

FY 09–10 Annual Report



MISSION

Under the direction of the Colorado Department of Human Services, the mission of the Division of State Veterans Nursing Homes is to honor and serve our nation's veterans, their spouses and Gold Star Parents by creating opportunities for meaningful activity, continued growth and feelings of self-worth in resident-centered long-term care and supportive living environments.

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Letters to stakeholders

Quality of care is our top priority at the State and Veterans Nursing Homes (SVNHs). In FY 09–10, we developed plans for meeting new Centers for Medicare and Medicaid Services initiatives regarding data collection and surveys. Additionally, a new U.S. Department of Veterans Affairs (VA) survey process was rolled out, and so far, the survey teams have been complimentary regarding care provided to our residents.

Overall, staffing at our Homes has been quite stable, despite salary freezes and state-mandated furloughs. According to data from research firm My InnerView, nurse and CNA turnover in FY 09-10 was lower at the SVNHs than in other Colorado nursing homes participating in the survey. Stable staffing contributes to providing a “home-like” environment for residents and reflects our employees’ dedication and commitment.

We are very proud of our participation in the new energy economy, with the remodeling of the domiciliary cottages at the State Veterans Campus at Homelake. In addition to \$1.9 million in State General Funds, the

project was supported by a \$5.1 million grant from the VA and \$250,000 from the State Historical Fund. The renovation adhered to energy efficient, “green building” principles. As a result, the project is expected to save more than \$100,000 per year in energy costs and provide a better atmosphere for our residents.

In addition, we are pleased with the recent broadening of the definition of “Gold Star Parents,” which now allows our state veterans homes to offer services to any parent who may have lost a child while the child was serving in the Armed Forces.

Our financial picture stabilized in FY 09–10, resulting in a profit for the first time in several years.



Viki Manley, Director
Division of State and Veterans Nursing Homes



Alexandra Hall

I am pleased to provide an update on some of the Commission on State and Veteran’s Nursing Homes’ activities.

Meetings: The Commission met four times. Between meetings, we reviewed and followed up on monthly reports and periodic financial and census updates.

Census: We expect the overall census to increase this year with completion of the remodeling at Florence and the domiciliary renovation at Homelake. Rifle has been on the low end of its expected census, but we believe this situation is being corrected with the new management team. Trinidad’s census has been a long-term problem that we anticipate will soon be successfully resolved. However, over the last two months all the Homes have shown a net operating profit for the first time in many years.

Trinidad: Whatever happens regarding the possible sale of the state nursing home at Trinidad, the Commission supports delineating Trinidad’s funding from the shared Central Fund. Veteran’s home funds simply should not be used to subsidize a home that has not been certified for veterans.

Quality of care: We are pleased with the quality of care provided residents as reported by Pinon Management and as conveyed in quality indicators. This year’s focus has been on reducing falls by residents, increasing occupancy through marketing, checking possible over-use of anti-psychotics and restraints and reducing staff absenteeism. The Commission follows up with staff on questions and looks for trends which may indicate systemic problems.

Discussions continue concerning use of vacant land on the Fitzsimons campus. Various ideas have been advanced for meeting veterans’ needs, and the best ideas will determine the type of facility that eventually will be constructed. Regardless of the population’s focused need, we believe the Commission’s expertise, with information received from specialized sources at our meetings, will result in a well-planned use of this property.



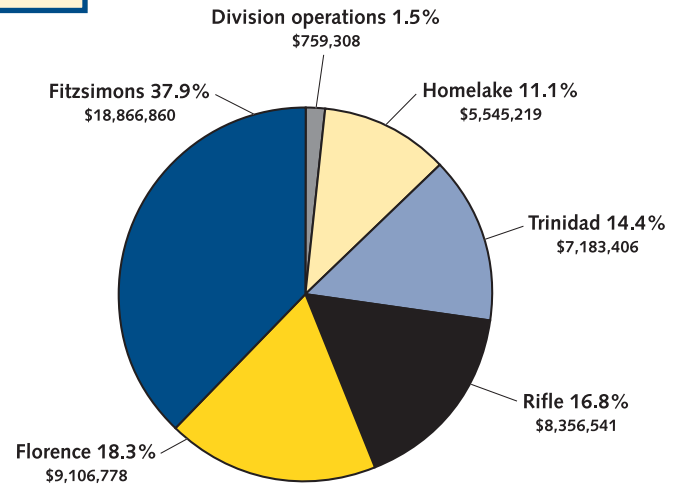
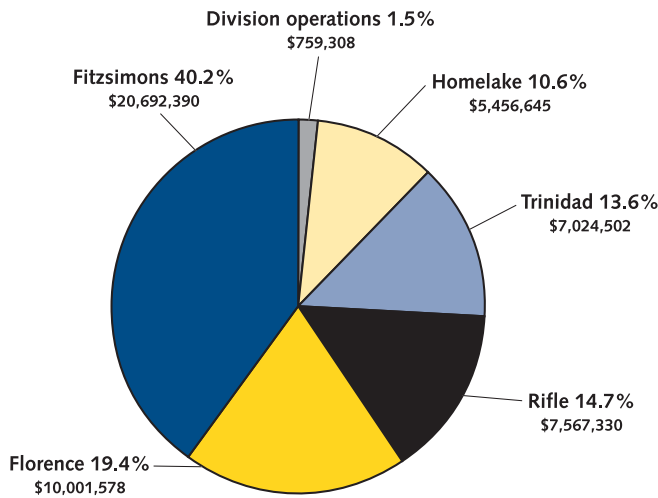
Alexandra Hall, Chair
Commission on State and Veterans Nursing Homes

Financial overview: Division of State and Veterans Nursing Homes

Colorado State & Veterans Nursing Homes	FY 07-08	FY 08-09	FY 09-10
Revenue (operating & non-operating)	\$51,698,706	\$53,933,308	\$54,724,706
Expenses (operating)	\$48,620,328	\$52,485,982	\$52,465,134
Expenses (non-operating)	\$1,941,457	\$1,892,147	\$1,812,036
Profit/(Loss)	(\$265,272)	(\$920,197)	\$447,537

FY 09-10 operating expenses: \$49,818,112

FY 09-10 operating revenue: \$51,501,752



FY 09-10 resident census

Colorado State & Veterans Nursing Homes	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVE
Total beds	673	673	673	673	673	673	673	673	673	673	673	673	673
Average census	563.8	554.7	547.0	556.4	564.9	576.0	578.7	579.0	572.4	567.8	572.9	572.7	567.2
Average occupancy*	81.4%	81.4%	81.4%	82.0%	82.0%	82.0%	81.7%	81.7%	81.7%	81.08	81.08	81.08	81.6%
Average occupancy**	83.8%	82.4%	81.3%	82.7%	83.9%	85.6%	86.0%	86.0%	85.0%	84.4%	85.1%	85.1%	84.3%

*Colorado nursing homes; **Colorado State & Veterans Nursing Homes

Analysis of financial issues

In order to complete much-needed renovation projects at the Colorado State Veterans Center at Homelake’s domiciliary and the Bruce McCandless State Veterans Home at Florence, new resident admissions in these two locations had to be restricted, causing a temporary reduction in revenue in FY 09-10. In addition, 70-80 percent of all nursing home expenses go to pay wages for personnel who staff our Homes and care for our residents—expenses that are not “optional.”

However, an increase in the Department of Veterans Affairs’ daily rate and a temporary Medicaid pay-for-performance rate increase provided additional revenue this year. The Division’s financial picture also benefited from vacancy savings, expense management and expansion of Medicare services, coupled with strong marketing and outreach services. The end result was a net profit for the first time in several years.

Accomplishment highlights: Colorado State and Veterans Nursing Homes

Marketing and communications

Over the past fiscal year, the Division of State and Veterans Nursing Homes created new brochures, newsletters and annual reports that communicate key messages to stakeholders using an updated, professionally designed “branding” scheme. Electronic versions of all publications, including a simplified two-page resident admission form, now allow for expedited distribution through e-mail and Web.

Family satisfaction

Compared to other nursing homes that participate in annual surveys administered by My InnerView, family satisfaction among the four Colorado State Veterans Homes operated by the Colorado Department of Human Services was above the national average on two key indicators: “Overall satisfaction” and “Recommendation to others.”

Culture change

The Division was awarded a culture change “train-the-trainer” grant, which will enable staff at all Colorado State and Veterans Nursing Homes to train their staff in Eden Alternative principles and to expand implementation of practices aimed at reducing or eliminating common long-term care “plagues”: loneliness, helplessness and boredom.

Census/profitability

All Colorado State and Veterans Nursing Homes are now Medicare certified, allowing for the provision of short-term rehabilitation services.

Occupancy at all State and Veterans Nursing Homes averaged 84.3 percent, and occupancy at the four

State Veterans Homes operated by the Department of Human Services averaged 85.3 percent. Both figures exceed the 81.6 percent average occupancy at other nursing homes in Colorado.

The Division of State and Veterans Nursing Homes had a profit of nearly \$450,000 in FY 09–10.

Grants

Construction grants from the U.S. Department of Veterans Affairs supported renovation of the domiciliary cottages at the Colorado State Veterans Center at Homelake, which was nearing completion at the end of this fiscal year, and various renovations at the Bruce McCandless State Veterans Home at Florence, including improvements on the Special Care Unit and important safety-oriented upgrades.

Veterans Trust Fund grants awarded by the Colorado Board of Veterans Affairs made it possible for the State Veterans Home at Rifle to purchase new furniture for residents, for the State Veterans Home at Fitzsimons to acquire new bariatric equipment, for the Colorado State Veterans Center at Homelake to implement a Healthy Heart program and for the Bruce McCandless State Veterans Home at Florence to begin creating a new “Sports Grille” for residents.



Homelake domiciliary cottage



Colorado State and Veterans Nursing Home services

Who we serve

The State Veterans Homes serve honorably discharged veterans, veterans' spouses/widows and "Gold-Star" parents. The Trinidad State Nursing Home serves all eligible applicants.

What we offer

Long-term care: We provide skilled nursing care; speech, physical and occupational therapy; social activities; and assistance with bathing, dressing and other daily activities.

Short-term rehabilitation: Individuals seeking to return home following a qualifying hospital stay can work to regain skills and improve physical strength, endurance and aerobic capacity.

"Domiciliary" cottages: Assisted living-like care is provided in Homelake (Monte Vista).

Memory care: Specialized care is available for individuals with dementia.

Short-term "respite" care: Temporary stays are offered when homecare providers are unavailable.

End-of-life/hospice services: Comfort-oriented care is offered for individuals nearing the end of their lives.

Meaningful activities and resident involvement

Our Homes strive to prevent or reduce residents' feelings of helplessness, loneliness and boredom by giving residents choices about their care, meals, activities and daily routines; offering loving companionship; and creating opportunities for contact with children, animals and plants. Meaningful activities range from poker, gardening, watching musical performances or playing computer Wii games to dining out, enjoying a baseball game or going fishing.



Testimonials

On our 2009 satisfaction surveys, here are just a few of the answers residents gave when asked, "Tell us what we do best:"

Fitzsimons

"Everything that I think I need!"

"Keep residents occupied without being overwhelmed."

"Very pleased with all who take care of me. Thank you."

McCandless (Florence)

"I couldn't be happier. As long as I have to be in a facility, this has to be it."

"A lot of caring people."

"You can build relationships with fellow veterans. I also feel welcomed by all staff and residents."



Homelake

"Friendly, caring staff. Emphasis on veterans. Very clean facility. Doesn't smell like a nursing home."

"Food, activities and friendships."

"Care they provide to everyone."

Rifle

"The staff works awful hard to make me feel at home and be comfortable."

"You keep me out of trouble. You also make good chocolate milkshakes for me."

"If something comes up that I need to talk about, the staff listens."

Trinidad

"Nice people, good food, like the landscaping."

"Activities—the best—keep us very busy."

"Make me feel this is my home."

Letter to stakeholders



Brad Honl

It is with great pleasure that we are presenting the Colorado State Veterans Home at Fitzsimons' fiscal year 2009–2010 annual report.

Completed and licensed in September 2002, the Colorado State Veterans Nursing Home at Fitzsimons is located on the northwest corner of the historical Fitzsimons Army Medical Center in Aurora.

The facility was the culmination of a multi-stakeholder effort involving veterans groups, state and federal agencies, the city of Aurora and the long-term care community serving veterans, including their families. These stakeholders remain an active and involved part of Fitzsimons and are pivotal in assuring the original plans and goals for this facility and campus remain true to the initial vision.

Fitzsimons has become a recognized and successful long-term care leader, providing quality and innovative

services to metro Denver and beyond. In addition, Fitzsimons has achieved high census goals and has become a profitable part of the Division of State and Veterans Nursing Homes.

Clinical quality assurance measures have shown dramatic improvement in infection control, fall monitoring, wound care, weight management, pain management, behavior management and medication error prevention. In addition, Fitzsimons continues to move forward with culture change, with more than 80 percent of the staff having received culture change training.

We remain involved with stakeholders, including dozens of veterans groups and an active advisory board. Staff and residents participate in events hosted by veteran organizations, Buckley Air Force Base and the United Veterans Committee.

I hope you find this report useful and will share it with others.

Brad Honl, Administrator

FY 09–10 accomplishments

- Operating revenues reached a historical high, and expenditures were held to a two-year low.
- The average daily census increased by one additional resident over the previous year.
- In its second year of operation, the facility's internal pharmacy realized a savings of nearly \$215,000 over using an outside pharmacy.
- Our short-term rehabilitation program resulted in a 74 percent return-to-home rate. The therapy department added classes in tai chi and balance. A Veterans Trust Fund grant enabled us to purchase a state-of-the-art NuStep cross-trainer.
- Turnover occurred in key positions in nursing, medical records, admissions, staff development and pharmacy, but we have successfully filled all of these positions with top quality personnel.

- Overall, Fitzsimons has become a stable employer that has required no outside agency staffing since April 2007. Turnover dropped from a previous average of 21 percent to only 12.7 percent. Also, 92 percent of the staff have worked at Fitzsimons for more than one year,



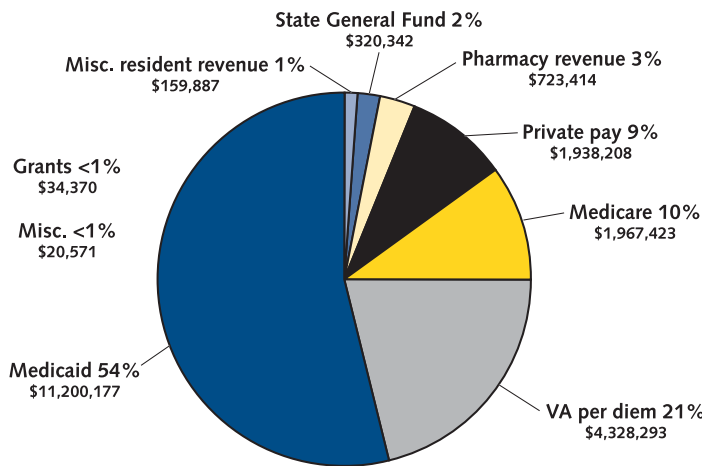
and 46 percent have been employed here for five or more years—a tribute to the dedication and care of the Fitzsimons staff.



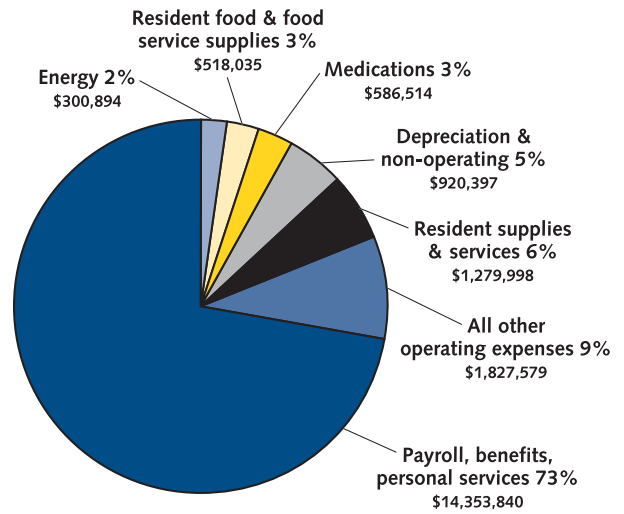
Financial overview: Colorado State Veterans Home at Fitzsimons

	FY 07-08	FY 08-09	FY 09-10
Revenue	\$18,353,649	\$19,771,785	\$20,692,686
Operating expenses	\$16,800,788	\$18,796,132	\$18,866,860
Non-operating expenses	\$1,043,754	\$1,002,156	\$920,397
Profit/(Loss)	\$478,052	(\$26,503)	\$905,429

FY 09-10 revenue: \$20,692,686



FY 09-10 expenditures: \$19,787,257



FY 09-10 resident census

FITZSIMONS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVE
Beds	180	180	180	180	180	180	180	180	180	180	180	180	180
Average census	165.74	160.7	162	164.3	167.73	170.1	171.2	167.6	164.94	167.1	167.7	168.9	166.5
Occupancy	92.1%	89.3%	90.0%	91.3%	93.2%	94.5%	95.1%	93.1%	91.6%	92.8%	93.2%	93.8%	92.5%

Analysis of financial issues

Operating revenues are derived from private resident payments, Medicaid, Medicare, Veterans Affairs (VA) payments and various pension payments. The State Veterans Home at Fitzsimons has a 180-bed capacity, and census must be maintained at 90 percent or above to provide sufficient income to break even.

The largest expense the facility faces is wages and benefits, which average 73 percent overall. In other words, for every \$1 in expense, 73 cents goes to cover person-

nel costs, limiting our ability to make significant reductions in expenses. However, Fitzsimons' expenses have been monitored closely, and monthly reviews have been conducted with each department manager to discuss expenses. Close monitoring allowed Fitzsimons to reduce annual operating expenses this year by \$70,729.

Our operating revenues increased by \$915,637 mainly due to increases in the VA daily rate and Medicaid rate, resulting in a net profit of \$905,429 for the fiscal year.

Letter to stakeholders



Barbara Moore

The Bruce McCandless State Veterans Home in Florence has proudly cared for veterans, their spouses and widows and Gold Star Parents for 35 years. Located in Fremont County, we enjoy the beautiful natural landscape surrounded by the Sangre de Cristo and Wet Mountain ranges. Our Home rests on 67 acres of well-manicured grounds.

During the past five years, we have concentrated our efforts on improving the mechanical and structural aspects of our Home while striving to maintain the consistently good care our reputation has earned. In April 2010 we completed the final phase of construction, totaling over \$8 million in renovation improvements to our Home. Our residents now enjoy renovated rooms with individual heating and cooling; carpeting or wood laminate floors throughout; fresh paint; lighting and water fixtures;

new nurse call, fire alarm and emergency generator systems; and a new kitchen and dining area for residents living with dementia.

We are incorporating resident-centered care while practicing the Eden Alternative philosophy. Our culture change goals include developing self-directed teams, reducing hallway clutter, enhancing the bathing experience, welcoming new residents, honoring individual end-of-life wishes and a variety of other objectives. Residents, staff and families are increasingly aware of the Eden philosophy through family support group meetings, learning circles, neighborhood meetings, leadership training for neighborhood advocates, newsletters and community meetings.

We continue to strive for improvements in every way.

Barbara Moore, Administrator

FY 09–10 accomplishments

- Most recently our Home participated in the Eden Train-the-Trainer course in Pueblo. Three McCandless staff are now certified Eden Educators. Our Home’s goal of training 40 employees and opening the Eden Associate training to other community care providers will be under way with our first training session in December. We will offer Eden Associate training three times this fiscal year.

- Intergenerational activities continue to enhance the quality of life for residents and staff of our Home. The “Huskies Sports Grille” opened in July this year. Residents are now enjoying activities, Wii video games, spectator games via large flat screen TV, cards, cribbage and favorite foods offered daily



in the sports grille. The grille was named for the local high school mascot and contains sports memorabilia in their honor as well as professional sports, and includes several donated items for décor. Future plans for the grille include integrating the high school students and residents in special events, sponsoring high school fundraisers, attendance at high school sporting events as their “Veteran Fan Club” and much more.

- Other successful intergenerational activities include our week-long Kids Kamp for children ages 2–12, which was offered twice during the summer.

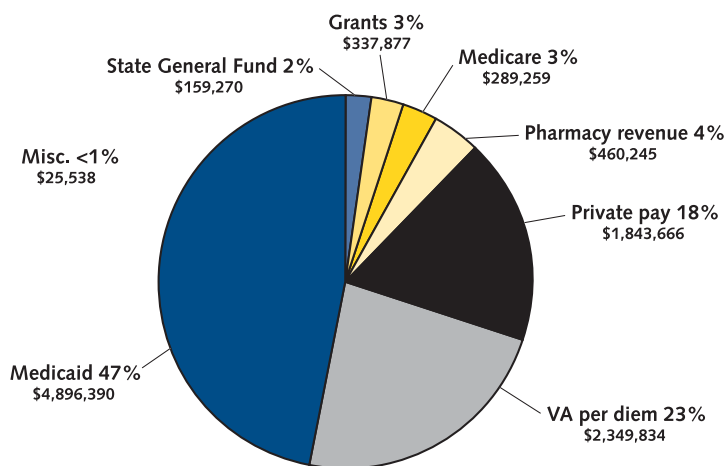
- Although our Home has many accomplishments, we are most proud of the quality care we provide to the veterans, their spouses or widows and the families we serve.



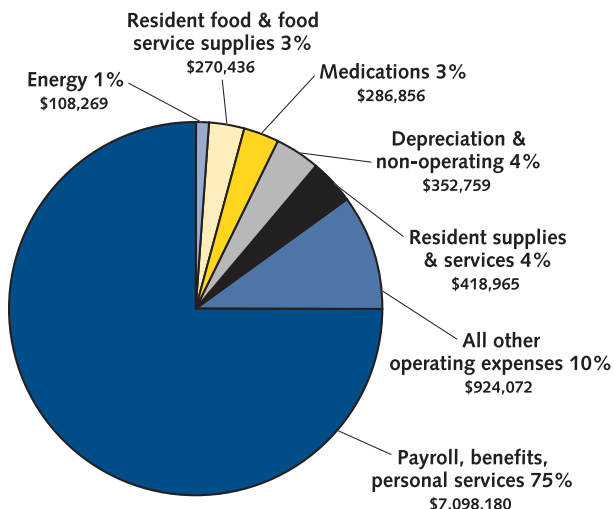
Financial overview: Bruce McCandless State Veterans Home at Florence

	FY 07-08	FY 08-09	FY 09-10
Revenue	\$9,161,899	\$9,994,962	\$10,362,079
Operating expenses	\$8,572,529	\$9,165,474	\$9,106,778
Non-operating expenses	\$371,355	\$355,198	\$352,759
Profit/(Loss)	\$218,015	\$474,290	\$902,542

**FY 09-10 revenue:
\$10,362,079**



**FY 09-10 expenditures:
\$9,459,537**



FY 09-10 resident census

McCANDLESS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVE
Beds	105	105	105	105	105	105	105	105	105	105	105	105	105
Average census	90	90	88	89	88	90	91	94	92	86	89	90	89.8
Occupancy	85.7%	85.7%	83.8%	84.8%	83.8%	85.7%	86.7%	89.5%	87.6%	81.9%	84.8%	85.7%	85.5%

Analysis of financial issues

During FY 09-10, our Home completed Phases III and IV of a comprehensive renovation project. This five-year project and the need to accommodate the contractor's access to resident rooms, etc., impacted our Home's ability to maintain census levels. Despite this challenge our financial performance remained strong.

Our annual profit of \$902,542 was achieved by managing expenses despite a lower census level. Other factors

included personal services vacancy savings and the implementation of Medicare services.

Our Home implemented a slight rate increase last year and increased marketing efforts in the areas of hospital referrals and community relations. These strategies succeeded at increasing referrals from hospitals in the Pueblo and Colorado Springs markets.

Letter to stakeholders



Mindy Montague

Homelake is now in its 119th year of being one of the state's "Caring communities that honor America's heroes." We are very excited to announce that the renovation of our domiciliary cottages is expected to be complete by November, following an open house that took place in October.

The Department of Human Services currently anticipates that the cottages will receive one of the highest levels of certification from the Leadership in Energy and Environmental Design (LEED). This certification is expected based on improvements in energy-efficient lighting, water conservation measures, increased insulation, window and door improvements,

drought-tolerant landscaping and automated irrigation, solar hot water system and geothermal heat and air conditioning.

Homelake continues its commitment to culture change and giving residents more choices about their care and daily activities. More of our employees are being trained as Eden Educators. In turn, these individuals will be conducting Eden certification training for other Homelake staff each quarter. The training follows the model developed by culture-change pioneer The Eden Alternative.

On a special note, Homelake has 35 employees with at least 10 years of service. This consistency is truly appreciated by residents and families.

Mindy K. Montague, N.H.A.

Mindy Montague, Administrator

FY 09-10 accomplishments

- Renovation of the domiciliary cottages: Residents who had been displaced during the renovation returned to their state-of-the-art accessible and "green" cottages. The "boardwalk" connecting all cottages and the outpatient clinic came alive, with community barbecues and the presence of benches and three-wheel bikes.
- Marketing of Homelake continued through high-profile community events including socials for Veteran's Day, Valentines for Veterans, Summerfest and Memorial Day.
- Homelake continues to be recognized as a community leader for honoring and advocating for all veterans.
- Our family satisfaction surveys were above national averages on 11 of 24 questions, with the highest scores for: Overall satisfaction, adequate staff to meet needs, cleanliness of premises, quality of meals and security of personal belongings.



- Homelake's nursing home resident satisfaction survey scores were above the national survey average scores in 14 out of 24 of the areas surveyed. The highest scores were for: Quality of meals, quality of dining experience, commitment to family updates, LPN and CNA care and adequate staff to meet needs. Enjoying meals and having menu choices has always been and will always be of utmost importance to our residents,

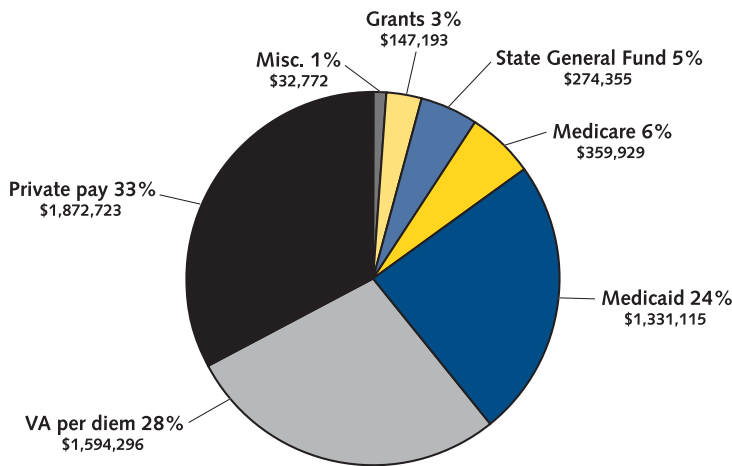


so we continue to strive to provide what our residents want, when they want it. It was gratifying to see that residents' satisfaction with the quality of meals and quality of the dining experience were reflected in these survey results.

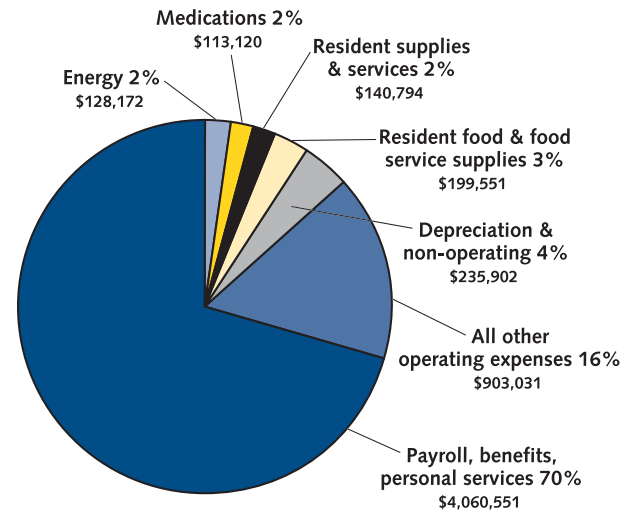
Financial overview: Colorado State Veterans Center at Homelake

	FY 07-08	FY 08-09	FY 09-10
Revenue	\$5,520,380	\$5,891,660	\$5,612,383
Operating expenses	\$4,932,786	\$5,540,746	\$5,545,219
Non-operating expenses	\$198,746	\$223,137	\$235,902
Profit/(Loss)	\$388,849	\$127,777	(\$168,738)

FY 09-10 revenue:
\$5,612,383



FY 09-10 expenditures:
\$5,781,121



FY 09-10 resident census

HOMELAKE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVE
Beds (nursing home)	60	60	60	60	60	60	60	60	60	60	60	60	60
Average census	50.32	47.42	46.77	49.74	50	51.61	53	51.75	51.87	51.57	51.16	48.87	50.3
Occupancy	83.9%	79.0%	78.0%	82.9%	83.3%	86.0%	88.3%	86.3%	86.5%	86.0%	85.3%	81.5%	83.9%

Analysis of financial issues

The Colorado State Veterans Center at Homelake had a difficult year financially due to the domiciliary cottage (“Dom”) renovation project. By the end of the fiscal year, the census in the Dom dropped to 20 out of a possible 48. Our financial loss of \$168,738 in FY 09-10 resulted from the low domiciliary census during the renovation. However, the project now is nearly com-

plete, and we anticipate being able to start accepting new admissions this fall.

Our nursing home census remained constant over the year with an average of 50, which matched the average census for FY 08-09. No major changes occurred in revenues or expenditures in the nursing home during FY 09-10.

Letter to stakeholders



Paul Crook

This past year has been exciting and challenging for the Colorado State Veterans Home at Rifle, with many positive changes.

As a Vietnam-era army veteran, I was proud to join the Rifle Home as the Administrator in December 2009. Elizabeth Mensing, M.D., joined our staff as the attending physician and medical

director in October 2009. Dr. Mensing is an asset to our Home who helps us meet our goal of being one of Colorado's "Caring communities that honor America's heroes."

Family members continue to be very satisfied with the care, companionship and friendship their loved ones receive in our Home. Based on family members' satisfaction, our Home was awarded the "2009 Excellence in Action Award" from the long-term care survey company My InnerView. This award was given to nursing homes

who achieved especially high levels of satisfaction among approximately 5,000 homes that participated in the survey nation wide.

As we progress on our "culture change" journey with The Eden Alternative, we continue working to eliminate the common plagues in long-term care: Loneliness, helplessness and boredom. We also seek to provide exceptional care and support to our veterans and family members. As always, we are proud and honored to advocate for our nation's heroes—America's veterans who have endured many sacrifices for our everyday freedoms.

The Colorado State Veterans Home at Rifle will continue to focus on important issues regarding residents' rights, freedoms and choices during their daily routines. As always, we strive to ensure that our friends live with dignity, respect and self-worth, in a place where relationships are fostered with compassion, laughter and love.

Paul D. Crook, Administrator

FY 09-10 accomplishments

- "Betty's Place," the new ice cream parlor and country store, is now open daily from 2 p.m. to 3:30 p.m. and is enthusiastically operated by our ever-youthful 85-year-old Nursing Assistant Betty Bendetti.
- New library shelving and bookcases were purchased and installed by the Grand Valley Veterans of Foreign Wars (VFW) Post.
- The first and second floor bathing rooms also were renovated and completed by a donation from the Grand Valley VFW Post. The rooms were given fresh coats of paint, new flooring, shower tile, oak cabinets, vanities and music.
- A new bird aviary was added to the first floor for everyone to enjoy.
- Additionally, our Home's newly remodeled family room is a very welcome addition and is being enjoyed by our residents, or as we like to call them—"our "friends who live here"—and their families.



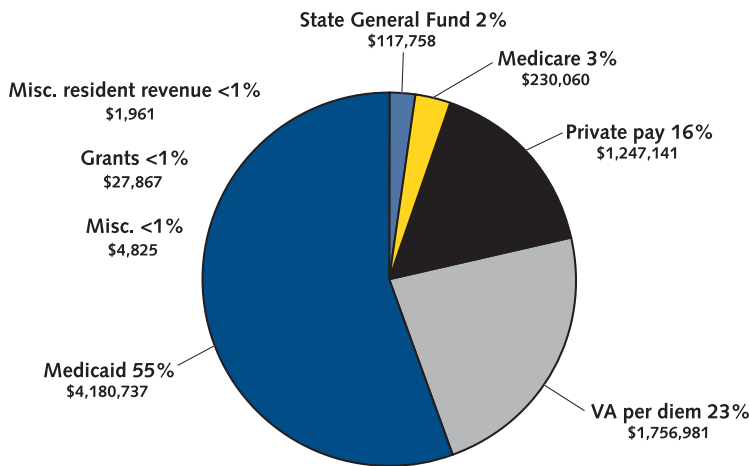
- The new Serenity Room, painted in a soft green, provides a quiet, peaceful area for anyone who loses a loved one or friend, providing solitude, soft lighting, sound therapy and tranquility during times of sorrow.



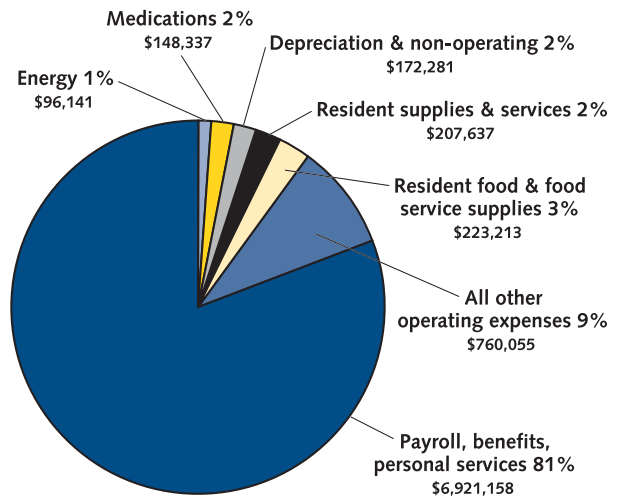
Financial overview: Colorado State Veterans Home at Rifle

	FY 07-08	FY 08-09	FY 09-10
Revenue	\$8,158,216	\$7,281,509	\$7,567,330
Operating expenses	\$8,157,776	\$8,525,320	\$8,356,541
Non-operating expenses	\$180,163	\$172,929	\$172,281
Profit/(Loss)	(\$179,722)	(\$1,416,740)	(\$961,491)

FY 09-10 revenue: \$7,567,330



FY 09-10 expenditures: \$8,528,822



FY 09-10 resident census

RIFLE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVE
Beds	89	89	89	89	89	89	89	89	89	89	89	89	89
Average census	70	68	65	65	67	69	69	72	74	75	77	75	70.5
Occupancy	78.7%	76.4%	73.0%	73.0%	75.3%	77.5%	77.5%	80.9%	83.1%	84.3%	86.5%	84.3%	79.2%

Analysis of financial issues

Concerns about sufficient staffing prompted a self-imposed “hold” on new admissions at the State Veterans Home at Rifle from March 2008 through August 2008. Following this admissions hold, the annual resident occupancy declined from 84.4 percent in FY 07-08 to 70.8 percent in FY 08-09. However, once the hold was lifted, steps have been taken to increase admissions, including placing a greater focus on print advertising and on conducting community outreach to veterans groups, senior organizations, medical personnel, hospital dis-

charge planners and other referral sources. As a result, the average annual occupancy grew to 79.2 percent in FY 09-10, and is now close to levels that existed prior to the 2008 admissions hold.

One other challenge with census growth is the requirement that at least 75 percent of the skilled nursing facility’s population be veterans. Because of this rule, the State Veterans Home at Rifle continues to maintain a waiting list for spouses and Gold Star parents.

Letter to stakeholders



Lee Burkholder

Late in the year of 2010 Trinidad State Nursing Home (TSNH) is in transition between corporate sponsors. For good and valid reasons, state government wishes to divest the home to a local or regional sponsor. Stakeholders, both local and regional, have deeply held opinions regarding how that should be done and in

regard to the character that the emerging organization will take on. Paramount in the mind of all is the goal to provide stability and reassurance to the 90 or more frail, elderly seniors who make TSNH their home.

The staff of Trinidad State Nursing Home are the most tenured of the five State and Veterans Nursing Homes—they are experienced people. Everyday I see acts of joy and kindness that can only come from genuine affection of the heart. The staff may find themselves in the “limbo” of uncertainty, but our residents should be, and most often are, comforted from that.

Thank you, staff, and thank you to all our friends throughout Colorado, and throughout state and local government, who have befriended Trinidad State Nursing Home. We look to the future.

Lee S. Burkholder, Administrator

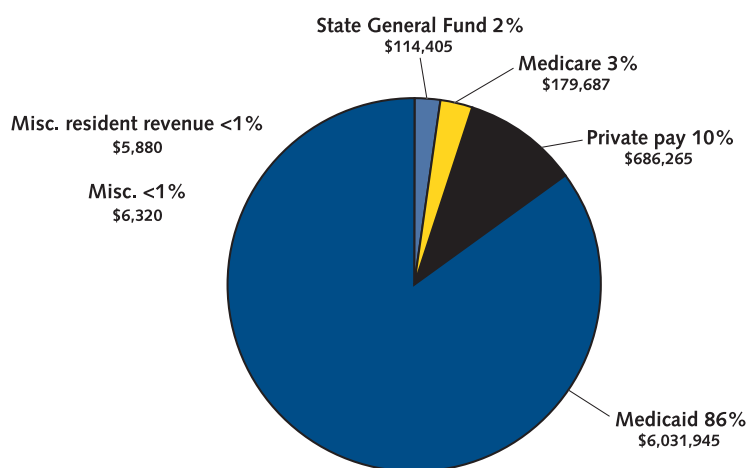
FY 09–10 accomplishments

- Over the past year, management attention and financial resources were directed toward improving equipment and an aging plant. Due to the generosity of a grant and an appropriation for life-safety upgrades, a bathing suite, fire suppression sprinklers and life safety equipment were installed or acquired and were then followed by some new patient lift apparatus. Our sister facilities shared with us medical equipment—pressure mattresses, pumps, etc.—that they had available after an upgrade. An older 15-passenger van was acquired from the state auto pool for use by the Activities Department.
- The income vs. expense ratio in this fiscal year proved to be among the best in many years.
- The C.N.A. classes at Trinidad State Nursing Home graduated 30 students, and most of these were promptly hired. The classes are the only source of nurse aide graduates within a hundred miles since the local junior college ceased its instructional program. It is training that is very popular in the community, and three candidates apply for every open student slot.
- A productive and collegial relationship with Colorado Mental Health Institute in Pueblo (CMHI-P) continues to contribute to professional growth for the staff of both facilities and is a positive choice for some residents of CMHI-P. This has been a model of collaboration.

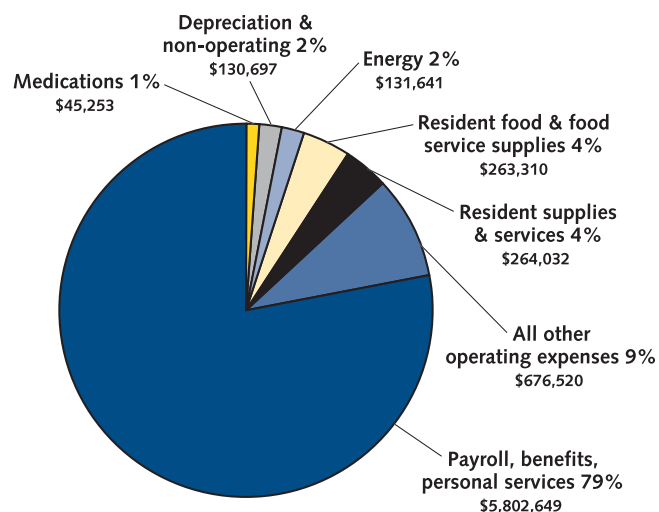
Financial overview: Trinidad State Nursing Home

	FY 07-08	FY 08-09	FY 09-10
Revenue	\$6,299,924	\$7,395,293	\$7,024,502
Operating expenses	\$7,124,320	\$7,508,434	\$7,183,406
Non-operating expenses	\$147,439	\$138,727	\$130,697
Profit/(Loss)	(\$971,836)	(\$251,868)	(\$289,601)

FY 09-10 revenue: \$7,024,502



FY 09-10 expenditures: \$7,314,102



FY 09-10 resident census

TRINIDAD	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVE
Beds	119	119	119	119	119	119	119	119	119	119	119	119	119
Average census	90.77	91.6	91.23	92.59	95.5	94.35	92.84	90.68	90.87	89.33	89.94	90.47	91.7
Occupancy	76.3%	77.0%	76.7%	77.8%	80.3%	79.3%	78.0%	76.2%	76.4%	75.1%	75.6%	76.0%	77.0%

Analysis of financial issues

Trinidad continues to struggle with a reimbursement method that underpays the care of Medicaid residents by about 8 percent. The facility is 92 percent Medicaid paid, so that circumstance is likely to continue during this time of economic stress for everyone.

Census levels have been below plan due to family economics and other community health care choices that are more forgiving of family cash flows.

Expense levels have been better than plan. Replacement of staff turnover in non-patient care staff has been delayed whenever possible without compromising safety and care. In the nursing home industry 70 percent or more of all expense is related to employment expenses, as the service is “human services.”

Net loss for Trinidad State Nursing Home is one of the lowest in several years.

Caring communities that honor America's heroes!

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Our vision is that residents experience compassion, dignity and companionship in communities filled with life, love and laughter.

Colorado's State and Veteran Nursing Homes are operated as self-funded enterprises by the Colorado Department of Human Services (CDHS). CDHS oversees Colorado's 64-county departments of social/human services, public mental health system, system of services for people with disabilities, juvenile corrections system, vocational rehabilitation system and all state and veterans nursing homes, through more than 5,000 employees and thousands of community-based service providers.

