STATE OF MINNESOTA DEPARTMENT OF VETERANS AFFAIRS

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January 15, 2020

Senate Veterans and Military Affairs Finance
and Policy Committee
3209 Minnesota Senate Building
David Raisanen
Committee Administrator

Senate State Government Finance and Policy
and Elections Committee
3103 Minnesota Senate Building
Paul Carlson
Committee Administrator

House State Government Finance Division
585 State Office Building
Jim Gelbmann
Committee Administrator

House Veterans and Military Affairs Finance
and Policy Division
409 State Office Building
Owen Wirth
Committee Administrator

Pursuant to 1st Special Session Laws of 2019, Chapter 10, Section 37, Subd. 3(b), "…to the legislative committees with jurisdiction over veterans affairs and state government finance..." I am submitting the Minnesota Department of Veterans Affairs' report on reserve amounts maintained in the Veterans Homes special revenue account.

The report also includes data reflecting current and historical Minnesota State Veterans Homes' bed capacity and usage, information regarding direct health care workers hours to resident care per day and related state and national standards, metrics and surveys pertaining to the MN State Veterans Homes' quality of care, and MN Veterans Homes Veterans Health Care staffing levels and vacancy rates.

If you have questions, please contact MDVA Legislative Director, Benjamin Johnson, at Ben.Johnson@state.mn.us or 651-201-8226.

Sincerely,

Larry Herke
Commissioner, MDVA

Attachment: Minnesota Department of Veterans Affairs' Veterans Health Care Reserve Fund & State Veterans Home Staffing Report

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Minnesota Department of Veterans Affairs' Veterans Health Care Reserve Fund & State Veterans Home Staffing Report

1ST SPECIAL SESSION LAWS OF 2019, CHAPTER 10, SECTION 37, SUBD. 3(B)

Minnesota Department of Veterans Affairs' Veterans Health Care Reserve Fund & State Veterans Home Staffing Report
1st Special Session Laws of 2019, Chapter 10, Section 37, Subd. 3(b)

Introduction

Pursuant to 1st Special Session Laws of 2019, Chapter 10, Section 37, Subd. 3(b), the following report includes data reflecting current and historical amounts maintained as a reserve, current and historical Minnesota State Veterans Homes' bed capacity and usage, information regarding state and national standards for staffing of direct care providers, metrics and surveys pertaining to the MN State Veterans Homes' quality of care, and MN Veterans Homes Veterans Health Care staffing levels and vacancy rates.

The Veterans Homes special revenue account is maintained as a reserve to mitigate against unexpected costs and variations in funding from the combined appropriations and reimbursements of the State of Minnesota (General Fund), United States Department of Veterans Affairs (VA) and The Centers for Medicare and Medicaid Services (CMS). Fluctuations in the reserve fund from historical levels, year-to-year, are generally attributable to increases in staffing, salaries and benefits costs and recurring changes to the resident mix & resident maintenance fees and the associated levels of federal funding and reimbursements.

Minnesota Veterans Homes Healthcare - Reserve

(*in thousands*)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Ending Reserve Balance	$12,929	$12,705	$8,959	$11,175	$12,272	$13,687	$13,822

Utilization of Existing Veterans Homes

Current and Historical Bed Capacity

HOME	BEDS							AVERAGE DAILY CENSUS					
	2014	2015	2016	2017	2018	2019		2014	2015	2016	2017	2018	2019
HASTINGS	200	200	200	200	200	200		156	141	139	137	130	121
FERGUS FALLS	106	106	106	106	106	106		104.2	104.1	102.3	98.9	102.7	103.1
LUVERNE	85	85	85	85	85	85		80.5	82.2	81.6	80.1	78.9	81.1
MINNEAPOLIS	341	341	341	350	350	350		330	328	320	321	314	329
SILVER BAY	83	83	83	83	83	83		78	79	80.4	77.4	78	78

MN Veterans Home Staffing Level Analysis

Staffing Data Explanation:

The Centers for Medicare and Medicaid Services (CMS) provides an objective measure of several key factors when reporting and evaluating on the care provided at a CMS certified nursing facility. From amongst the key factors of measurement, CMS has long identified staffing as a strong indicator in evaluating nursing home performance. Effective 2016, Payroll Based

Journaling (PBJ) was introduced as a revised reporting system and is now a requirement for all CMS certified homes. This system requires that staffing numbers come from payroll systems rather than being voluntarily reported. In late 2019, MDVA Healthcare Division implemented a new scheduling and timekeeping software system to improve the efficiency of scheduling in a 24/7 environment and have access to various reports that can be compared across homes regarding employee costs. The Healthcare Division is also working with an outside consultant to develop the report for PBJ, to ensure that all staff hours are properly accounted for direct care time with a resident. The updated report will more clearly break down the direct care workers hours to resident care per day and established state and national standards based on comparisons of all facilities that are submitting the data.

Under CMS Federal Guideline 483.35, the intent is to ensure that there are sufficient, qualified nursing staff available at all times to provide nursing and related services to meet the residents' needs safely and in a manner that promotes each resident's rights, as well as their physical, mental and psychosocial well-being.

Current MN Veterans Home Data:

Currently all four skilled homes are CMS certified, with Fergus Falls Veterans Home achieving this certification approximately one year ago. As the skilled homes have all achieved CMS certification, direct care staffing positions are reported to CMS so that stakeholders can pull objective data in a transparent way and then evaluate that data against other measurements and/or facilities. The following is currently reported on the CMS website Nursing Home Compare tool for the MN Veterans Homes:

Silver Bay:

	SILVER BAY	**MN AVERAGE**	**FEDERAL AVERAGE**
Total Licensed Nurse staff hours per resident per day	2 hour and 3 minutes	1 hour and 40 minutes	1 hour and 34 minutes
CNA hours per resident per day	2 hours and 27 minutes	2 hours and 32 minutes	2 hours and 19 minutes
RN hours per resident per day	1 hour and 29 minutes	59 minutes	41 minutes

Luverne:

	LUVERNE	**MN AVERAGE**	**FEDERAL AVERAGE**
Total Licensed Nurse staff hours per resident per day	1 hour and 30 minutes	1 hour and 40 minutes	1 hour and 34 minutes
CNA hours per resident per day	2 hours and 39 minutes	2 hours and 32 minutes	2 hours and 19 minutes
RN hours per resident per day	59 minutes	59 minutes	41 minutes

Minneapolis:

	MINNEAPOLIS	**MN AVERAGE**	**FEDERAL AVERAGE**
Total Licensed Nurse staff hours per resident per day	2 hour and 17 minutes	1 hour and 40 minutes	1 hour and 34 minutes
CNA hours per resident per day	4 hours and 1 minute	2 hours and 32 minutes	2 hours and 19 minutes
RN hours per resident per day	1 hour and 9 minutes	59 minutes	41 minutes

Fergus Falls:

	FERGUS FALLS	**MN AVERAGE**	**FEDERAL AVERAGE**
Total Licensed Nurse staff hours per resident per day	1 hour and 53 minutes	1 hour and 40 minutes	1 hour and 34 minutes
CNA hours per resident per day	2 hours and 45 minutes	2 hours and 32 minutes	2 hours and 19 minutes
RN hours per resident per day	1 hour and 21 minutes	59 minutes	41 minutes

Hastings/Minneapolis Domiciliary Care staffing data does not exist in this manner because the operations are not CMS certified - and will not be - under the licensure with which they operate, (as residents need to be relatively independent): Board and Care license. The staffing model is much different for domiciliary level of care due to the lack of residents needing hands-on care

and by virtue of the MDH license, that residents are expected to be independent with activities of daily living. However, because we are treating Veterans with complex mental health and chemical dependency concerns, we have agreed to provide a higher level of direct care staffing to ensure needs are met in a comprehensive way.   The nursing hours/ratios are reported below, however, they are also complimented by various psychosocial positions such as social worker, chemical dependency counselor and independent living skills worker to add to the care team. We can report that currently, the domiciliary program staffs with the following licensed staff-per-day:

	Weekend	Day	Evening	Night
Hastings DOMS	3-3-2 (for 120)	7 nurses	3 nurses	2 nurses
Minneapolis DOMS	1-1-1 (with HST for 45)	2	1	1

Quality Measurement:

In addition to staffing, CMS also measures quality care of services by tracking survey reports and quality metrics. All the MN Veterans Homes are closely monitored in a variety of capacities to ensure excellent care is delivered to residents.

CMS Quality care and services is reviewed based on quality indicators that come from the resident information submitted to the state and the federal government in the MDS, which is the minimum data set. We monitor the long term stay metrics as a part of our clinical tracking and management. CMS produces a Certification and Survey Provider Enhanced Report (CASPER) that provides detailed information regarding the number of residents at risk in various clinical capacities and the clinical interventions for those concerns. For example, it will evaluate the submission of all clinical data to CMS in the areas of falls, skin, behaviors and weight loss, and objectively compare the number of residents at risk, the response to an issue with other homes that are also CMS certified. The agency has two senior nurse leaders who monitor the CASPER report closely and work with the homes to develop performance improvement projects to address weaknesses.   The MN Veterans Homes have had recent projects regarding antipsychotic medication use and behaviors and weight loss. This year we also introduced a new agency performance improvement project regarding influenza prevention.

*Pinnacle Resident Satisfaction Surveys***:**

The Minnesota Veterans Homes use an objective third party contract with Pinnacle to complete monthly resident and family satisfaction surveys. In the latest comprehensive report for all the skilled homes from November 2019, the Homes achieved a "Best in Class" status for a 12 month average.
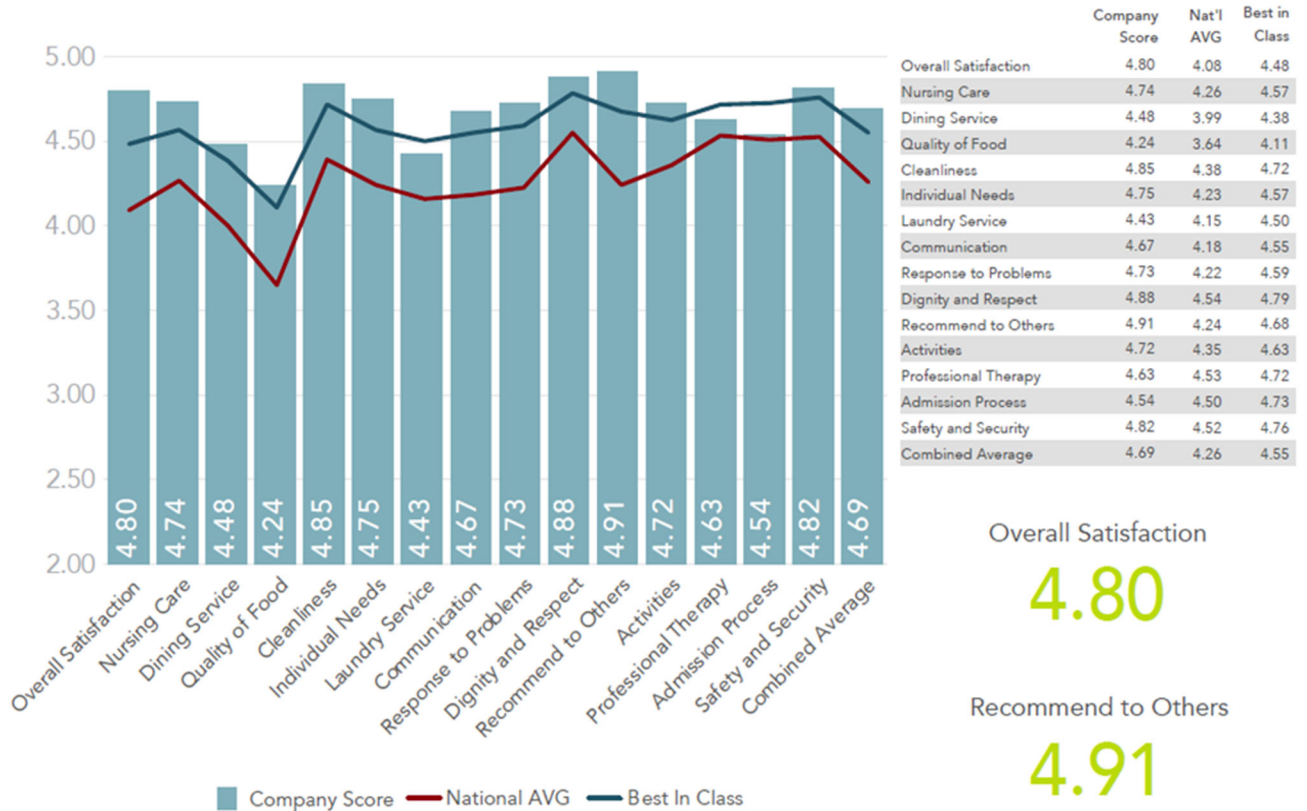
CUSTOMER SATISFACTION
CORPORATE AVERAGE

PINNACLE QUALITY INSIGHT

Minnesota Veterans Homes
November 2019

	Company Score	Nat'l AVG	Best in Class
Overall Satisfaction	4.80	4.08	4.48
Nursing Care	4.74	4.26	4.57
Dining Service	4.48	3.99	4.38
Quality of Food	4.24	3.64	4.11
Cleanliness	4.85	4.38	4.72
Individual Needs	4.75	4.23	4.57
Laundry Service	4.43	4.15	4.50
Communication	4.67	4.18	4.55
Response to Problems	4.73	4.22	4.59
Dignity and Respect	4.88	4.54	4.79
Recommend to Others	4.91	4.24	4.68
Activities	4.72	4.35	4.63
Professional Therapy	4.63	4.53	4.72
Admission Process	4.54	4.50	4.73
Safety and Security	4.82	4.52	4.76
Combined Average	4.69	4.26	4.55

Overall Satisfaction

4.80

Recommend to Others

4.91

Company Score — National AVG — Best In Class

all figures are from the last 12 months

This classification is above the national averages and is at the top 10% level. This was achieved in the following categories:

Overall Satisfaction, Recommendation to Others, Nursing Care, Dining Services, Cleanliness, Individual Needs, Communication, Responses to problems, Dignity and Respect, Activities, and Safety and Security.

State/Federal Survey Performance:

The current state average for survey deficiencies is 8 while the national average is 8.2.   All MN Veterans Homes performed very well in their MDH/CMS survey this past calendar year and are below the state and national average for deficiencies. It should also be noted, that CMS has introduced over the past three years, three phases of new regulatory requirements for skilled nursing facilities and a new payment model. These changes have substantially increased the documentation and education requirements for staff in a skilled nursing facility.   Despite that increase in regulatory oversight, all MN Veterans Homes perform exceptionally well in the MDH/CMS annual survey.

MN Veterans Homes also receive a second survey each year based on our relationship with the
federal VA Health Care System. This is unique as other community nursing facilities do not have
this additional survey.

	2019 Federal/State Survey	2019 VA Survey
Silver Bay	4 tags	3 tag
Luverne	1 tag	4 tag
Minneapolis Skilled	7 tags	8 tag
Fergus Falls	5 tags	2 tag
Domiciliary Care	Mpls-1 tags and Hastings- 0 tags	Mpls – 1 tag and Hastings 0 tags

Staff Vacancy Rate

Staffing is and will always be a primary focus of the MN Veterans Homes due to the staffing
challenges experienced in all healthcare settings throughout the country, and specifically senior
healthcare settings locally.   Senior Advocacy partners such as LeadingAge report annually the
declining number of direct healthcare workers throughout the state of MN and the priority focus
on the industry to ensure that there are competent and caring staff to care for our seniors into the
future.   MDVA is developing a comprehensive Recruitment and Retention strategy for the
Healthcare division, which is in alignment with the agency strategic plan and Governor's
initiatives.

Historically, MDVA has not had software programs or other electronic reporting systems to track
and identify vacancy rate data within the organization. In order to address this issue, MDVA
partnered with Minnesota IT (MNIT) to develop a vacancy filling tracking system which will
provide more contemporaneous data on vacancies. We are currently testing the electronic
vacancy tracking system with MNIT, but it has not yet been implemented. In the interim, we
have manually tracked vacancy data. The average number of monthly vacancies across all five
MN Veterans Homes for calendar year 2019 was 32.6 positions cumulatively.