

FY 11–12 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.



Colorado Department
of Human Services

people who help people

[www.colorado.gov/cdhs/
veteranshomes](http://www.colorado.gov/cdhs/veteranshomes)



*Caring communities that
honor America's heroes!*

Letters to stakeholders



Viki Manley

It has been another successful year for the State Veterans Nursing Homes. The Division and the Homes have been hard at work improving the care and experience of those we serve. The third straight year of financial success was achieved. While individual successes are too many to list, below are just a few highlights:

- Both the State Veterans Nursing Home at Fitzsimons and the Bruce McCandless State Veterans Nursing Home at Florence received deficiency-free surveys from the U.S. Department of Veterans Affairs (VA) and were listed as Five-Star facilities by the Centers for Medicare & Medicaid Services (CMS).
- Fitzsimons implemented outpatient rehabilitation therapy for veterans and spouses. Also, its outstanding



James Bobick

As the Colorado State Veterans' Nursing Home Commission Chairman, it is a pleasure to report on the Commission's work and elements of success enjoyed by the Veterans' Nursing Homes. Our Commission's seven members represent various backgrounds and experience relating to nursing, elder care and veterans' needs. We meet

quarterly, with a fifth meeting in December to prepare our Annual Report for the Governor, Department of Human Services (Department) Executive Director and designated General Assembly committees.

As for our Homes, there is much for us to be thankful. Three of our veterans homes—Fitzsimons, Florence and Homelake—are now on the registry of The Eden Alternative, which believes that effective care is achieved through a partnership between caregivers and the care receivers, who make decisions together on tasks such as when and what to eat, how to spend their time and other daily choices. The Commission wholeheartedly supports this “culture change” approach.

The private consulting firm VIVAGE Quality Health Partners consults with the Division of State Veterans Nursing Homes (Division) and reports to the Commission on areas including prevention of resident falls, inappropriate use of antipsychotic medications and reduction of pressure ulcers. Overall, these three factors have shown marked improvement.

Occupancy is another Commission concern. The Homes have been above the State average nursing home census, but the trend is for elders to live longer at home before

quality entitled it to receive maximum reimbursement from Medicaid.

- The Colorado State Veterans Nursing Home at Rifle received a VA capital improvement grant. Combined with funds from pooled financial resources in the State 505 operating fund, a total of \$3.8 million was available for the project.
- The State Veterans Campus at Homelake joined McCandless and Fitzsimons to become the third State Veterans Home in Colorado to be accepted into the registry of The Eden Alternative, which supports resident-centered care. Nationally, only four other state veterans homes are Eden registered.



Viki Manley, Director
Division of State Veterans Nursing Homes

going to nursing homes. Rifle, our greatest concern, is not located close to larger western slope cities, making family visits difficult. Fitzsimons is doing very well, Homelake and Florence are holding steady, and occupancy is growing at Homelake's recently remodeled domiciliary.

The Colorado Board of Veterans' Affairs contributed funds for a remodeled bathing and shower area at Florence, providing greater privacy and a more conducive arrangement for residents. Walsenburg, while not operated by the Department, has recently enclosed an underused patio area into an expanded and modernized dining area.

This fiscal year, all Homes had made a profit, reducing the need for one or more Homes to financially support other Homes. This success was brought about careful budgeting and programmed steps for cost containment without resident endangerment.

A remodeling project at Rifle includes expanding the secure area and adding its own kitchen and dining area; enhancing the courtyard, which will provide a beautiful view of the countryside and a functional outside gathering area; a new nurse call system; and a new heating and air conditioning system, all of which will add to residents' life enjoyment. Also, Fitzsimons added outpatient rehabilitation therapy services for veterans, spouses and Gold Star Parents living in their own homes.

Collectively, the Commission, in conjunction with the Division, has enjoyed an excellent and productive year and will strive to be as fortunate in 2013.



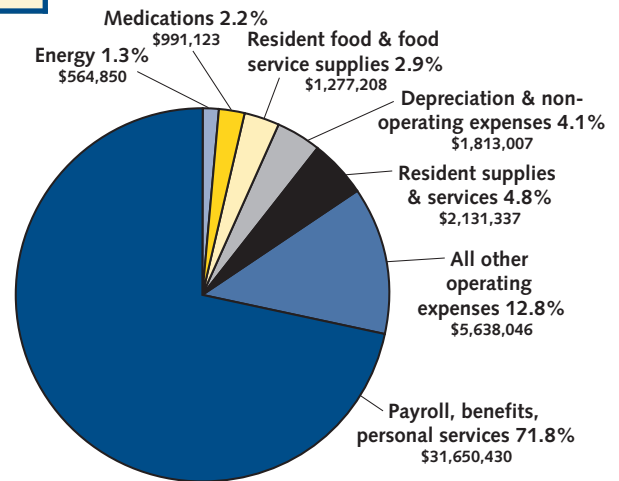
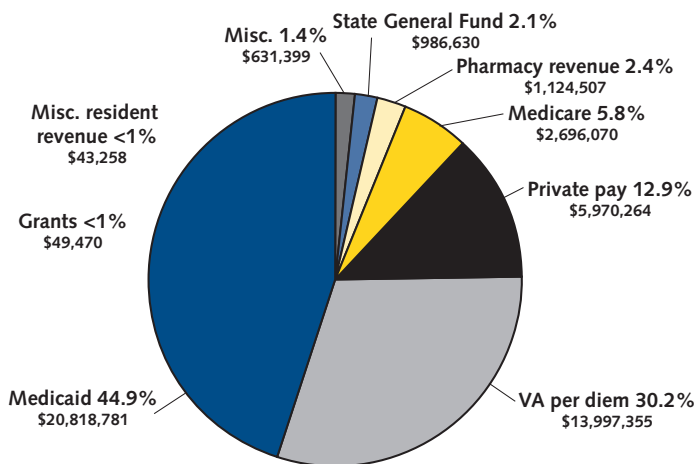
James C. Bobick, Chairman
Colorado State Veterans Nursing Home Commission

Financial overview: Division of State and Veterans Nursing Homes

Colorado State Veterans Nursing Homes	FY 09-10	FY 10-11	FY 11-12
Revenue (operating & non-operating)	\$54,724,706	\$54,104,537	\$52,505,743
Expenses (operating)	\$52,465,134	\$51,579,583	\$46,696,480
Expenses (non-operating)	\$1,812,036	\$1,808,225	\$1,813,006
Profit/(Loss)	\$447,537	\$716,729	\$3,996,257

FY 11-12 operating expenses: \$44,066,005

FY 11-12 operating revenue: \$46,317,734



FY 11-12 resident census

Colorado State Veterans Nursing Homes	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
Total beds	434	434	434	434	434	434	434	434	434	434	434	434	434
Average census	372.8	381.1	385.7	380.1	378.4	375.1	368.0	367.6	369.0	363.6	367.8	364.8	373
Average occupancy	83.6%	85.5%	86.7%	84.9%	85.2%	84.3%	83.3%	84.1%	83.3%	81.7%	82.3%	82.0%	83.9%

Analysis of financial issues

The Division posted a net profit of \$ 3,996,257 for fiscal year 2012, which is the third straight year with a profit. Low census continued at the Homes throughout the year, causing a reduction in expected revenue. However, census at the Colorado Veterans Center at Homelake Domiciliary improved after a lull following the completion of the construction project. The Homes were

able to manage expenses through vacancy savings, expense management and consolidating purchases, thus meeting financial performance expectations. Construction projects began at Fitzsimons and Rifle, which are expected to impact census negatively until the projects are completed.

Who we are

The Colorado Department of Human Services owns and operates state veterans homes in Aurora/Fitzsimons, Florence, Homelake/Monte Vista and Rifle. The Colorado State Veterans Home at Walsenburg is owned and operated by the Spanish Peaks Regional Health Center.

Who we serve

The State Veterans Homes serve honorably discharged veterans, veterans' spouses/widows and "Gold-Star" parents.



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 in a 24-hour Home.

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. The goal for many of these individuals is to return home after completing their rehabilitation.

Outpatient rehabilitation: The State Veterans Home at Fitzsimons offers rehabilitation services during the day to individuals who are living at home.

Assisted living-like cottages/"domiciliary": This level of care is available in Homelake (Monte Vista) for individuals who are more independent than nursing home residents but require assistance and a lower level of care. Many cottage residents use their own transportation; three-wheel bicycles are also available for recreation and transportation.

Memory care: We offer specialized care for individuals with dementia, including secure units in Rifle, Florence and Fitzsimons.

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

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

What makes us different

Comprehensive daily rate

In our Veterans Homes, the daily rate covers many "extras," including all medications; primary care physician services; oxygen, wheelchairs and other medical supplies; physical, speech and occupational therapy; transportation to medical appointments; and more! (Reduced rates given to veterans.)



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!



FY 11–12 statewide accomplishment highlights

MARKETING AND COMMUNICATIONS

Colorado State Veterans Home in Rifle

Rifle produced a television commercial for airing in Grand Junction, purchased digital ads shown in food courts and community centers in Grand Junction, Montrose and Delta and made progress on expanding its rehabilitation capacity, which is expected to generate new admission and revenue next year.

Colorado State Veterans Center at Homelake

Homelake has used radio advertising to maintain its presence in the community. Large community events have been held, the largest of which is Summerfest, which was attended by 150 people. Homelake began offering family members and prospective residents to fully experience life at the Home by staying for lunch during visits and even renting one of the domiciliary cottages for a night.

Colorado State Veterans Home at Fitzsimons

Fitzsimons began offering weekly “lunch and learn” opportunities with tours, a video presentation, financial overview and question-and-answer sessions. Radio public service announcements have been used to publicize events and new programs, and the Home has begun attending more marketing events to reach female veterans.

Bruce McCandless State Veterans Home in Florence

McCandless implemented a census-building plan involving shorter response times to hospital discharge requests, expedited admission decisions, outreach to family members and staff training on how to give effective and informative tours.

Statewide

On family satisfaction surveys, all Homes scored well above the average scores of other participating nursing homes around the country. The surveys are administered by My InnerView, a long-term care evaluation firm with the largest set of senior care satisfaction data in the nation.

Also, the Homes have written impressive newsletter stories about residents whose health and wellbeing increased dramatically as a result of the care they received at the Home. In addition, the State Veterans Homes' Web site, which is easily found through online searches, has become one of the most common ways family members learn about the Homes. The site has been expanded to provide targeted information about memory care services. Information about the Homes has been placed on



Channel 9's Senior Source Web site, on YouTube and in electronic newsletters of the American Legion and Veterans of Foreign Wars (VFW).

SERVICE EXPANSION

Fitzsimons launched a new outpatient rehabilitation program for veterans and family members living at home or in assisted living facilities. It is the only such program offered by state veterans homes in Colorado. In addition, all of the Homes have begun serving more individuals needing inpatient short-term rehabilitation, providing much-needed services for residents and increasing Medicare revenue to the Homes.

ACTIVITIES

Fitzsimons

Fitzsimons' Recreational Therapy Department boasts a total of almost 100 years of experience among its eight-person staff. Staff members have organized a wide range of activities including bingo, Texas hold 'em and cribbage; outings for shopping, fishing, casino games and meals; VFW and American Legion post visits; mental stimulation through trivia, word games and Sudoku; church services and Bible studies; volunteer opportunities to deliver mail, water plants, feed the resident cat and others; exercise classes; gardening opportunities; language, photography and nature classes, and even “Constitution 101,” in which residents received college credit.

Specially tailored activities also have been created for residents with dementia, including opportunities to feel successful by engaging in familiar tasks. Other popular offerings include pet visits, sing-alongs, drumming circles, moving to music, finish-the-phrase games, bird-house assembly and quilt making.

Florence

The McCandless recreation staff has designed many activities to meet residents' spiritual, physical, mental, sensory and tactile needs. Examples include community outings; music therapy; exercise groups; board, card, dice and word games; movies; a coffee group; outdoor concerts; enjoying daily happy hour in the on-site sports grille complete with refreshments and stadium snacks; and Wii games such as bowling, target shooting, tennis and baseball. Residents also "give back" to the community through events with local schools and organizations. For example, they recently donated over 4,000 pennies to the Vietnam Veteran Memorial Project at the regional airport in which Vietnam-era pennies representing every American life lost in the Vietnam war will be arranged to spell out "In God We Trust."

Homelake

The Homelake activity department has organized activities ranging from card games and history and cooking groups to animal shelter visits, local theater performances, parades, movies and trips to Royal Gorge and the Great Sand Dunes National Park. Unique events have included the Homelake Academy Awards, Valentines for Veterans, Casino Day, cooking competition, Olympics, 120th Anniversary celebration, Harvest and Soup festival, Summerfest, Octoberfest, Kids Halloween Carnival, 9th Annual Dog Show and a Chocolate Festival.

Rifle

Activities organized by staff at Rifle last year ranged from potluck meals, exercise classes, symphony-in-the-park outings, barbecues, bingo games, arts and crafts groups and visits from motorcycle riders and veterans groups. In addition, "Primp and Proper" sessions have been organized for the women, and a "Gentlemen's Club" has been organized for the men.

CULTURE CHANGE

Fitzsimons

The Fitzsimons' staff seeks to eliminate residents' loneliness, helplessness and boredom; to emphasize resident choice; and to provide forums for residents to express concerns and preferences about many aspects of their lives at the Home. In addition, working respectfully and effectively with residents who have dementia is an important goal. Dementia training has been provided for new and current employees, enabling them to better understand and respond to the needs and challenges of these elders. In a different example of culture change, Fitzsimons again organized its "Fabulous Fall Festival," in which residents, family members and staff interact in



a fun atmosphere involving wagon rides, games, carnival food, caricatures, a raffle and other activities.

Florence

McCandless continued to expand its role as a culture change leader last year, providing classes not only for its own staff, but also for State Veterans Home in Walsenburg employees and for the Southern Colorado Culture Change Coalition. Internally, the Home provided employees with training on leadership and learning circles and continued supporting team growth and training of neighborhood advocates and guides.

Homelake

Homelake's commitment to culture change was recognized when The Eden Alternative added the Home to its registry. The Eden Alternative's mission is to improve the wellbeing of elders and those who care for them by transforming the communities in which they live and work. Homelake now has two staff members who are Certified Eden Educators. These employees have conducted several Eden-focused training sessions for other staff, reinforcing culture change principles year-round.

Rifle

Culture change leaders at Rifle have provided various training opportunities for residents, family members, staff and even state surveyors and the area long-term care ombudsman. The number of residents who have participated in neighborhood meetings has increased from about four individuals per neighborhood to 10 or more during the past fiscal year. Respect for elders, an important culture change principle, is even extended to end-of-life choices about how they would like their passing to be honored, which can include being draped in an American flag, having a vase of flowers placed at their former seat in the dining room and having a memorial service.

VOLUNTEER PARTICIPATION

Fitzsimons

More than 120 individuals volunteered their time at Fitzsimons last year, participating in an "Adopt-a-Veteran" program, buying gifts for residents, helping run parties and celebrations, staffing the Home's "Snack

Shop,” and assisting with activities such as fishing, poker and Bible studies. Volunteers also work one-on-one with individual residents, doing whatever they like most and developing relationships at the same time.

Florence

Over the past year at McCandless, as many as 50 people have volunteered, for a total of about 150 hours per month. Members of the Veterans of Foreign Wars, American Legion, auxiliary organizations and Elks club have spent time talking with residents; and another group brought in old cars and motorcycles that residents loved seeing. Other volunteers have run weekly Texas hold ‘em games, and one individual helped Alzheimer’s residents with woodworking. Others have taken residents to local senior centers and churches. Female volunteers have arranged activities for the women involving tea and coffee time, sewing, arts and crafts and spa days. Teenagers have played games with residents, taken them for walks and served refreshments—all of which the residents find uplifting. Children also interacted with residents during a summer program called Kids Kamp.

Homelake

Homelake has more than 30 volunteers, including many American Legion, VFW, VFW Auxiliary, DAV and Elks groups who host socials, barbecues and parties and run and donate prize money and snacks for poplar bingo games. Also, certain residents volunteer to lead a weekly art class for children, while other residents run our Homelake market. Another resident and community volunteers lead weekly spiritual services.

Rifle

The local Elks, American Legion, VFW and auxiliaries have supported residents’ weekly bingo games, such as

by running the games and by donating prize money. The American Legion has provided color guards whenever needed. The Elks and American Legion donated funds for a handicapped-accessible ramp at the home of a resident who received rehabilitation services at Rifle, and Tony’s Design built the ramp at no charge. In addition, various family members have brought ice cream to residents, run religious services and spent time with residents nearing the end of their lives. High school seniors helped organize the resident library, and residents themselves often water plants, hand out newspapers, deliver mail and stuff envelopes for marketing projects.

GRANTS

Rifle received a \$2.4 million U.S. Department of Veterans Affairs grant for a major renovation project and a \$14,000 Disabled American Veterans Charitable Service Trust grant for new rehabilitation equipment. The Home Depot Foundation donated \$5,000 to Homelake for outdoor equipment and furnishings.

QUALITY OF CARE MONITORING AND IMPROVEMENT

The Division has begun participating in a new management strategy implemented by the Department of Human Services that uses the most current data to analyze the Homes’ performance. Called “C-Stat,” the process has enabled the Division to pinpoint performance areas needing improvement and then to work toward improving those outcomes. The Homes are now sharing best practices and training with each other on key quality measures and specialized expertise.

Testimonials

Here are just a few of the comments family members have made on recent satisfaction surveys:

“You have instilled in my mother a willingness to live. She had all but given up in the nursing home [where] she was staying.”

—Family member, State Veterans Home at Fitzsimons

“We love Homelake and look forward to living there ourselves if we live long enough!”

—Family member, State Veterans Center at Homelake

“You hire people who really care. You tell us fun things Mom has done. That shows me that the aides and nurses really know my Mom and they interact with her.”

—Family member, State Veterans Home at Rifle

“The staff treats my father with great respect and dignity. They involve him in discussions and consider his opinions. It is a huge comfort to know he is well taken care of.”

—Family member, Bruce McCandless State Veterans Home at Florence



In recent years, family members’ reported levels of satisfaction at Colorado State Veterans Homes have exceeded both state and national averages on nearly all survey questions. The surveys are conducted by a national long-term care evaluation firm with the largest set of senior care satisfaction data in the nation.

Letter to stakeholders



Brad Honl

It has been my honor to have served our veterans, their spouses, our employees and the state of Colorado this past year. I am proud to present to you the Colorado State Veterans Home at Fitzsimons' Fiscal Year 2011-2012 annual report.

Completed and licensed in September 2002, the Colorado State Veterans Home at Fitzsimons is operated by the Colorado Department of Human Services and is located on the grounds of the historical Fitzsimons Army Medical Center in Aurora. The area is fast becoming one of the largest medical campuses in the nation and will be the site of a new U.S. Department of Veterans Affairs (VA) hospital by 2015. Construction of this facility is well on its way.

This past year showcased the talent of Fitzsimons staff members and the dedication of the veteran community. Quality services are a hallmark and a community expectation. For a second consecutive year, Fitzsimons completed its annual VA survey with no deficiencies.

Additionally, the Colorado Department of Public Health and Environment alerted us to only four minor areas for improvement during its annual survey. As a result of the care and service that the veteran community has come to expect from us, Fitzsimons earned a remarkable five-star rating from the federal Center for Medicare & Medicaid Services.

Partnerships once again were formed and strengthened with research and higher education institutions and with the Wheat Ridge Regional Center for people with developmental disabilities, which is now training its nursing students at Fitzsimons. In addition, the Colorado Foundation for Medical Care has been working closely with our nursing and pharmacy departments to improve care for veterans who have diabetes, and we created another internship opportunity for students becoming social workers.

We remain committed to service to the veterans. I hope you find this report useful and will share it with others.

Brad Honl, Administrator
Colorado State Veterans Home at Fitzsimons

FY 11-12 accomplishments

- Fitzsimons earned a five-star rating from the Federal Centers for Medicare & Medicaid Services (CMS).
- Facility turnover was held to a low of 21 percent, and staff retention was its highest ever at 90 percent.
- The Home partnered with CMS and the University of Colorado to train national surveyors and test survey software. We also began a clinical training program for certified nursing assistants (CNAs) who work for the Wheat Ridge Regional Center for people with developmental disabilities.
- Fitzsimons remained financially stable and was able to contribute positively to the fund supporting all state veterans homes operated by the Colorado Department of Human Services.
- Partnerships were developed with higher education institutions and with a local hospital to care for veterans with tracheotomies. As a result, Fitzsimons' nursing personnel are now trained to provide tracheotomy care.
- The Department of Veterans Affairs found no deficiencies in Fitzsimons' annual survey.
- Staff rolled out its dementia training program, recognized by the Alzheimer's Association, and provided this training to staff at other Colorado State Veterans Homes.
- Marketing efforts were increased to hospitals south of the metro area.
- Family members gave Fitzsimons high marks on annual satisfaction surveys.
- Volunteer community group participation at Fitzsimons increased again this year, as it has year after year in the past.
- Medication administration times have been expanded to better meet residents' needs.
- A new outpatient rehabilitation program was opened for veterans who are living in the community or who have recently discharged from Fitzsimons.

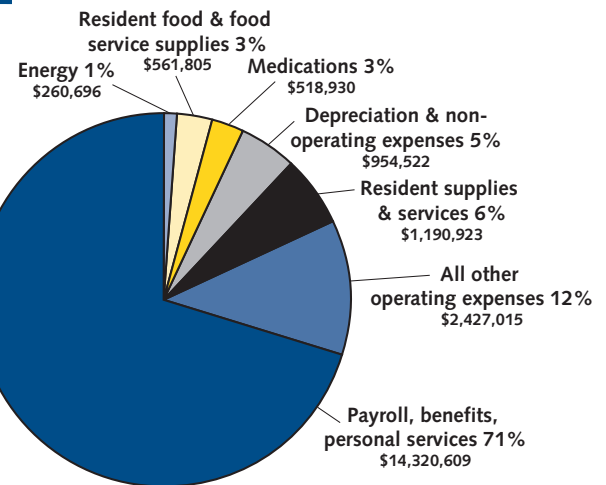
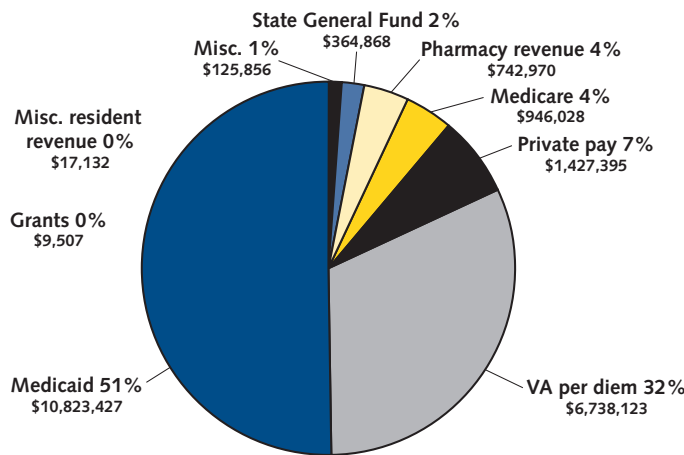


Financial overview: Colorado State Veterans Home at Fitzsimons

	FY 09-10	FY 10-11	FY 11-12
Revenue (operating & non-operating)	\$20,692,686	\$21,182,647	\$21,195,307
Expenses (operating)	\$18,866,860	\$19,163,539	\$19,279,978
Expenses (non-operating)	\$920,397	\$907,124	\$954,522
Profit/(Loss)	\$905,429	\$1,111,983	\$960,807

FY 11-12 expenditures:
\$20,234,500

FY 11-12 revenue:
\$21,195,307



FY 11-12 resident census

FITZSIMONS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
Total beds	180	180	180	180	180	180	180	180	180	180	180	180	60
Average census	170	170	170	170	167	166	161	161	167	165	171	166	167
Average occupancy	95%	94.6%	94.2%	94.3%	92.6%	92.0%	89.5%	89.4%	92.9%	91.9%	95.0%	92.5%	92.8%

Analysis of financial issues

Operating revenues at the Colorado State Veterans Home at Fitzsimons are derived from private resident payments, Medicaid, Medicare, the U.S. Department of Veterans Affairs (VA) and various pension payments. Fitzsimons, a 180-bed nursing home, has an occupancy goal of 94 percent or above. Our average for fiscal year 2011-2012 (FY 11-12) was just under that at 92.79 percent.

Between FY 10-11 and FY 11-12, the average census at Fitzsimons decreased by 0.41 percent, and overall operating expenses increased by \$116,439 as a result of providing higher levels of care required by some residents. The facility closely monitors all expenses and conducts monthly reviews with each manager to discuss departmental

expenses. However, the facility's largest expense is wages and benefits, averaging 71 percent of the operating budget. In other words, for every \$1 in expenses, 71 cents is needed to cover personnel costs. These fixed costs limit opportunities for the nursing home to reduce overall expenses to a significant degree.

Annual revenue from the VA increased by \$999,894 because of increases in the VA daily reimbursement rate and because of increased admissions of residents with service-connected disabilities. Revenue increased by another \$10,982, primarily because of an increase in the Medicaid daily reimbursement rate. In balance, Fitzsimons' total profit for FY 11-12 was \$960,807.

Letter to stakeholders



Barbara Moore

The Bruce McCandless State Veterans Home in Florence completed one of its most successful years of operation this past year. Our Home has maintained a solid reputation for quality care and continuous improvements. We enjoyed many accomplishments and celebrations throughout the year including the first graduating class of residents to complete Eden Associate

Training (related to long-term care culture change), completion of several Eden training groups throughout the community, renovation of a new bathing suite, development of community meetings and some of the best survey performances in our history.

Our Home will continue to work toward improving operations with efficiency and quality care. We will focus our employee education in the areas of “LEAN,” which is used to identify and eliminate waste as a systematic approach to continuous improvement; Eden Associate

training; Quality Improvement Surveys; and basic knowledge of state and federal (Department of Veterans Affairs) regulations.

During the past year we have enjoyed many volunteers who contribute thousands of hours to our residents as well as many financial donations. We could not accomplish all that we do without this support. The relationships with our volunteers keep our residents connected to the larger community in many ways and provide a foundation of support that is vital to our success.

Finally, we enjoyed our fourth “Kids Kamp” this summer with one of our largest groups of children to date. In July, we held two weeks of camp activities for children ages 2–12 with the help of many teenage volunteers as camp counselors. Young and old alike enjoyed daily activities such as cooking, exercise, artistic partners and a finale of water sports in the outdoor recreation area.

Barbara Moore, Administrator
Bruce McCandless State Veterans Home at Florence

FY 11-12 accomplishments

- The facility achieved a five-star rating and was featured in the *U.S. News and World Report* as one of the nation’s top 100 nursing homes for two consecutive years. The five-star rating is obtained through the Centers for Medicare & Medicaid Services based on data focused on health inspections, nurse staffing and quality of care measures.
- In December 2011 our first group of residents completed Eden Associate Training and developed their own action plan for furthering resident-centered care in our Home. The residents implemented community meetings that take place three days a week, bringing everyone together to greet newcomers, celebrate important events, discuss ideas and issues, build relationships and enjoy learning and growing together.
- The McCandless Family Support Group has continued to grow together and provide many valuable topics of education and support to our families. In fiscal year 2011–2012, dedicated family members Dan and Deborah Rohrer led the group with the assistance of staff from our community relations and social service departments. The family support group has provided many hours of volunteerism in addition to its

monthly support group meetings and thankfully has brought cookies and other delicious foods to our residents and staff throughout the year.

- Our Home received first place honors in the Pioneer Day Parade last September. Our team had an impressive array of floats, military vehicles and walkers to spread feelings of patriotism and good will to parade goers. Fort Carson soldiers joined in the fun and donated the use of several vehicles to help make our entry very patriotic!

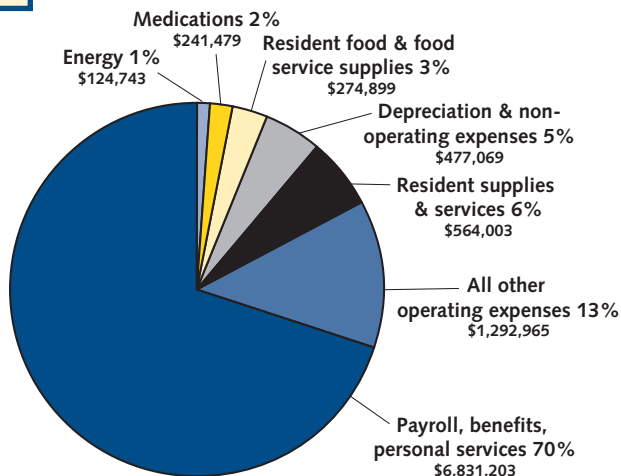
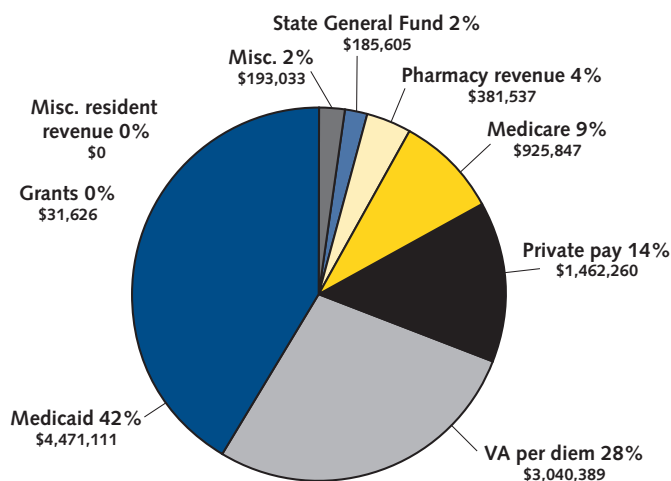


Financial overview: Bruce McCandless State Veterans Home at Florence

	FY 09-10	FY 10-11	FY 11-12
Revenue (operating & non-operating)	\$10,362,079	\$9,478,609	\$10,691,407
Expenses (operating)	\$9,106,778	\$9,115,069	\$9,329,291
Expenses (non-operating)	\$352,759	\$443,803	\$477,069
Profit/(Loss)	\$902,542	(\$80,263)	\$885,047

FY 11-12 expenditures: \$9,806,360

FY 11-12 revenue: \$10,691,407



FY 011-12 resident census

FLORENCE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
Total beds	105	105	105	105	105	105	105	105	105	105	105	105	60
Average census	82	90	92	91	91	91	88	86	86	85	83	86	88
Average occupancy	78.0%	85.4%	87.3%	86.5%	86.7%	86.7%	84.2%	81.8%	82.0%	81.2%	79.5%	81.5%	83.4%

Analysis of financial issues

Our Home achieved high performance this fiscal year, controlling operating expenses, maintaining staffing levels and providing quality care.

Operating and non-operating revenue totaled \$10,691,407. Operating revenue was affected by increases in Medicare census and an improved Medicaid rate. Non-operating revenue totaled \$35,498, primarily because of a Veterans Trust Fund grant to complete renovation of a new bathing suite.

Operating expenses of \$9,329,291 resulted primarily from personal services and supplies, while non-operating expenses were \$477,069 as a result of depreciation. All of these factors, combined with strong census accomplished early in the fiscal year, resulted in a total profit of \$885,047, exceeding our anticipated profit by \$689,880.

Letter to stakeholders



Mindy Montague

Homelake has been a “caring community that honors America’s heroes” for more than 120 years. Staff and volunteers are honored to serve those who have served us.

We assist individuals who require skilled nursing care, long-term care, short-term rehabilitation, hospice care and short-term “respite” stays.

The domiciliary, which offers cottages that are similar to an assisted living setting, houses those who are more independent.

We again received a five-star quality rating this year from the Centers for Medicare & Medicaid Services. Due to the consistency and longevity of our caring staff, resident care is personalized. We are proud of the care

and support that our dedicated staff provides to our veterans and family members. Residents are complimentary of that care and make many recommendations to individuals seeking placement.

Also, Homelake is committed to the relationship it shares with actively involved veterans groups, the community, Community Advisory Board and Homelake Historic Preservation Foundation Board.

It is our privilege to continue serving our nation’s heroes by providing a loving community in which to live. We are invested in providing quality services and welcome any ideas to better serve our residents.

Mindy Montague, Administrator
Colorado State Veterans Center at Homelake

FY 11-12 accomplishments

- Homelake continues its commitment to culture change. Homelake joined The Eden Alternative® Registry on April 26, 2012. The mission of The Eden Alternative is to improve the wellbeing of elders and those who care for them by transforming the communities in which they live and work. The vision is to eliminate loneliness, helplessness and boredom. We have two staff members who are Certified Eden Educators. They conducted two Certified Eden Associate trainings attended by 18 staff members and one all-staff training on culture change. Our quarterly trainings also cover culture change.
- We are marketing for improved census in both the nursing home—including Medicare-funded services and short-term “respite” care—and the cottages, or Domiciliary. In addition, we are expanding our marketing efforts to outlying states.
- On last year’s annual nursing home satisfaction survey scores, residents’ ratings placed Homelake equal to or above the national average in six areas compared to other long-term care facilities participating in the survey. Included in these six areas on the resident survey were choices/preferences, adequate staff to meet needs, quality of meals and cleanliness of premises. Also on last year’s survey, family members rated us equal to or above the national average on 20 of the 24 areas rated. In addition, over the past five



years, residents have rated Homelake above the national average on: Choices/preferences, cleanliness of premises, attention to resident grooming and quality of meals. 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.

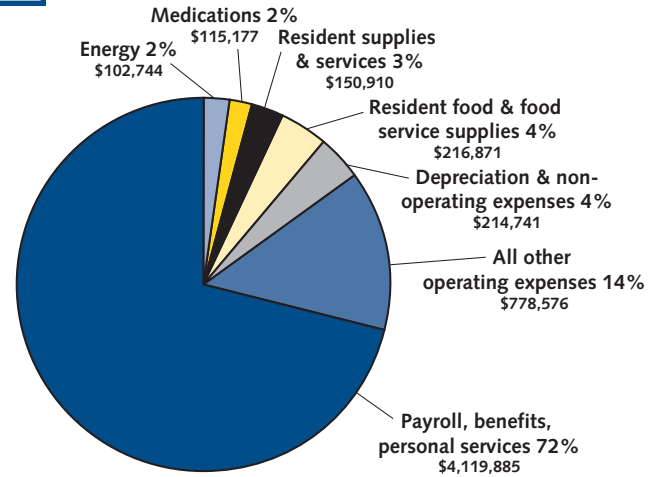
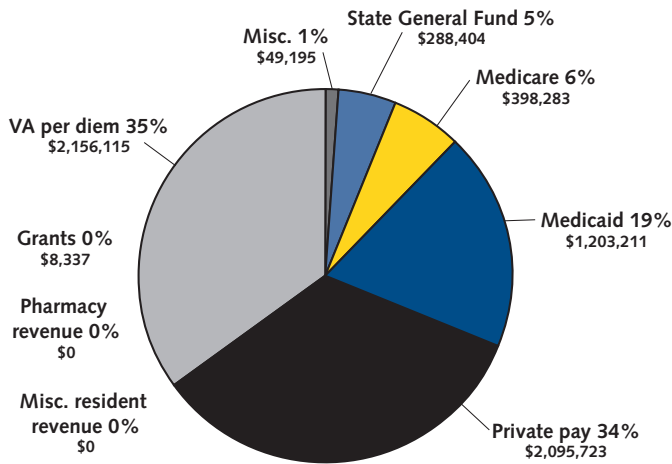
- Over the past five years, family member scores were above the national average on: Choices/preferences, quality of dining experience, resident-to-staff friendships, quality of meals, resident-to-resident friendships, adequate staff to meet needs and recommendation to others.
- For the third year in a row, Homelake received a deficiency-free survey from the U.S. Department of Veterans Affairs.

Financial overview: Colorado State Veterans Center at Homelake

	FY 09-10	FY 10-11	FY 11-12
Revenue (operating & non-operating)	\$5,612,383	\$5,655,888	\$6,199,268
Expenses (operating)	\$5,545,219	\$5,246,213	\$5,484,163
Expenses (non-operating)	\$235,902	\$223,347	\$214,741
Profit/(Loss)	(\$168,738)	\$186,328	\$500,364

FY 11-12 expenditures:
\$5,698,904

FY 11-12 revenue:
\$6,199,268



FY 11-12 resident census

HOMELAKE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
Total beds (nursing home)	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60
Average census	48.1	47.5	46.6	45.2	47.8	46.8	48.8	54.7	51.9	49.4	50.3	50.4	49
Average occupancy	80.2%	79.1%	77.7%	75.3%	79.7%	78.1%	81.3%	91.1%	86.6%	82.3%	83.8%	83.9%	81.6%
Total beds (Cottages/Domiciliary)	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48
Average census	27.0	27.0	27.0	32.0	32.8	33.8	32.6	32.2	29.7	29.5	30.5	30.8	30
Average occupancy	56.3%	56.3%	56.3%	66.7%	68.3%	70.4%	68.0%	67.1%	62.0%	61.6%	63.4%	64.2%	63.4%

Analysis of financial issues

The Colorado State Veterans Center at Homelake maintained financial stability for fiscal year 2011-2012 (FY 11-12), ending the year with a healthy overall profit of \$500,364. This is a major improvement over last year's profit of \$186,328.

This year, we sustained a loss in the domiciliary cottages due to the slow process of filling the cottages following our renovation. At the close of the fiscal year, 18 cottages were still vacant. However, five cottages were filled in July alone, and we are actively marketing the Domiciliary, with the plan to have the cottages filled by the end of FY 12-13.

The nursing home maintained an average census for the year of 49 filled beds out of a total of 60 beds. This increase in nursing home occupancy, paired with facility-wide efforts to minimize expenses, including vacancy savings, enabled the nursing home to realize a profit for the fiscal year. The nursing home profit exceeded the financial loss of the Domiciliary, resulting in an overall profit for FY 11-12.

With the increased marketing and inquiries generated in the past several months, we are projecting that our census will continue to increase in both the cottages and nursing home, leading to an even healthier profit in FY 12-13.

Letter to stakeholders



Lori Seim

Each day I witness the supportive, caring environment provided to the elders and veterans we serve. That will continue to guide us in our day-to-day mission while we challenge ourselves to explore ways to streamline processes and further enrich the lives of our elders and veterans.

I am honored to be a part of a team that shares a commitment to excellence in quality care. Despite challenges this past fiscal year, with an annual average census of 69 residents per day versus 77 from the prior fiscal year, we continue to deliver exceptional care for our elders. We are rebuilding census with a television commercial aired in Grand Junction and through positive word-of-mouth from our supporters.

The Excellence in Action customer service award we received reflects our positive relationships with residents and families. Similarly, our Culture Change journey continues to permeate the entire Home.

An exciting renovation and remodel project funded in part by the U.S. Department of Veterans Affairs (VA) began in May 2012. Renovations will result in appreciable energy cost savings and upgrades to nursing stations and resident rooms. The improvements already have sparked new admissions and staff enthusiasm and are expected to improve census and financial performance.

And, I am pleased to report that we met all 158 VA interpretive guidelines during our federal survey in January 2012, making us in full compliance with VA regulations and standards.

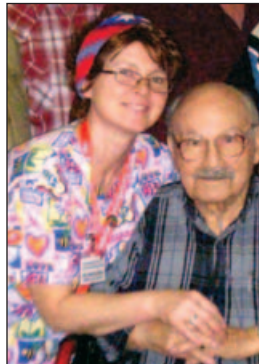
We have a lot to be proud of, and we should be inspired to continue raising the bar for excellence. I extend my deepest appreciation to every staff member and our collaborative partners for making a difference in the lives of the elders and veterans we serve.

Lori Seim

Lori Seim, Administrator
Colorado State Veterans Home at Rifle

FY 11-12 accomplishments

- For the third time in the last four years, the State Veterans Home in Rifle has received an Excellence in Action family and resident satisfaction award from the long-term care research firm My InnerView. Rifle is the only state veterans home in Colorado to have qualified for this award.
- We were awarded a \$2.4 million construction grant from the U.S. Department of Veterans Affairs, with additional funds from the Division of State Veterans and Nursing Homes' operating fund, for a total of \$3.8 million. Renovations include new nurses' stations, a new nurse call system, resident heating/cooling systems, an updated phone system, expanded rehabilitation gym, six additional rooms in our secure care neighborhood and outdoor beautification and expansion.
- Culture change and related Eden Associate training continue to expand. Three Eden Associate



training sessions were successfully completed. Also, among our existing staff, we welcomed 30 additional Eden Associates.

- More than 40 community volunteers attended our annual Volunteer Appreciation dinner on April 20.
- Thanks to two generous grants—\$14,000 from the Disabled American Veterans Charitable Service Trust and \$9,680 from the Veterans Trust Fund—we purchased rehabilitation equipment and high/low beds. These items will assist our elders in reaching their highest level of functioning and mobility while increasing and maintaining independence through reductions in falls and injuries, increased strength and stability, greater range of motion, improved wound healing and other abilities.

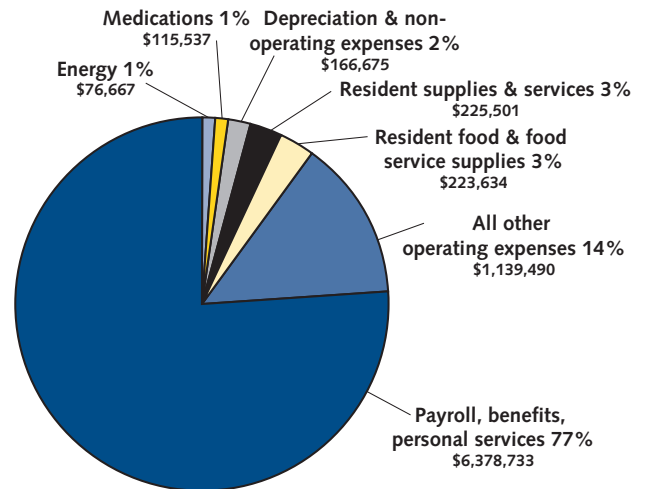
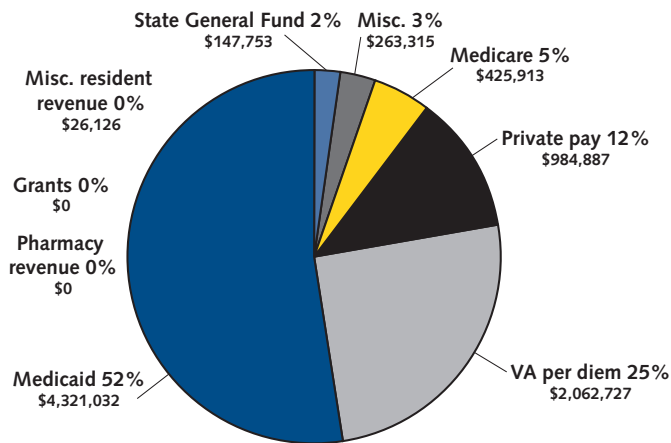


Financial overview: Colorado State Veterans Home at Rifle

	FY 09-10	FY 10-11	FY 11-12
Revenue (operating & non-operating)	\$7,567,330	\$8,629,110	\$8,231,753
Expenses (operating)	\$8,356,541	\$8,516,425	\$8,159,562
Expenses (non-operating)	\$172,281	\$168,073	\$166,675
Profit / (Loss)	(\$961,491)	(\$55,388)	(\$94,484)

FY 11-12 expenditures:
\$8,326,237

FY 11-12 revenue:
\$8,231,753



FY 11-12 resident census

RIFLE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
Total beds	89	89	89	89	89	89	89	89	89	89	89	89	89
Average census	73	74	78	74	73	72	70	66	64	64	63	62	69.4
Average occupancy	81.5%	82.9%	87.4%	83.6%	81.8%	80.5%	78.3%	74.2%	71.6%	71.4%	70.9%	70.1%	77.9%

Analysis of financial issues

Average monthly census for fiscal year 2011-2012 (FY 11-12) was 69, with an occupancy rate of 77 percent. Poor census performance this fiscal year resulted in a revenue decline of \$397,357 from FY 10-11, when the average resident census was 77 with an average occupancy rate of 86.5 percent. Despite the census challenge, the Rifle Home ended the fiscal year, on June 30, 2012, with a \$72,191 net operating profit.

Expense controls implemented in FY 11-12 for overtime and pharmacy costs have contributed to a reduction in operating expenses from prior fiscal years and have

helped offset budgeted revenue shortfalls due to census decline. Payroll-related costs make up 74 percent of total operating expenses, with little opportunity to adjust staffing levels related to census fluctuation.

Major renovation and remodel projects were begun during the summer and are scheduled for completion this fall. These renovations will result in appreciable savings in energy costs and upgrades to nursing stations and resident rooms. The expansion of the rehabilitation gym and other renovations are anticipated to result in higher census numbers for FY 12-13 and improved financial performance.

Caring communities that honor America's heroes!

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Colorado Department of Human Services

Joscelyn Gay, Director, Office of Long-Term Care

COLORADO DEPARTMENT OF HUMAN SERVICES, DIVISION OF STATE VETERANS NURSING HOMES

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Shannon Onken, Business Manager

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Carolyn Cooper, Program Assistant

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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.



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