from \$5.1 million to \$5.5 million or by 6.7 percent. As a result, cash income at the Walsenburg facility was reduced from an operating loss of \$488,051 in calendar year 2000 to an operating loss of \$273,363 in calendar year 2001. The Huerfano County Hospital District does not cash fund depreciation as an expense. Pursuant to the operating agreement with the District, any expenditure in excess of revenues is the responsibility of the District.

Division Goals for Fiscal Year 01-02

The major Division goals encompass improving finances and increasing quality of care by:

- Controlling and anticipating expenses for the facilities
- Enhancing income through better rate establishment through cost reporting
- Focusing on improving public and internal quality measures in each facility.

In addition, please see performance objectives on pages 5-7.

**Division of State and Veterans Nursing Homes
Performance Objectives**

Objective #1: To improve resident quality of life at the state-operated skilled nursing facilities by reducing the average number of survey deficiencies to at least 10 percent below the average number of deficiencies at all Colorado skilled nursing facilities.

Measure: Average number survey deficiencies, as determined by the Colorado Department of Public Health and Environment.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Average Number Deficiencies Colorado	2.0	3.0	3.0	5.6	3.0	3.0
SVNH Target - State Average less 10%	1.8	2.7	2.7	5.04	2.7	2.7
Actual #	0.8	3.3	1.3	5.25		

Objective #2: To improve the quality and effectiveness of care provided to state-operated nursing home residents by reducing the number of residents with significant weight loss by 5 percent annually.

Measure: Number of residents with significant weight loss (defined as a 5.0 percent loss in one month; a 7.5 percent loss in three months, or a 10.0 percent loss in six months) at the four state-operated nursing homes.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Number of Residents with Weight Loss	N/A	N/A	245	92	87	83
Target % Change	N/A	N/A	N/A	-5.0%	-5.0%	-5.0%
Actual % Change	N/A	N/A	N/A	-66%		

Objective #3: To increase the Domiciliary's financial self-sufficiency by reducing the percentage of General Fund support provided to the Domiciliary by seven and one-half percent annually.

Measure: Percentage reduction in the General fund appropriation as a percentage of the total Domiciliary appropriation over the prior year appropriation.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Target %	N/A	N/A	5.0	7.5	7.5	7.5
Actual %	N/A	N/A	5.0	7.5		

Objective #4: To improve the physical and mental well being of Domiciliary residents by increasing the percent of discharged residents who return to independent living arrangements in the community by two percent annually.

Measure: Percentage of discharged residents who return to independent living arrangements in the community.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Projection	FY 02-03 Projection
Target %	N/A	N/A	35.3%	32.0%	34.0%	36.0%
Actual %	30.8%	33.3%	30.0%			

Objective #5: To improve the quality of services provided to Domiciliary residents and family members by achieving an 85 percent satisfaction rate on semi-annual customer satisfaction questionnaires.

Measure: Average satisfaction rate on the Division's standardized, semi-annual customer satisfaction questionnaire.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Estimate	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Resident Satisfaction Rate				93.4%		
Family Satisfaction Rate				95.3%		
Target %	N/A	N/A	N/A	85%	85%	85%
Actual %	N/A	N/A	N/A	94.35%		

Objective #6: To increase Domiciliary employee satisfaction and retention by achieving an 85 percent satisfaction rate on semi-annual employee satisfaction questionnaires.

Measure: Average satisfaction rate on the Division's standardized, semi-annual employee satisfaction questionnaire.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Employee Satisfaction Rate				Establish baseline data.		
Target %	N/A	N/A	N/A	85%	85%	85%
Actual %	N/A	N/A	N/A	88%		

Objective #7: To improve the quality of services provided to state-operated nursing home residents and family members by achieving an 85 percent satisfaction rate on semi-annual customer satisfaction questionnaires.

Measure: Average satisfaction rate on the Division's standardized, semi-annual customer satisfaction questionnaire.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Resident Satisfaction Rate				91.6%		
Family Satisfaction Rate				96.3%		
Target %	N/A	N/A	N/A	85%	85%	85%
Actual %	N/A	N/A	N/A	93.95%		

Objective #8: To increase state-operated nursing home employee satisfaction and retention by achieving an 85 percent satisfaction rate on semi-annual employee satisfaction questionnaires.

Measure: Average satisfaction rate on the state-operated nursing home standardized, semi-annual employee satisfaction questionnaire.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Projection	FY 02-03 Projection
Employee Satisfaction Rate				90%		
Target %	N/A	N/A	N/A	85%	85%	85%

Florence State Veterans Nursing Home

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>Percent Change</u>
Census Information:			
Licensed Beds	120.0	120.0	N/A
Average Daily Census	103.3	99.24	-3.9%
Occupancy Rate	86.0%	83.0%	-3.5%
Residents Per FTE	1.1	1.1	0.0%
Staffing Information (FTE):			
Activities / Social Services	4.7	5.0	6.3%
Administration / Records	7.0	8.0	14.2%
Dietary	10.6	10.0	-5.8%
Maintenance / Housekeeping	12.0	12.0	0.0%
Nursing	62.4	53.8	-13.8%
Pharmacist	<u>0.9</u>	<u>0.9</u>	<u>0.0%</u>
Total	97.6	89.7	-8.1%

FISCAL YEAR 00-01 ACCOMPLISHMENTS:

- Received excellent surveys from the Colorado Department of Public Health (4 deficiencies), and from the Federal Department of Veterans Affairs (5 partially-met standards).
- In an effort to improve staff recruitment and retention, CSVNH implemented a new pay scale for nursing staff, which reflects 25% over the minimum hiring rate. All current Nurse Aids were given a compression increase to bring their salary in line with this new retention rate, and L.P.N.s were reclassified from Health Care Technician I to Health Care Technician II, again to bring their salary to the more competitive level. All new employees will be recruited at these higher starting salaries.
- Much research and planning went into the development of an on-site daycare program. This program is aimed at improving staff recruitment and retention by offering on-site daycare for their children at a reasonable rate. The program also includes a comprehensive intergenerational program to improve resident quality of life.
- The New Employee Orientation Program has been expanded to include a second day of training. New topics include Health Information Management, Payroll, and PACE review for new nursing staff.
- The facility achieved its goal in regards to increasing the number of outstanding ratings on surveys completed by residents as 9.26% rated the facility as outstanding, compared to 6.41% on a previous survey.
- The facility was just shy of achieving its goal of increasing the number of outstanding ratings on surveys completed by residents' families, as 36.03% rated the facility as outstanding compared to 40.76% in a March 2001 survey.
- The facility continues to enhance resident quality of life by meeting their physical, social and psychosocial needs. Each resident is encouraged and provided assistance, if needed, to express their concerns and preferences. Individual choices

may be expressed through a variety of venues, including yearly ResQuip projects, monthly Advisory and Resident Council meetings, daily planning of their meals, voting for activities of their choice and availability to meet with Social Services and all other staff on a daily basis. Resident satisfaction surveys are conducted twice per year where residents are able to put their concerns in writing and to have those concerns formally addressed by the Staff/Administration.

- The facility has saved approximately \$57,000 by accessing free drugs and utilizing Federal resources for purchases.
- A new parking area was leveled and graded to handle over-sized vehicles and overflow parking.

FISCAL YEAR 01-02 GOALS:

- Continue to receive excellent State and Federal surveys. Surveys will be evaluated against state standards.
- Continue to improve recruitment and retention of quality staff, particularly nursing staff.
- Implement the on-site Daycare/Intergenerational Program to both improve staff recruitment and retention as well as quality of life for residents through planned interactive programs with the children.
- Meet requirements of Federal VA Grant Program that will partially renovate the facility. This grant will enhance the life-safety and quality of life for the residents.
- Increase the percentage of outstanding ratings on surveys completed by residents and residents' family members by target goal of 4%.
- Increase response from employees on completing employee survey to greater than 50%.
- Increase family response and comments to 50% on satisfaction surveys.
- Continue to enhance resident quality of life by meeting their physical, social and psychosocial needs. This standard will be measured through satisfaction surveys and staff interaction with residents and families.

Homelake Colorado State Veterans Center Nursing Home

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>Percen Chang</u>
<i>Census Information:</i>			
Capacity	60.0	60.0	N/
Average Daily Census	50.3	53.0	5.4
Occupancy Rate	83.8%	88.3%	5.4
Residents Per FTE	1.1	1.0	-1.0
<i>Staffing Information (FTE):</i>			
Activities / Social Services	2.8	2.8	0.0
Administration / Records	4.9	4.9	0.0
Dietary	6.7	6.7	0.0
Maintenance / Housekeeping	6.9	6.9	0.0
Nursing	<u>32.4</u>	<u>34.2</u>	5.3
Total	<u>53.7</u>	<u>55.5</u>	

FISCAL YEAR 00-01 ACCOMPLISHMENTS:

- Implemented a Staff Development Coordinator position – increased programming and customer service programs.
- Increase Crier circulation to over 1250 copies quarterly.
- Increase Occupants Benefit Fund by 100 % in donated funds over previous year.
- Census stabilization at an average of 2.7 residents, 5.4 % above 99-00.
- Remodeled Nursing Home lounge with OBF donated monies.
- Increased community participation:
 - Sponsored a Children's Orthopedic Clinic
 - Sponsored a Children's Coloring Contest at the local schools
 - Sponsored a Children's Haunted House
 - Hosted the Boy Scout's Summer Retreat
 - Participated in the Stampede Parade in Monte Vista, Co.
 - Participated in the Veteran's Parade in Alamosa, Co.
 - Participated in the Historical Day's Parade in Center, Co.
 - Hosted the Annual Community Memorial Day Ceremony in Homelake, CO.
- Completed a Surround-sound Theater with snack bar for resident activities.
- Increased Building security and campus security through increased Risk Management.
- Implemented "menu mizer" dietary program
- Finished new dining room décor including new tables and chairs as well as tablecloths for special occasions.
- Hosted and participated in four Veteran Forum's

FISCAL YEAR 01-02 GOALS:

- Achieve a deficiency-free facility survey from the Colorado Department of Public Health and environment and the Federal Department of Veterans Affairs.
- Increase the number of outstanding ratings on customer service surveys completed by residents and resident's family members.
- Implement a specialized customer service program for employees to voluntary complete and receive recognition for.
- Implement a Dining Services Program that will enhance the customer service and promote a restaurant style experience.
- Complete a major renovation of the heating system for energy savings and customer service.
- Complete the Activity Mall in the Administration building for resident activities and utilization.
- Implement MDI for MDS transmissions program as well as billing program.

Homelake Colorado State Veterans Center Domiciliary

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>Percent Change</u>
<i>Census Information:</i>			
Capacity			N/A
Average Daily Census	42.8	44.4	3.7%
Occupancy Rate	93.0%	96.5%	3.7%
Residents Per FTE	2.6	2.7	3.8%
<i>Staffing Information (FTE):</i>			
Activities / Social Services	1.2	1.2	0.0%
Administration / Records	2.0	2.0	0.0%
Dietary	4.1	4.1	0.0%
Maintenance / Housekeeping	4.2	4.2	0.0%
Nursing	<u>4.9</u>	<u>4.9</u>	0.0%
Total	16.4	16.4	0.0%

FISCAL YEAR 00-01 ACCOMPLISHMENTS:

- Implemented a resident oriented educational program
- Completed an evaluation of the resident acuity level from the previous five years
- Received an average of 94.35% on Customer Service Surveys.
- Increased Occupants Benefit Fund by 100 % in donated funds over previous year.
- Increased building security and campus security through increased Risk Management.
- Implemented an "Adopt a DOM" Program to increase donated funds to the Occupants Benefit Fund for renovations.
- Completed the Smoke detectors / Fire Panel project for the individual cottages to improve the overall safety program.
- Improved the customer service program for maintenance of the cottages by implementing a work order system to enhance response time to resident needs.
- Increased community participation:
 - Sponsored a Children's Haunted House
 - Hosted and taught Flag folding at the Boy's Scout Summer Retreat
 - Participated in the Stampede Parade in Monte Vista, Co.
 - Participated in the Veterans Parade in Alamosa, Co.
- Completed Study of Historical Society Planning Grant in the study to renovate and restore the historic buildings of the complex.

FISCAL YEAR 01-02 GOALS:

- Achieve a deficiency-free survey from the Federal Department of Veterans Affairs.
- Increase the number of outstanding ratings on customer service surveys completed by residents and resident's family members.
- Implement a specialized customer service program for employees to voluntarily complete and receive recognition for.
- Implement a Dining Services Program that will enhance the customer service and promote a restaurant style experience.
- Complete a major renovation of the heating system for energy savings and customer service.
- Complete the Activity Mall in the Administration building for resident activities and utilization.
- Implement and complete emergency lighting in all the DOM Cottages
- Research additional funding sources for DOM program.
- Implement MDI accounts receivable/billing program.

Rifle State Veterans Nursing Home

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>Percent Change</u>
Census Information:			
Capacity	100.0		N/
Average Daily Census	96.3	95.6	-0.7%
Occupancy Rate	96.3 %	95.6%	-0.7%
Residents Per FTE	1.1	1.1	0.0%
Staffing Information (FTE):			
Activities / Social Services	5.2	6.0	+15.4 %
Administration / Records	7.7	6.7	-13.0 %
Dietary	13.9	13.3	-4.3 %
Maintenance / Housekeeping	12.2	12.7	+4.1 %
Nursing	<u>60.2</u>	<u>67.5</u>	<u>+12.1 %</u>
Total	99.2	106.2	+7.1 %

FISCAL YEAR 2000-01 ACCOMPLISHMENTS:

- CSVNH has successfully been established by ASI as a site for CNA competency and licensure on the Western Slope.
- Two CSVNH Employees were recognized recipients of the CHCA Excellence in Care Giving Award.
- CSVNH has upgraded the kitchen area to include a new stove, dishwasher and large walk-in freezer.
- The CNA training program was increased from 80 to 120 hours of instruction time. After being surveyed by the State Board of Nursing, the program was found to be deficiency free.
- CSVNH is in compliance with regulations for needle-less safety devices.
- Every resident has personal blood glucose testing equipment.
- Refining and improving of personal needs procedure to ensure more timely acquisition for residents.
- Implementation of BI-annual satisfaction survey to residents, families and staff.
- New RUGs based UR review procedure.
- Upgraded SCU training material and procedures.
- Generated an average nursing home occupancy rate of 95.2%.
- Upgraded tub rooms on 1st and 2nd floors.
- ResQuip project, new patio with cover, more plants and horseshoe pit.
- 3 successful graduates of CDHS Leadership Development Institute.
- All staff has been trained for better accuracy in MDS and RUGs awareness.

FISCAL YEAR 2001-02 GOALS:

- Achieve a deficiency-free facility survey from the Colorado Department of Public Health and Environment and the federal Department of Veterans Affairs.
- Evaluate programs to increase opportunities to serve the needs of the veteran community.
- Maintain outstanding resident and family satisfaction as demonstrated by the facility's semiannual resident and family surveys.
- Continue to reduce operating expenses by purchasing drugs and other medical supplies at federal prices.
- Increase the number of outstanding ratings on surveys completed by residents and residents' family members.
- Generate and maintain an average nursing home occupancy rate of 95%.

Trinidad State Nursing Home

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>Percent Change</u>
<i>Census Information</i>			
Capacity	182.0	182.0	NA
Average Daily Census	132.6	134.6	1.5%
Occupancy Rate	72.9%	74.0%	1.5%
Residents Per FTE	1.1	1.1	0.0%
<i>Staffing Information (FTE)</i>			
Activities / Social Services	4.0	5	15.0%
Administration / Records	9.4	9.4	4.0%
Dietary	16.1	15	0.0%
Maintenance / Housekeeping	16.8	17	0.0%
Nursing	<u>76.6</u>	<u>77.75</u>	<u>2.2%</u>
Total	122.9	124.15	2.2%

FISCAL YEAR 00-01 ACCOMPLISHMENTS:

- Developed and implemented a Health Care Worker program to meet the need of available direct care staff.
- Graduated 13 Health Care Workers from the CNA program
- Developed a partnership with Trinidad State Junior College to train Health Care Workers as CNA's
- Increased census in the nursing home to 134.6
- Created a Multi Media Center equipped with computers for residents use. Multi generational programming has allowed residents to learn the world of cyber space
- The facility had a sound financial year to support our programs

FISCAL YEAR 01-02 GOALS:

- Achieve a deficiency-free survey from the Colorado Department of Public Health and Environment
- Increase the satisfaction ratings on surveys completed by residents and residents' family members
- Continue to make capital improvements to the facility to improve resident comfort and quality of life
- Increase nursing home and adult day care program census
- Implement new MDI soft ware

Walsenburg State Veterans Nursing Home

	<u>FY 99-00</u>	<u>FY 00-01</u>	<u>Percent Change</u>
<i>Census Information</i>			
Capacity	120.0	120.0	N/A
Average Daily Census	92.3	104.5	13.2%
Occupancy Rate	76.9%	87%	10.1%
Residents Per FTE	1.2	1.2	
<i>Staffing Information (FTE)</i>			
Activities / Social Services	4.6	6.5	41%
Administration / Records	11.5	11.5	0%
Dietary	11.0	9.5	-15%
Maintenance / Housekeeping	16.5	18.9	14.5%
Nursing	<u>71.6</u>	<u>74.6</u>	<u>4.2%</u>
Total	115.2	121	5%

FISCAL YEAR 2000-01 ACCOMPLISHMENTS:

- Administrator now reports directly to the Board of Directors.
- Obtained grant for a new van for resident transport and activities. Obtained grant for a new van for resident transport and activities.
- Experienced the most financially stable year in the nursing home history.
- Expanded utilization of the VA free medication program.

FISCAL YEAR 2001-02 GOALS:

- Expand the dining room to allow more comfortable seating and expand activity areas in the facility.
- Redecorate the Special Care unit.
- Enhance mental health services afforded through the facility and Spanish Peaks Mental Health Services
- Develop an external peer/utilization review program.
- Improve and expand resident e-mail capabilities.

DIVISION OF SAFE AND VETERANS NURSING HOMES
BALANCE SHEET
FISCAL YEAR ENDING JUNE 30, 2001

	Florence	Homelake	Rifle	Trinidad	Total	*Walsenburg
ASSETS						
Cash and Cash Equivalents						
Change Funds	0	500	0	1,000	1,500	
Cash on Hand	0	0	0	0	0	126,286
Petty Cash Funds	200	1,000	100	500	1,800	
Restricted Checking - Depository	0	150,255	0	0	150,255	
Operating Cash	1,503,721	(240,140)	(236,277)	694,421	1,721,725	86,928
Assets Limited to Use						
Receivables						
Accounts Receivable - Residents	140,460	44,307	90,775	132,467	408,009	280,418
Allowance for AVR - Agency Sys	(97,237)	(9,617)	(23,597)	(25,591)	(156,042)	
Accounts Receivable Other	18,244	75,495	87,976	388,400	570,115	282,571
Intergovernmental - (Federal VA)	153,729	87,399	113,344	0	354,472	
Interfund Receivable	1,168	1,178			2,346	
Inventories						
Supplies Inventories	92,999	67,276	91,337	65,000	316,612	
Other Current Assets						
Prepaid Expenses - General	0	23,100	0	0	23,100	
Undistributed Charges - Other	0	0	0	0	0	
Fixed Assets						
Land	60,000	19,161	54,200	5,960	139,321	
Improvements to Land	77,944	3,866	77,426	263,461	422,697	
Accumulated Depreciation - Land Improve	(55,969)	(3,866)	(50,114)	(165,786)	(275,735)	
Buildings	1,476,948	4,109,674	3,495,388	2,380,379	11,462,389	8,660,345
Accumulated Depr - Bldg	(806,907)	(2,068,394)	(1,592,415)	(1,463,022)	(5,930,738)	
Leasehold Improvements	0	0	0	0	0	
Furniture & Equipment	608,750	497,106	677,122	448,939	2,231,917	601,293
Leased Equipment	0	0	0	11,037	11,037	
Software Capitalized	35,725	8,564	7,736	10,153	62,178	
Vehicles	20,061	54,425	13,691	46,465	134,642	
Accumulated Depreciation - Vehicles	(18,621)	(40,293)	(7,238)	(42,129)	(108,281)	
Accumulated Depreciation - Equipment	(332,857)	(393,313)	(409,823)	(295,467)	(1,431,460)	
Accumulated Depreciation - Software	(11,225)	(8,564)	(13,691)	(10,153)	(43,633)	
Construction in Progress	0	92,096	0	131,950	224,046	
Accumulated Depreciation	0	0	0	0	0	(3,659,591)
Total Assets	\$ 2,867,133	\$ 2,471,215	\$ 2,375,940	\$ 2,577,984	\$ 10,292,272	\$ 6,378,250

*Walsenburg is a Contract-Operated Facility and has a Calendar Year End-date. Figures reflect January 1, 2001 - December 31, 2001

DIVISION OF SATE AND VETERANS NURSING HOMES
BALANCE SHEET
FISCAL YEAR ENDING JUNE 30, 2001

	Florence	Homelake	Rifle	Trinidad	Total	*Walsenburg
LIABILITIES						
Payables						
Warrants Payable	12,826	58,774	19,898	25,951	117,449	
Vouchers Payable	31,894	62,045	51,781	57,528	203,248	
Retainage Payable on Contracts	0	0	0	4,912	4,912	17,737
Account Payable - Agency System	11,784	0	0	1,195	11,784	
Accounts Payable AGCY SYS 2	0	0	83,410		83,410	
Accounts Payable - Other	1,129	8,368	6,105		16,797	
Agy Miscellaneous Deductions 1	5	136	0		141	
Agency Union Dues	102				102	
Deferred Revenue						
Deferred Revenue	0	6,948	1,500		8,448	
Other Current Liabilities						
Capital Leases Pay - noncurrent	0				0	
Due Hospital and District	0				0	3,582,365
Other Current Liabilities						
Deposits Held in Custody	0	300			300	
Cancelled Warrants Prior Year	0				0	
Bonds/Notes Payable-Noncurrent						
Capital Leases Pay - noncurrent	0			11,037	11,037	
Other long-Term Liabilities						
Long-term Compensaton Absences - A/L	198,238	144,559	152,616	139,339	634,752	
Long-term Compensaton Absences - S/L	33,217	25,894	17,216	39,002	115,329	
Total Liabilities	289,195	307,024	332,526	278,964	1,207,709	3,653,234
FUND EQUITY						
Reserved for Encumbrances	0	0	0	0	0	33,796
FB-Unreserved/Undesignated	1,136,285	423,768	(1,988,419)	2,299,017	1,870,651	2,691,220
Contributed Capital						
Contributed Capital-State	0	433,183	407,348	0	840,531	
Contributed Capital-Federal	45,472	1,266,405	2,321,428	0	3,633,305	
Contributed Capital-Other	1,396,182	40,836	1,303,058	0	2,740,076	
Total Fund Equity	2,577,939	2,164,192	2,043,415	2,299,017	9,084,563	2,725,016
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,867,134	\$ 2,471,216	\$ 2,375,941	\$ 2,577,981	\$ 10,292,272	\$ 6,378,250

*Walsenburg is a Contract-Operated Facility and has a Calendar Year End-date. Figures reflect January 1, 2001 - December 31, 2001

DIVISION OF SATE AND VETERANS NURSING HOMES
BALANCE SHEET (State-Operated Facilities)*
FISCAL YEAR ENDING JUNE 30, 2001

	Fiscal Year 2000-2001	Fiscal Year 1999-2000	Change	Percent Change
ASSETS				
Operating Funds	1,875,280	2,166,554	(291,274)	-13.4%
Other Cash, Cash Equivalents and Reserves	0	228,431	228,431	
Receivables	1,178,900	969,920	208,980	21.5%
Inventories	316,612	301,728	14,884	4.9%
Other Current Assets	23,100	38,839	(15,739)	-40.5%
Property, Plant, and Equipment				
Land	562,018	534,469	27,549	5.2%
Buildings	11,462,389	11,107,603	354,786	3.2%
Furniture & Equipment	2,231,917	2,132,781	99,136	4.6%
Software Capitalized	62,178	0	62,178	
Leased Equipment	11,037	0	11,037	
Vehicles	134,642	152,146	(17,504)	
(Less) Accumulated Depreciation	(7,789,847)	(7,268,814)	(521,033)	7.2%
Construction in Progress	<u>224,046</u>	<u>307,430</u>	<u>(83,384)</u>	<u>-27.1%</u>
Total Assets	\$ 10,292,272	\$ 10,751,743	\$ (459,471)	-4.3%
LIABILITIES				
Accounts Payable	437,843	482,877	(45,034)	-9.3%
Deferred Revenue	8,448	10,062	(1,614)	-16.0%
Bonds/Notes Payable - Current				
Other Current Liabilities	300	17,012	(16,712)	-98.2%
Bonds/Notes Payable - Noncurrent	11,037		11,037	
Other Long-Term Liabilities				
Long Term Compensation Absence Liability - A/L	634,752	554,817	79,935	14.4%
Long Term Compensation Absence Liability - S/L	<u>115,329</u>	<u>115,949</u>	<u>(620)</u>	<u>-0.5%</u>
Total Liabilities	\$ 1,207,709	\$ 1,180,717	\$ 26,992	2%
FUND EQUITY				
Reserved for Encumbrances				
Fund Balance - Unreserved/Undesignated	1,870,651	2,414,630	(543,979)	-22.5%
Contributed Capital (State, Federal, Other)	<u>7,213,912</u>	<u>7,156,395</u>	<u>57,517</u>	<u>0.8%</u>
Total Fund Equity	\$ 9,084,563	\$ 9,571,025	\$ (486,462)	-5.1%
Total Liabilities and Fund Equity	\$ 10,292,272	\$ 10,751,743	\$ (459,471)	-4.3%

DIVISION OF STATE AND VETERANS NURSING HOMES
Comparative Consolidated Statement of Revenue and Expense
Calendar Years 2001 to 2000

	<u>2001</u>	<u>2000</u>	<u>Change</u>	<u>Percent Change</u>
Patient Days	156,662	155,805	857	0.6%
Total Receipts	19,337,935	18,398,665	939,270	5.1%
Revenue Per Patient Day	123.44	118.09	5	4.5%
Expenditures				
Personal Services	14,726,859	13,651,987	1,074,872	7.9%
Workman's Comp	494,511	175,880	318,631	181.2%
Vehicle Lease Pmts	19,573	23,664	(4,091)	-17.3%
Risk Mgt & Self Ins Prop	12,879	17,303	(4,424)	-25.6%
Operating Expenses	2,873,693	2,629,435	244,258	9.3%
Utilities	468,438	428,676	39,762	9.3%
Debt Service (Interest)	0	24,108	(24,108)	-100.0%
Construction Projects	0	0	0	
Indirect Cost Assessment-CDSS Other Expenditures	95,709	95,769	(60)	-0.1%
Transferred Expense - Non Oper(Director)	391,019	404,842	(13,823)	-3.4%
	<u>19,082,679</u>	<u>17,451,655</u>	1,631,024	9.3%
Cash Expenditures Per Patient Day	121.81	112.01	10	8.7%
Operating Results	<u>255,256</u>	<u>947,010</u>	(691,754)	-73.0%
Cash Operating Results PPD	1.63	6.08	(4)	-73.2%
Non-Cash Revenue	0	0	0	
Donations	(10,824)	(10,824)	0	0.0%
Adjust Fixed Asset Record	0	0	0	
Transfer in from Other Funds	0	0	0	
From Construction	0	0	0	
Fixed Assets	0	0	0	
Prior Year Adjustments	0	0	0	
Non-cash Expenditures				
Donated Food	0	0	0	
Depreciation (non cash)	531,049	571,672	(40,623)	-7.1%
Compensated Absences (non cash)	79,196	(21,189)	100,385	-473.8%
Bad Debt Expense (non cash)	64,665	37,211	27,454	73.8%
	<u>(430,468)</u>	<u>348,492</u>	(778,960)	-223.5%
Net Income Per Patient Day	-2.75	2.24	(5)	-222.8%

DIVISION OF STATE AND VETERANS NURSING HOMES
COMPARATIVE BALANCE SHEET - WALSENBURG STATE VETERANS HOMES
Calendar Years 2001 to 2000

	2001	2000
ASSETS		
Current Assets		
Cash	126,286	1,689
Assets limited as to use - deposits from residents	53,132	0
Patient accounts receivable, less allowance for uncollectible accounts, 2001 - \$51,491 and 2000 - \$78,000	280,418	452,779
Other accounts receivable	282,571	2,781
Total Current Assets	742,407	457,249
Assets Limited as to Use		
Externally restricted by donor	33,796	
Property and Equipment, at Cost		
Buildings	8,660,345	8,623,981
Equipment	601,293	601,293
Construction in progress	0	0
Less accumulated depreciation	(3,659,594)	(3,199,366)
Total Assets	\$ 6,378,250	\$ 6,483,157
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Estimated amounts due to Medicaid	17,737	197,308
Due to Hospital and District	3,582,365	3,321,266
Deposits from Residents	53,132	0
Total Current Liabilities	3,653,234	3,518,574
Fund Balances		
Contributed capital	5,403,586	5,403,586
Unrestricted	(2,712,366)	(2,439,003)
Total unrestricted	2,691,220	2,964,583
Restricted by donor	33,796	0
Total Fund Balances	2,725,016	2,964,583
Total Liabilities and Fund Balances	\$ 6,378,250	\$ 6,483,157

*Note: Walsenburg is a contract operated facility and the accounting cycle is on a calendar year basis. The balance sheet shown is the audited balance sheet for Colorado State and Veteran Nursing Home at Walsenburg and is completed by the Huerfano County Hospital District - Contract Managers

**DIVISION OF STATE AND VETERANS NURSING HOMES
COMPARATIVE INCOME STATEMENT - WALSENBURG STATE VETERANS HOMES
Calendar Years 2001 to 2000**

	2,001	2,000
Revenues, Gains, and Other Support		
Net patient service revenue	4,953,792	4,632,063
Other	<u>286,447</u>	<u>44,362</u>
Total Revenues	5,240,239	4,676,425
Expenses		
Salaries, wages and employee benefits	3,335,630	3,012,426
Purchased services and professional fees	377,639	418,272
Depreciation	460,225	412,551
Provision for uncollectible accounts	2,992	23,252
Supplies and other	<u>1,337,116</u>	<u>1,297,975</u>
Total Expenses	5,513,602	5,164,476
Deficiency of Revenues over Expenses	\$ (273,363)	\$ (488,051)

*Note: Walsenburg is a contract operated facility and the accounting cycle is on a calendar year basis. The balance sheet shown is the audited balance sheet for Colorado State and Veteran Nursing Home at Walsenburg and is completed by the Huerfano County Hospital District - Contract Managers

Notes to Financial Statements:

The comparative financial information for the 4 State operated Nursing Facilities for Fiscal Year 1999-2000 was taken from the previous annual report as stated. The remaining financial data was provided through an annual management report.

The State and Veteran Nursing Home at Walsenburg is operated through a management contract with the Huerfano County Hospital District. Their accounting cycle operates on a calendar year. Therefore, all data provided is based on the county's operating year. The accounting and reporting functions of the Colorado State Veterans Nursing Facility at Walsenburg are the responsibility of the Huerfano County Hospital District. The statements shown are from the annual report and have received a clean audit opinion that was performed in accordance with the Government Auditing Standards. The independent auditors were BKD, LLP.