

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

January 15, 2024



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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

“No later than January 15, 2022, and biennially on January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs and state government finance on reserve amounts maintained in the veterans homes special revenue account. The report must detail current and historical amounts maintained as a reserve and uses of those amounts. The report must also include data on the use of existing veterans homes, including current and historical bed capacity and usage, staffing levels and staff vacancy rates, and staff-to-resident ratios.”

Introduction

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45, 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.

Since the past reporting period, MDVA - Healthcare Division has had the following notable situations:

- COVID-19 pandemic response continued from 2022 - 2024 in the four skilled nursing facilities, two domiciliary locations and an adult day healthcare program. From the beginning, MDVA Healthcare division has been proactive and comprehensive in its approach to Infection Prevention, in such areas as; PPE, screening of staff residents and visitors, testing, cohorting of residents and staff (where able), increase disinfection within the facilities, and contact tracing related to positive cases. In addition, there has been much effort in the creating policies and operational procedures that reflect the intent of regulatory bodies such as MDH, CMS, OSHA, and others. MDVA State Veterans have been successful in limiting negative outcomes, sharing best practices within and without the agency, redesigning supply distribution amongst facilities and keeping residents, families, and staff well informed of daily occurrences and any acute changes. MDVA Healthcare has been diligent in providing all the means necessary to manage the pandemic, while at the same time applying for and receiving available funding to supplement the budget. While we have transitioned from the public health emergency – COVID-19 outbreaks continue to periodically occur in our MN Veterans Homes affecting operations. A focused intention to ensure that residents are protected against all infectious diseases is part of our day to day and will continue. This includes ensuring we have a well-stocked supply of necessary PPE, a testing and vaccine strategy that is nimble and the ability to ensure staffing is in place should an outbreak occur in a facility.
- MDVA completed the construction of three new Veterans Homes in Preston, Montevideo, and Bemidji. When fully operational and all licensing/recognition surveys

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

are complete – this will add an additional 198 new skilled nursing beds in greater Minnesota and approximately 400 staff to the MDVA Healthcare Division. All new Veterans Homes have opened or are scheduled to open in January 2024.

- Healthcare staffing continues to be a challenge experienced within the MN Veterans Homes, as well as by all others in the healthcare industry state and nationwide. As with other state agencies, and more importantly healthcare organizations, MDVA Healthcare continues to be challenged with recruiting and retaining staff, especially direct care staff, such as the Human Service Technician or Certified Nursing Assistant role. MDVA continues to work collaboratively on innovative ways to retain and recruit staff in the current and future expected staff shortages.

Minnesota Veterans Homes Healthcare – Reserve Account

The Veterans Homes special revenue reserve account is maintained to mitigate against unexpected costs and variations in funding from the State of Minnesota General Fund and the revenues received from the United States Department of Veterans Affairs (VA) and the Centers for Medicare and Medicaid Services (CMS). Fluctuations in the reserve account from historical levels, year-to-year, are generally attributable to inflation and increases and decreases 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. The reserve account was greatly needed during the COVID pandemic to be able to pay up front testing costs, PPE, salary costs and to support the Healthcare operations while revenues declined due to having to limit bed capacities. The department was fortunate enough to receive \$12 million in Federal ARPA funding near the end of FY21 from the Federal VA to help support our infection prevention costs which is the reason there was an increase in the reserve ending balance in FY21. The amount recognized at the end of FY23 reserve account was \$11.2 million which is in-line with historical levels and is necessary to manage an annual operating budget of over \$160 million to meet the needs of the State Veterans Homes.

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Ending Reserve Balance <i>(in thousands)</i>	\$12,384	\$13,757	\$14,006	\$13,168	\$19,399	\$14,614	\$11,209

Utilization of Existing Veterans Homes

Bed Utilization and census within the Veterans Homes is a priority and is frequently reviewed and analyzed by the MDVA senior leadership team. Prior to the COVID-19 pandemic almost all MN Veterans were consistently operating in the 90%+ occupancy rate and had very few challenges with staffing recruitment and retention. In the past 4 years, the situation has shifted significantly and requires the ongoing strategic planning of the organization as we move a path forward. It should also be noted that 2024 will determine the future positive impacts of our three new Veterans Homes to our waiting list estimated time and projected census goals. There

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

are many factors that drive the MN Veterans Homes as priority placement for our Minnesota Veterans and their families. To name a few:

- MN Administrative Rule 9050 and Maintenance Fee Assessment – The process in which a Veterans income and assets are evaluated and applied to their personal responsibility is different than a community nursing home or senior living setting. In most situations there are advantages for the Veteran and their family regarding the transfer of asset limits and the calculation for determining personal needs allowance.
- Veteran-specific service delivery – Veterans and their families have expressed preference in a MN Veterans Home because of the competency of staff, above required staffing standards, state of the art facilities and equipment, unique Veteran-specific activities and quality of life enhancements and specialized understanding and care for Veteran related health concerns.
- Waiting List – MN Administrative Rule 9050 guides the waiting list procedure for the MN Veterans Homes. The MN Veterans Homes remain in demand for placement, and we know that Veterans prefer to reside in facilities where they are joined by other Veterans.

The MN Veterans Home Census and utilization were significantly impacted during the public health emergency of the COVID-19 pandemic, and now continues to present challenges as the homes best positioned for future outbreak situations. Facilities that have private rooms and private bathrooms can manage through outbreak situations more successfully as cohorting of residents becomes a lesser concern. Currently our Silver Bay, Fergus Falls and Luverne Veterans homes have environments that follow historic skilled nursing facility design models – shared resident rooms and shared bathrooms. In many situations we have two residents sharing a room and four residents sharing a bathroom. Not only in an infection prevention lens does this become difficult to prevent the spread, but other unique Veterans health-related needs cause complexity in this matching of roommates. The unique healthcare needs of our current Veteran population coupled with the primary focus on infection prevention in a skilled nursing environment present challenges in maintaining high occupancy rates.

Healthcare recruitment has also presented challenges in rebounding from our previous high occupancy rates, as we experience significant challenges with the limited healthcare workforce. The organization has implemented a comprehensive Healthcare Division recruitment and retention strategy to reduce consequences from staffing challenges, and work to stabilize and improve because of the effects experienced during the pandemic. In addition to supporting our current homes and ensuring they are best positioned for the long-term, the agency has had to prioritize the opening of three new MN Veterans Homes. The year 2023 prioritized the operational plan and preparation for opening of our three new Veterans Homes to include the recruitment of nearly 150 staff members prior to opening in January 2024, and the need to recruit an additional 250-300 staff members in 2024.

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

Current and Historical Bed Capacity

FACILITY	CENSUS CAPACITY						AVERAGE CENSUS					
	2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
HASTINGS - DOMS	200	200	200	200	145	145	130	121	123.4	116.7	112	110
FERGUS FALLS	106	106	106	106	106	106	102.7	103.1	94.2	90.7	84	82
LUVERNE	85	85	85	85	85	85	78.9	81.1	74.1	69.4	60	62
MINNEAPOLIS - SKILLED	300	300	300	300	300	300	281	289.5	272.6	269.9	259	250
MINNEAPOLIS - DOMS	50	50	50	50	50	50	33	39.5	36.6	35.9	38	40
SILVER BAY	83	83	83	83	83	83	78	78	74.9	58.5	51	54

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, and most recently has focused additional time and effort into additional reporting measures – specifically turn-over – which is available to the public. Effective 2016, Payroll Based Journaling (PBJ) was introduced as a revised reporting system and is now a requirement for all CMS certified homes. Four of the current five MN Veterans Homes are certified by CMS and required to report quarterly its staffing data. That information is then demonstrated into a public website and rated by star rating. New measures that were added into the PBJ protocol include turnover rates. The 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 completed a project evaluation and implementation plan with an outside consultant regarding the PBJ report in 2020, to ensure that all staff hours are properly accounted for direct care time with a resident. And in 2024, the division has an operational goal to utilize the new scheduling and timekeeping software system for an enhanced report that will be used in PBJ data entry.

Under CMS Federal Guideline 483.35, the intent is to ensure that there are sufficient, qualified nursing staff available always 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, and data is pulled from various submissions and generated into public data and star rating information published to the Nursing Home Care Compare webpage ([Find Healthcare Providers: Compare Care Near You | Medicare](#)). Staffing data is a key component that is reported into that system, along with survey performance and quality indicators. As the skilled homes have all achieved CMS certification, direct care staffing

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

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. Once our new MN Veterans Homes become CMS certified – anticipated in late 2024 – they too will report their data into the system for objective evaluation and comparison. The operational plan for those new MN Veterans Homes included staffing models that exist in our current state Veterans Homes.

Staffing data is analyzed and reviewed in staffing hours per resident/per day – not traditionally in staffing ratios. Staffing ratios can certainly be a means of demonstrating information this understandable and relatable to the family experience, however, that metric does not account for resident acuity, care needs, and other operational factors that might present challenges or opportunities in a healthcare operation. The MN Veterans Homes review staffing data routinely in order to ensure that alignment is in place with regulatory requirements, best practice standards for care, the unique needs of our resident population and the feedback/engagement of our staff. Our goals are to ensure staff are working up to the licensure/certification that they have and that we continue to demonstrate best practice/industry-leading standards in the care delivery to our Veteran residents. The following CMS metrics provides us some baseline information on how we compare to other CMS certified facilities throughout the country – but it is one metric for review in a comprehensive assessment.

The following is currently reported on the CMS website Nursing Home Compare tool for the MN Veterans Homes:

Silver Bay:

- Currently an overall rating of 5/5 star rating.
- Staffing is 5/5-star rating.
- Nursing Staff Turnover Data – new metric evaluated in PBJ reporting. Lower percentage is better.

	SILVER BAY	MN AVERAGE	FEDERAL AVERAGE
Total Licensed Nurse staff hours per resident per day	3 hour and 46 minutes	4 hour and 8 minutes	3 hour and 47 minutes
CNA hours per resident per day	1 hours and 52 minutes	2 hours and 26 minutes	2 hours and 15minutes
RN hours per resident per day	1 hour and 25 minutes	1 hour and 2 minutes	40 minutes
Nursing Staff Turnover	29.2%	52.9%	49.8%

Luverne:

- Currently an overall rating of 5/5 star rating.
- US News and World Report – ranked as one of the best nursing homes in the country for various quality and staffing metrics – 2022 and 2023.

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

- Staffing is 5/5-star rating.
- Nursing Staff Turnover Data – new metric evaluated in PBJ reporting. Lower percentage is better.

	LUVERNE	MN AVERAGE	FEDERAL AVERAGE
Total Licensed Nurse staff hours per resident per day	5 hours and 7 minutes	4 hours and 8 minutes	3 hour and 47 minutes
CNA hours per resident per day	3 hours and 0 minutes	2 hours and 26 minutes	2 hours and 15 minutes
RN hours per resident per day	1 hour and 31 minutes	1 hour and 2 minutes	40 minutes
Nursing Staff Turnover	27.8%	52.9%	49.8%

Minneapolis:

- Currently overall rating of 2/5 stars –
 - o Due to PBJ audit in summer 2023 resulting in reporting error of temporary pool staff and contracted staff (reporting data is n/a currently); and
 - o Poor MDH/CMS survey performance in 2022 which has been corrected.
 - o Anticipated recovery to occur in this next quarter/year with increase in star rating as good performance continues.

	MINNEAPOLIS	MN AVERAGE	FEDERAL AVERAGE
Total Licensed Nurse staff hours per resident per day	2 hour and 16 minutes	1 hour and 48 minutes	1 hour and 38 minutes
CNA hours per resident per day	4 hours and 3 minutes	2 hours and 34 minutes	2 hours and 16 minutes
RN hours per resident per day	1 hour and 4 minutes	1 hour and 8 minutes	44 minutes

Fergus Falls:

- Currently an overall rating of 5/5 star rating.
- US News and World Report – ranked as one of the best nursing homes in the country for various quality and staffing metrics – 2022 and 2023.
- Staffing is 5/5-star rating.
- Nursing Staff Turnover Data – new metric evaluated in PBJ reporting. Lower percentage is better.

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

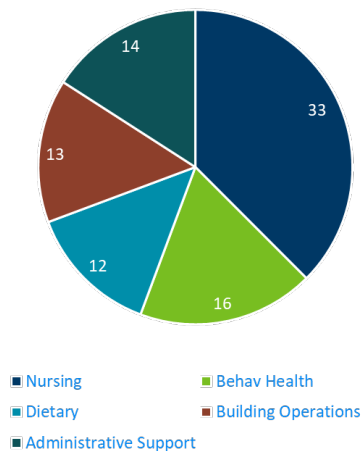
Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

	FERGUS FALLS	MN AVERAGE	FEDERAL AVERAGE
Total Licensed Nurse staff hours per resident per day	5 hours and 2 minutes	4 hours and 8 minutes	3 hours and 47 minutes
CNA hours per resident per day	2 hours and 48 minutes	2 hours and 26 minutes	2 hours and 15 minutes
RN hours per resident per day	1 hour and 38 minutes	1 hour and 2 minutes	40 minutes
Nursing Staff Turnover	32.2%	52.9%	49.8%

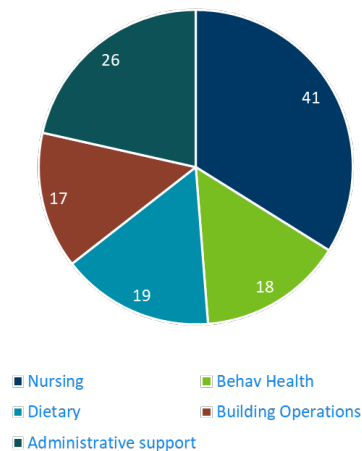
Hastings/Minneapolis Domiciliary Care and Minneapolis Adult Day Healthcare program staffing data does not exist in this manner because the operations are not CMS certified - and will not be - under the licensure with which they operate. The staffing model in the Domiciliary program is much different due to the MDH license and federal VA certification, 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.

In fall 2023, a Domiciliary Program Resident Quality of Care Working Group was assembled to review the Domiciliary Program and specific service delivery model, quality oversight and performance outcomes. A staffing analysis was completed and presented to that workgroup and is represented in the graphic below. The below staffing is noted for an average of 110 residents over those two calendar years.

Number of Employees 2021



Number of Employees 2023



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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

Our traditional nursing department staffing plan is the following direct care RN’s per shift, in addition to four RN Care Coordinators with specialty focus (i.e., infection prevention, education, wound care and data analytics/informatics). This does not include supervisory nursing leadership that support the resident’s placement and unique needs.

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

Quality Measurement:

In addition to staffing, the MN Department of Veterans Affairs also measures quality care of services by tracking survey reports and quality metrics by our state and federal regulators. 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, or the resident acuity assessment used in the skilled nursing environment. 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 executive nurse leaders who monitor the VA Analytics and CASPER report closely and work with the homes to develop performance improvement projects to address opportunities for improvement.

The following represents the quality-of-care measurement or quality indicators from CMS and VA Analytics:

	CMS Quality Measure Star Rating <i>(Goal is 3/5 or above)</i>	Federal VA Analytic Rating <i>(Lower is better – Goal <55)</i>
Minneapolis	5/5	32
Silver Bay	4/5	42
Luverne	5/5	35
Fergus Falls	4/5	32

Pinnacle Resident Satisfaction Surveys:

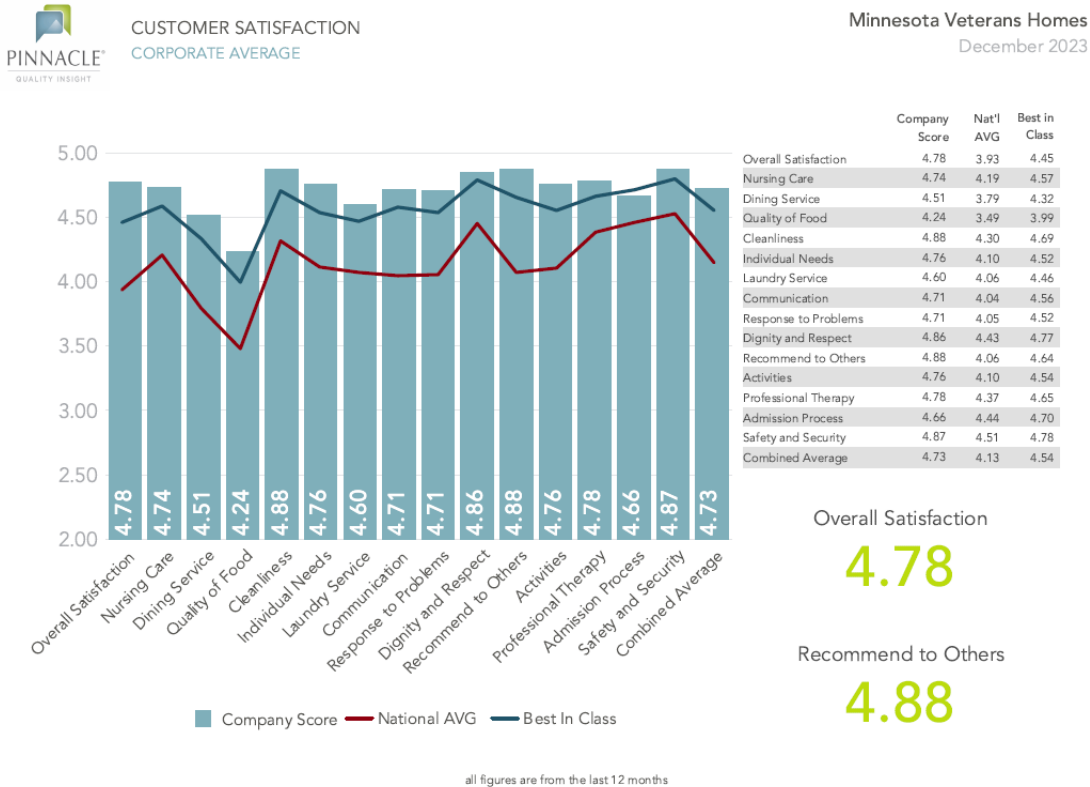
The Minnesota Veterans Homes use an objective third party contract with Pinnacle to complete monthly resident and family satisfaction surveys. In the latest comprehensive report for all the

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

skilled homes from December 2023, the Homes achieved a “Best in Class” status for a 12-month average.

This classification is above the national averages and is at the top 10% level. The follow graphic represents the overall customer satisfaction amongst all MN Veterans Homes and the current rating per category, compared to others in the industry.



Total Respondents: December: 9 Last 3 Months: 61 last 12 months: 338

State/Federal Survey Performance:

The current state average for survey deficiencies is 6.9 while the national average is 9.2. During the active years of the COVID-19 pandemic emergency response, survey frequency and focus was different than in previous years. We experienced more infection prevention related surveys versus your traditional compliance or complaint response surveys. It should also be noted that CMS has introduced three phases of new regulatory requirements for skilled nursing facilities and a new payment model in the past 7 years. These changes have substantially increased the documentation and education requirements for staff in a skilled nursing facility and increased the overall compliance requirements for this federal program. Despite that increase in regulatory oversight, all MN Veterans Homes perform well in the MDH/CMS annual survey and are below the state/national average for number of deficiencies.

MN Veterans Homes also receive a second survey each year based on our regulatory requirements with the federal VA Health Care System. This is unique as other community

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

nursing facilities do not have this additional survey. Just as we do with our MDH/CMS annual surveys, we continue to perform well in our federal VA surveys.

Staff Vacancy Rate and Turnover Information

Staffing is and will always be a primary focus of the MN Veterans Homes. Our employees are our greatest asset in the delivery of high-quality healthcare to our resident/Veterans and ensuring that we remain industry leading is a critical area of our strategic plan. As noted above, the COVID-19 pandemic has significantly impacted our staffing situation, and those hardships have been experienced by all in various 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 has developed a comprehensive agency and healthcare division Recruitment and Retention strategy, which is in alignment with the Governor’s initiatives.



In 2023, our vacancy data represents the following in each of our homes:

	Current Vacancies
Minneapolis	105.72
Silver Bay	20.4
Luverne	9.1
Fergus Falls	20.6
Preston	8.7
Montevideo	4.6
Bemidji	13.05
Total Vacancies	182.17

The construction and opening of our three new MN Veterans Homes are contributing to the higher-than-normal vacancies within the organization as we have added nearly 200 FTE in the

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

Pursuant to 2023 Minn. Stat. Ch. 198, §198.45

system this past year. As those homes have filled critical roles and opened for full operation, we will be able to further analyze our vacancy report and determine key areas of focus into the future years. Highlights of the current vacancies:

- **182.17 FTE** Vacancies represents 15% of total FTE positions in MN Veterans Homes (**Total FTE: 1248.21**)
- **131.8 FTE** – Direct Care/Nursing Department Roles Open = 72% of total vacancies within the MN Veterans Homes

Highlights of our accomplishments in this past year to address recruitment and retention include the following:

- The agency attended 62 recruitment events between July 2022 through June 2023 in various locations throughout the state, all with varying focus.
- The agency expanded its presence in virtual social media platforms establishing a strong engagement with those passive job seekers and partnering with communications to further develop our brand ambassador approach.
- In 2021, the Healthcare Division kicked off an Employee Wellness Initiative to compliment that state of MN enterprise wellness initiative. Through a champions model, each home has developed resources and tools to ensure a comprehensive approach to wellness is part of the employee experience, and that initiative integrates with our DEI program for greater success and opportunity.
- Recruiting incentives were implemented in a comprehensive manner to ensure we leveraged opportunities through each collective bargaining agreement and remained competitive within the industry.
- Education and training remain a priority focus for the agency, to ensure that opportunities for advancement are offered and available to employees and a focus on competency building within clinical and leadership skills remains a priority for the organization.