

If you build it, will they come??

The Albany County Nursing Home Project
Presentation

by

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Albany County Comptroller

Overview

- Current Plan
- The facts you should know
- Focusing on Quality and Battling Perception
- CON Methodology. Is it accurate?
- The trend against Nursing Home occupancy rates
- A look at our neighbors
- “Right-Sizing” Commission Key Points
- Conclusion and Questions and Answers

Current Plan

- Facility to be built on an unknown site
- Current CON calls for 480 Beds

The real numbers...

Taxpayers
have
subsidized
the ACNH
by over **\$60
Million**
since 2001

	Original Budgeted Subsidy	Reported Subsidy to the Legislature in March 2006	ACTUAL Subsidy
<u>2005</u>	10,542,422	12,558,442	17,268,547
<u>2004</u>	11,811,559	11,687,024	13,000,000
<u>2003</u>	11,335,303	12,558,422	14,873,148
<u>2002</u>	5,815,114	Data NOT REPORTED	11,990,648
<u>2001</u>	2,900,772	Data NOT REPORTED	3,661,227

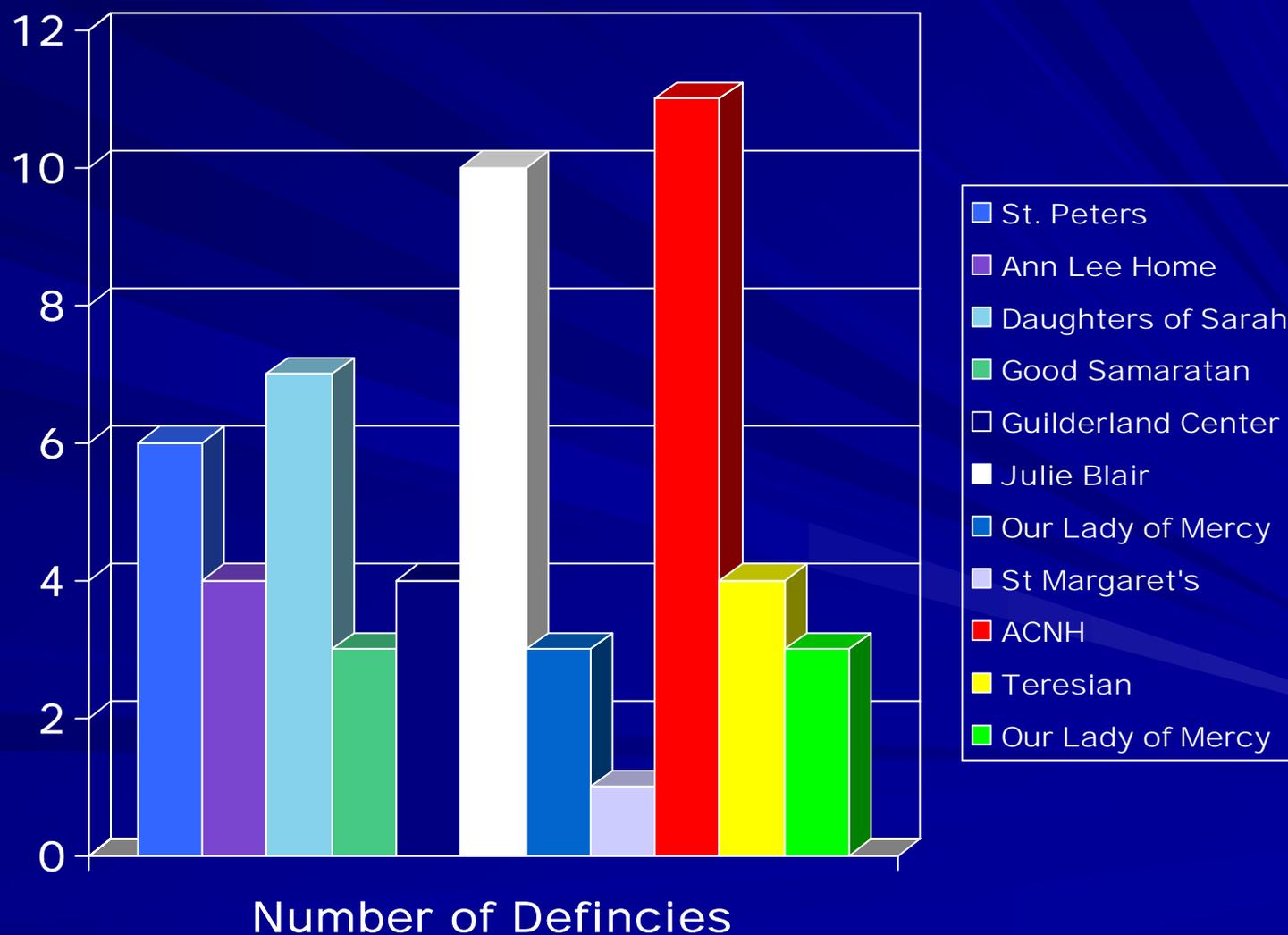
Perceived Quality

Perception...

It's a word of mouth thing



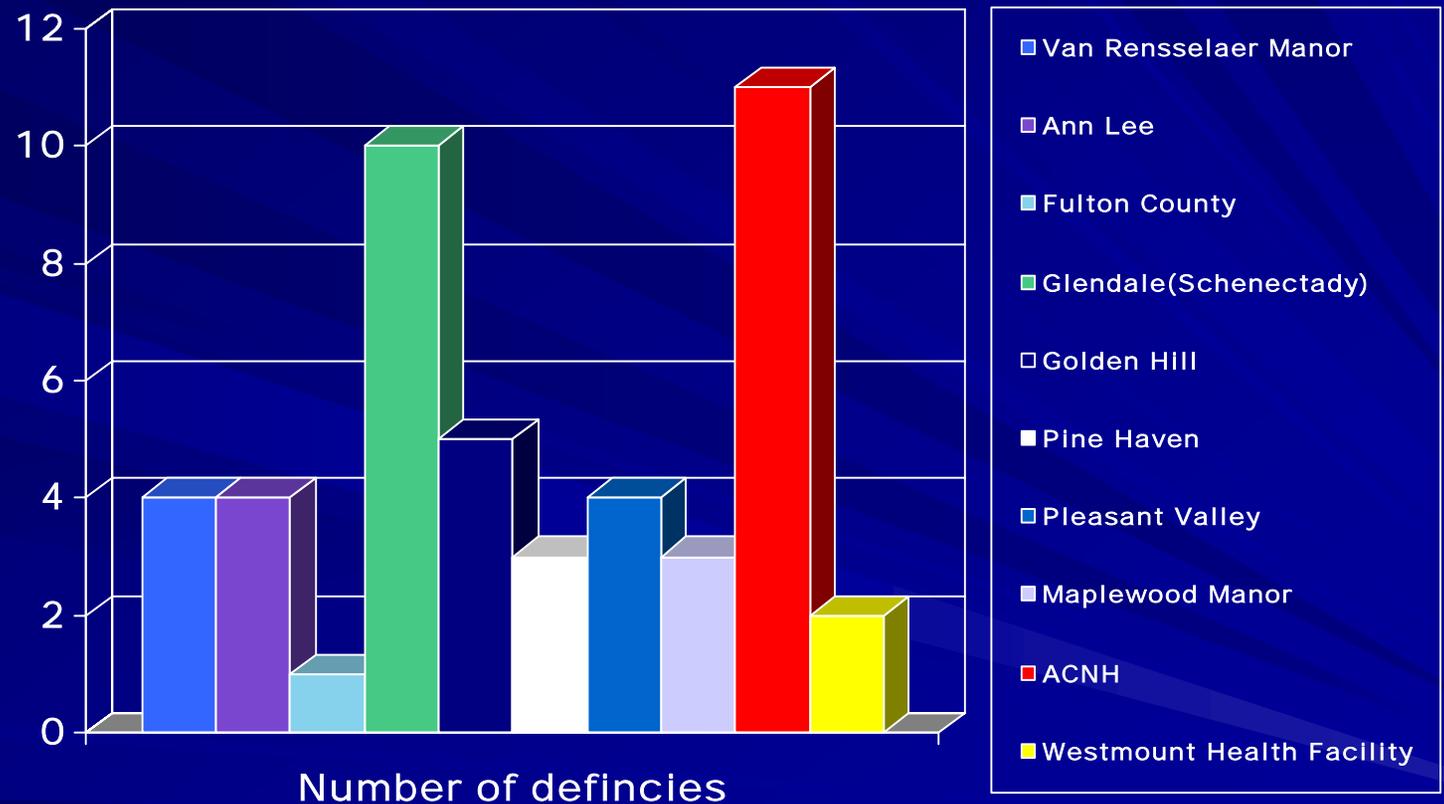
Nursing Home Comparison in Albany County by reported deficiencies



Source Medicare.gov



Deficiencies by County Run Facilities in a 100 mile Radius



Source: Medicare.gov

Ratings by Consumer Groups

MemberoftheFamily.net

- Nationally acclaimed website dedicated to reporting nursing Home standards. Has been featured on the Today Show and reports on over 16,000 Nursing Homes across the USA
- Warning Level **RED**
- Actual Harm and/or Immediate Jeopardy Rating!

Detailed report on ACNH by Consumer Website Memberofthefamily.net

red =above state average for these incidents

Quality Measure	2004: Jul-Sep	2004: Oct-Dec	2005: Jan-Mar	2005: Apr-Jun
Overall Quality Rating	red	red	red	red
Percent of High-Risk Residents Who Have Pressure Sores	16	19	17	13
Percent of Low-Risk Residents Who Have Pressure Sores	4	2	3	7
Percent of Low-Risk Residents Who Lose Control of Their Bowels or Bladder	62	60	62	57
Percent of Residents Who are More Depressed or Anxious	13	13	16	19
Percent of Residents Who Have Moderate to Severe Pain	3	3	2	2
Percent of Residents Who Have/Had a Catheter Inserted and Left in Their Bladder	4	3	3	5
Percent of Residents Who Lose Too Much Weight	11	11	11	8
Percent of Residents Who Spend Most of Their Time in Bed or in a Chair	1	2	2	3
Percent of Residents Who Were Physically Restrained	5	6	4	1
Percent of Residents Whose Ability to Move About in and Around Their Room Got Worse	14	15	15	11
Percent of Residents Whose Need for Help With Daily Activities Has Increased	17	16	14	13
Percent of Residents With a Urinary Tract Infection	8	9	6	8
Percent of Short-Stay Residents Who Had Moderate to Severe Pain	7	7	11	7
Percent of Short-Stay Residents With Delirium	1	1	0	1
Percent of Short-Stay Residents With Pressure Sores	33	35	28	24

What are these Deficiencies?

Source: Medicare.gov

Date of inspection: 08/26/2005

Complaint Investigations During:
01/01/2005 - 03/31/2006

**Total number of health deficiencies for
this nursing home:** 11

Average number of Health

Deficiencies in New York: 5

Average number of Health

Deficiencies in the United States: 8

Cited deficiencies

Inspectors determined that the nursing home failed to:

- Hire only people who have no legal history of abusing, neglecting or mistreating residents; or 2) report and investigate any acts or reports of abuse, neglect or mistreatment of residents.
- Give each resident enough fluids to keep them healthy and prevent dehydration.
- Make sure each resident is being watched and has assistance devices when needed, to prevent accidents.
- Give professional services that meet a professional standard of quality.
- Make sure each resident is being watched and has assistance devices when needed, to prevent accidents.*
- Listen to the resident or family groups or act on their complaints or suggestions.
- Immediately tell the resident, doctor, and a family member if: the resident is injured, there is a major change in resident's physical/mental health, there is a need to alter treatment significantly, or the resident must be transferred or discharged.

Cited deficiencies continued...

- Store, cook, and give out food in a safe and clean way.
 - Set up or keep a group of people to review and ensure quality.
 - Have a program to keep infection from spreading.
 - Provide needed housekeeping and maintenance.
- * As recently as 5/11/06, Gazette reports ACNH cited for patient not being watched and wandering from facility. Website not updated as investigation continuing.

**New York State Dept of Health
Statement of Deficiencies dated
5/8/2006**

**Please be advised that the
survey process is not yet
completed**

“The Facility must ensure that each resident receives adequate supervision and assistance devices to prevent accidents”

“Based on medical record review and staff interviews during a partial extended survey (case # NY-0003-0438), it was determined that the facility failed to ensure that (1) one of (6) six residents reviewed for unsafe wandering and elopement was supervised.”

Continued...

- “The resident was found approx. 10 miles away at his former home.”
- **“This is a repeat deficiency from August 2005.”**
- “Review of the residents medical record on 5/01/06 revealed **the resident had a previous incident of exiting the building (5/23/05) from the front entrance of the building.**”

Continued..

- “Interview on 5/1/06 with a Certified Nursing Assistant (CNA) on duty 4/29/06, and who noticed that the lounge door was not being manned, revealed that at approx. 10:00 am on 4/29/06 she noticed the PCA was not at his assigned post of monitoring the lounge door on Unit F. **She stated that the PCA is known to leave his assigned post frequently, leaving the door unsupervised. She stated that the Nurse Manager was aware that the PCA leaves the lounge door unsupervised.”**

Continued...

- “In addition, the facility’s incident/accident reports between 11/01/05 and 5/04/06 documented **four incidents** where residents, who were assessed as having unsafe wandering behaviors, left their residential units, accessed the elevators unsupervised, and were found in areas of the building.”

Administration:

“A Facility must be administered in a manner that enables it to use its resources effectively and efficiently to attain or maintain the highest practicable physical, mental and psychosocial well being of each resident”

Administration Continued...

“Based on medical record review and staff interviews during a complaint investigation (Case #NY-0003-0468), it was determined that the Facility Administrator failed to ensure that care was provided in a safe, secure and supervised environment for residents at risk for unsafe wandering and elopement. Administration failed to ensure that effective systems for identifying safe operations intended for residents were supervised. This constituted an “Immediate Jeopardy” to resident’s health and safety and Substandard Quality of care.”

Administration Continued...

“The Facility was previously issued a citation for an incident involving the same resident who had exhibited exit seeking behavior. The Quality Assurance Program failed to sustain corrective measures to ensure continued compliance.”



“Nursing Home cited for patient wandering away” 5/11/06

- The Health Department Issued an Immediate Jeopardy Citation May 9th.
- “The County will conduct a comprehensive audit of the management and operations at our nursing homes”
-Mike Breslin

Immediate Jeopardy

The 2002 (and now a 2006) incident that gave ACNH an “immediate jeopardy” rating, the most negative that can be bestowed by the State in the survey process, remains a stigma in the eyes of consumer activist websites. They will keep facilities who have achieved this rating on their “watch lists” indefinitely.

Revere Health Care, Ltd.

Secret Shopper sent to ACNH

Credentials

- Served the health care industry since 1985
- Senior Staff has over 20 years of hands-on experience
- Vast hands on experience in older adult housing and healthcare which includes, facility planning, financing, development, marketing, support services and management.
- Has served hundreds of clients in over 40 states

Revere's "Shopping Experience" of ACNH and Ann Lee Home

- Upon visiting, the first thing to note was "lack of customer focus" at ACNH and Ann Lee. Shopper wandered in an attempt to follow signs to security for a full five minutes. This approach seems to defeat the purpose of security.
- The interior presents a very institutional setting. No attempt has been made to make the facility home-like or appealing.
- For a large facility, there were very little common area amenities to show on the tour. The shopper noted debris on several occasions during the tour and the Admissions Director could not cite a reason why ACNH should be selected over another facility.

Shopping Experience

(continued...)

- The room shown was a semi-private room that shared a bathroom with the adjacent room. The room shown had furniture that was falling apart. Upon inquiry, the shopper was informed that no private rooms were available.
- In comparison, competitive facilities present a home-like atmosphere upon entry. Every facility visited had an attractively decorated, well appointed lobby. Considerable investment was made in interior decoration and furnishings. Rather than security, visitors were immediately presented with a front desk. In general, rooms were brighter and had private bathrooms.

Result of Shoppers Experience?

The Shopper could not imagine a private pay or short term patient choosing ACNH over any of the sampled facilities.

**Independent Study by
Revere Healthcare Ltd.**

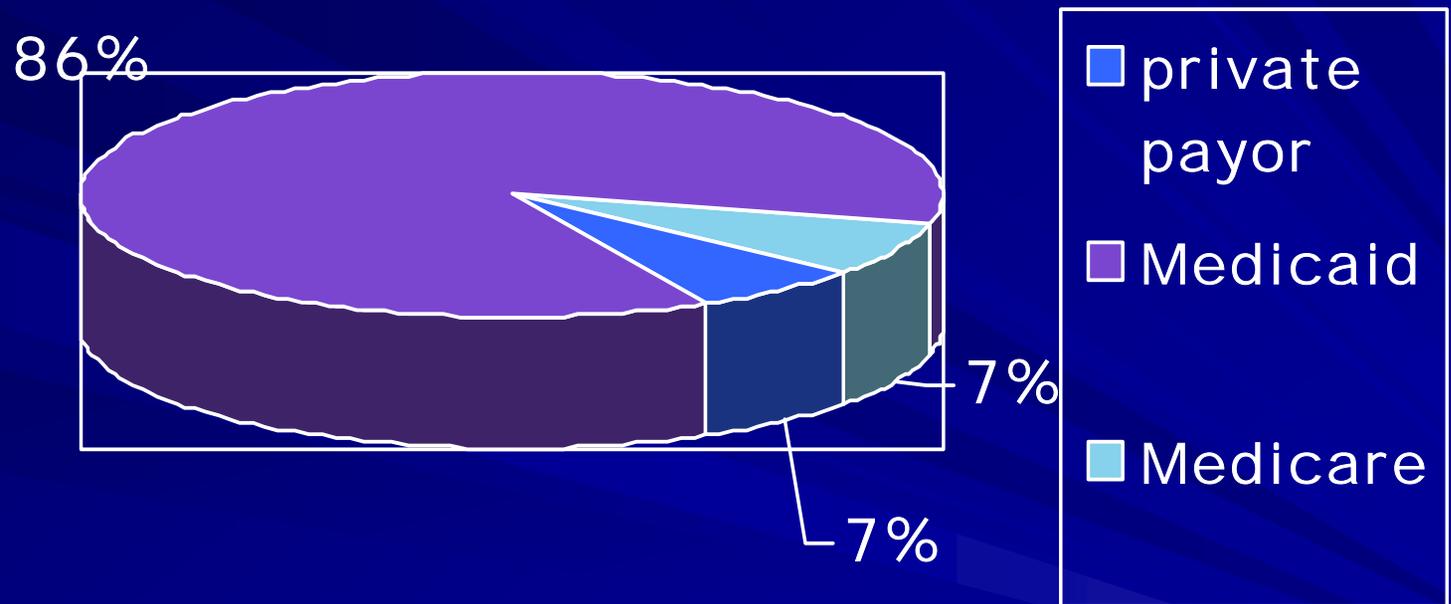
Some Key Points of Revere's Analysis

- Albany County shares a disproportionate share of the Medicaid burden.
- Although both facilities have experienced declining occupancy rates, efforts to increase occupancy rates at the current payor mix will actually widen losses.
- The proposed replacement facility for Albany County Nursing Home is inconsistent with future bed needs.

Who are the Clientele?

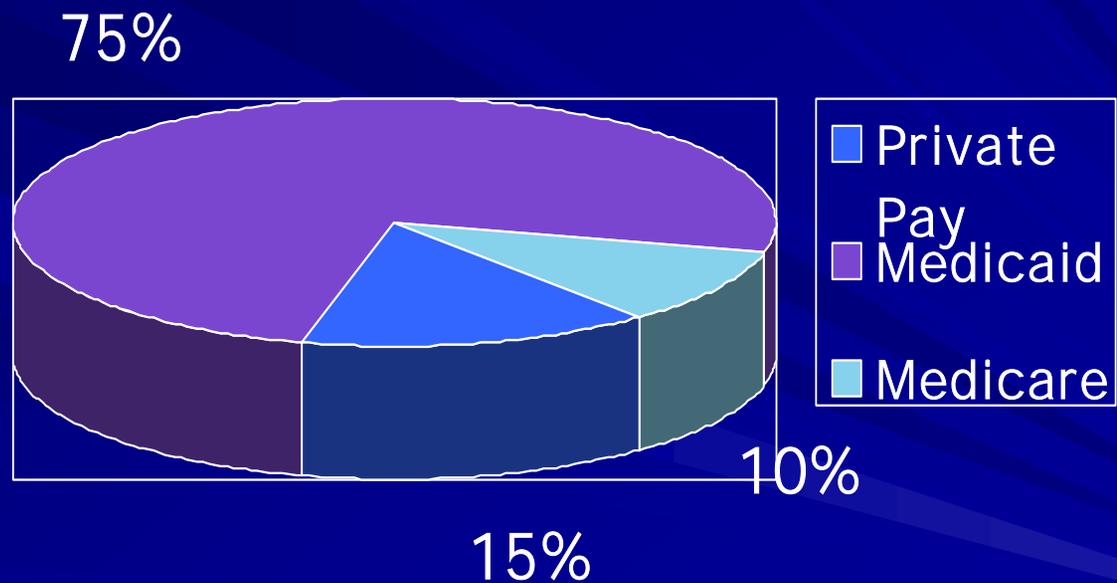
ACNH
6.5%
Private
Pay

Payor Mix



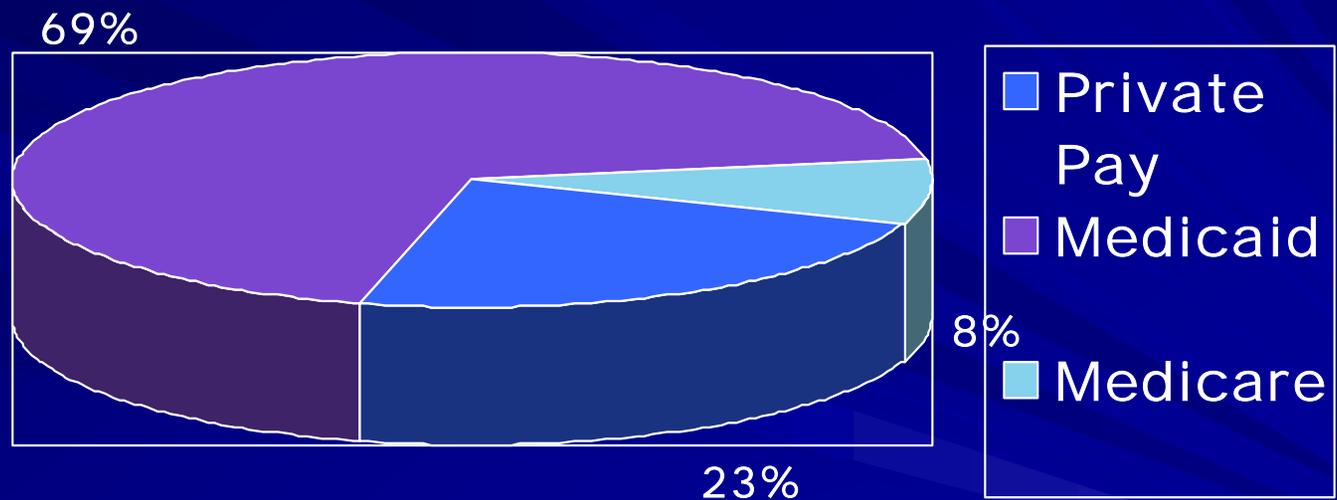
Other Facilities in our area average a better payor mix

Area
Nursing
Homes
average
a 15%
private
pay



National Average Payor Mix

Nationally,
nursing
facilities
achieve a
23%
private pay



So what? We have more Medicaid patients in ACNH...

The deviation could be a result of a significant excess of Medicaid beds effectively provided by ACNH, there by creating demand and perhaps providing a boon to other facilities in the marketplace by enriching their payor mix.

Bigger is NOT Better!

**Certificate of Need
Calculations**

How does the State Determine Bed Size Calculation?

- In 2003 the State Dept. of Health updated its bed need estimates. An independent Study by Revere Healthcare Ltd. presented an adaptation of the calculation for illustrative purposes.

Bed Need Calculation- State CON Methodology

Population age 65= (in thousands)	42.43
Bed Need per 1,000 population age 65+ (1)	<u>54.85</u>
Calculated bed need	2,327
Occupancy Factor (2)	<u>0.99</u>
Net Bed Need	2,351
Supply	<u>2,288</u>
Demand (surplus)	63

What's wrong with this Method?

- In 2004 occupancy rates were significantly below the 99% target rate used to gross up demand in the calculation, and the trend for the past 7 years has been for occupancy rates to decrease, not to increase.
- The Calculation does not account for alternatives to nursing facility care and for declining disability rates among older adults.
- Even with these issues, the bed need calculations indicate flat growth in the number of consumers potentially requiring nursing home care until approximately 2012-2015.

How accurate is this Methodology?

This method assumes past bed utilization will reflect on the future utilization of beds.

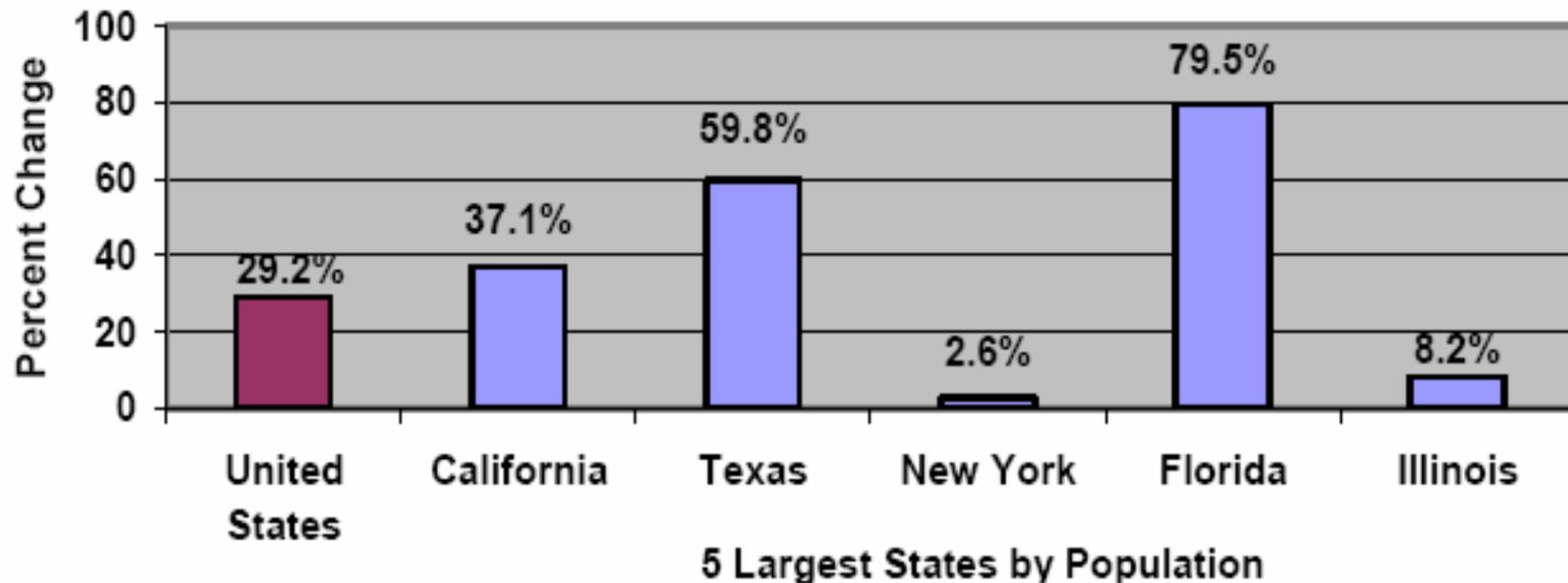
**BUT BED
UTILIZATION
HAS BEEN DECLINING!!!!!!**

Where Have all the Elderly Gone?

Declining occupancy rates

NYS Population Growth estimates

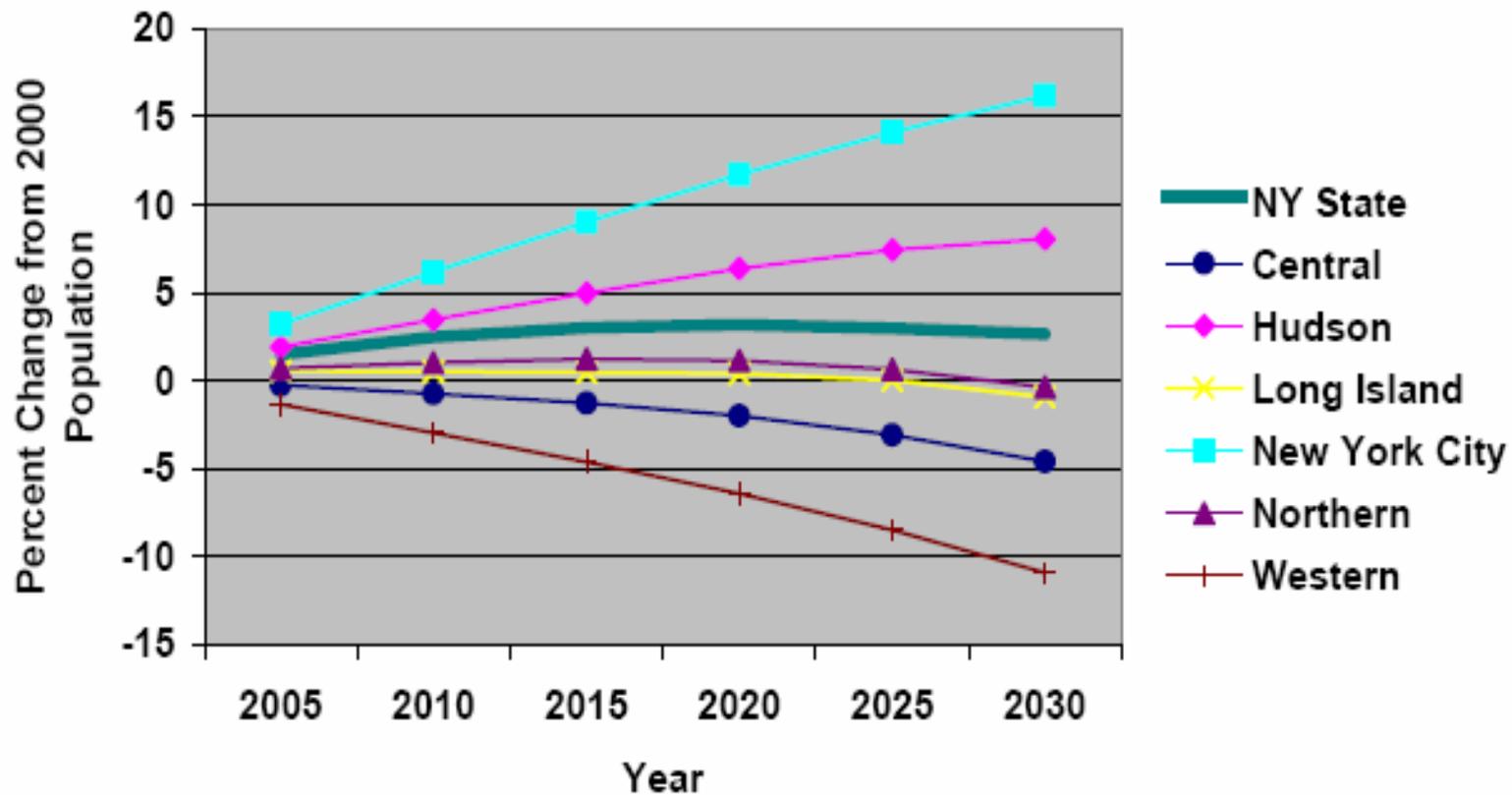
Figure 4 – Projected Population Growth 2000 to 2030



Source: Table A1: Interim Projections of the Total Population for the United States and States: April 1, 2000 to July 1, 2030 U.S. Census Bureau, Population Division, Interim State Population Projections, 2005, Internet Release
Date: April 21, 2005

Population Growth Estimates by Region

Figure 5 – Projected Population Growth by Region 2000 to 2030



Source: Statewide projections – US Census Bureau
Regional projections – New York Statistical Information System

Recent Headlines.....



“State Commission will try to fix an industry in Crisis”

3/17/06

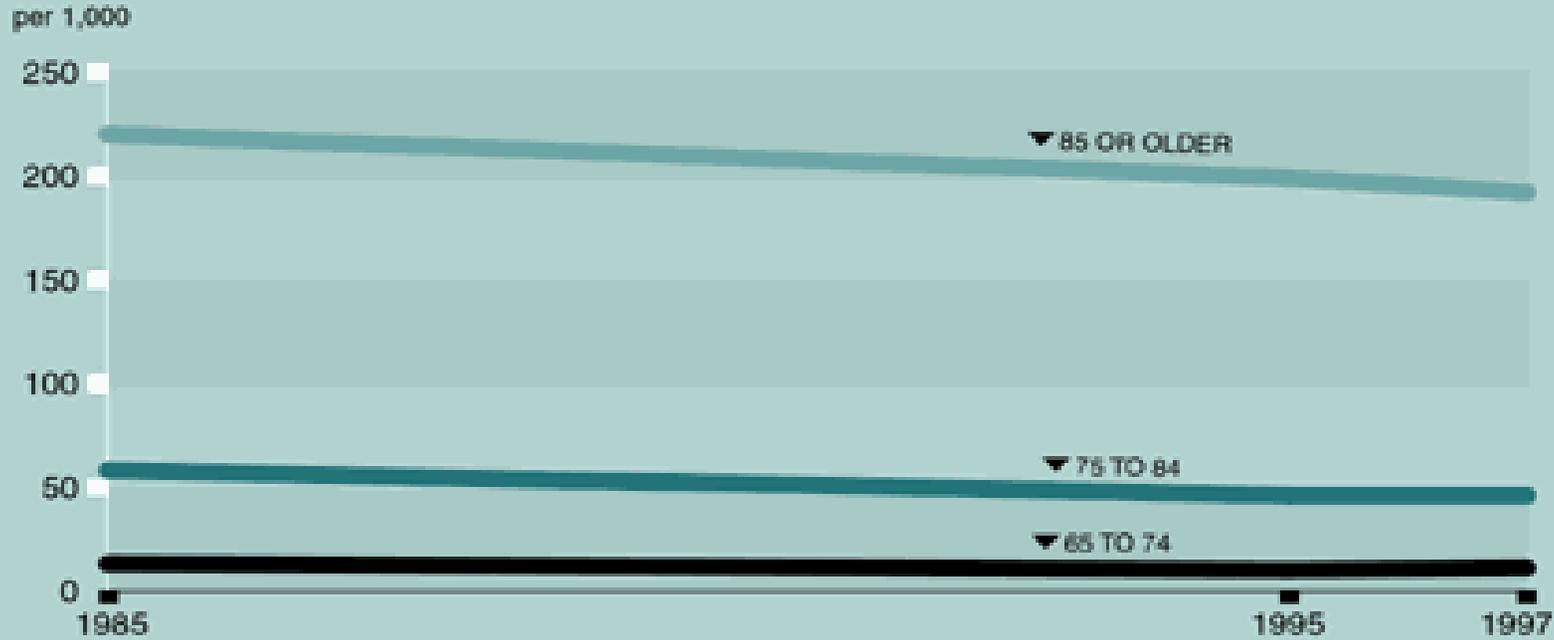
“Despite the aging population_ the number of New Yorkers aged 85 and over climbed 27 percent between 1990 and 2000 and continues to grow—nursing home occupancy has been dropping in recent years and now stands at 93 percent state wide. The state puts optimum occupancy at 97%, meaning there are about 7,000 excess beds.”

“In the Northern Region, nursing home occupancy was 89.4 percent with more than 1000 empty beds.”

National Nursing Home Surveys conducted by the show the rate of elderly in Nursing Homes declining.

Source: National Nursing Home Survey

Rate of nursing home residence among persons age 65 or older, by age group, 1985, 1995, and 1997

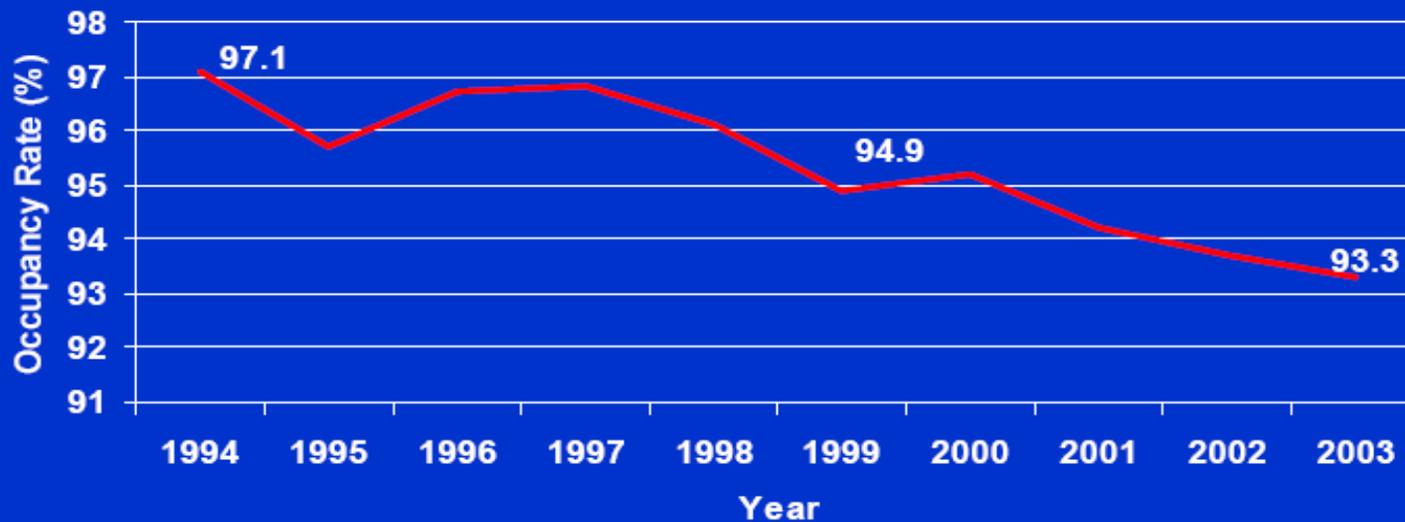


Note: In 1997 population, figures are adjusted for net underenumeration using the 1990 National Population Adjustment Matrix from the U.S. Census Bureau. Persons residing in personal care or domiciliary care homes are excluded.
Reference population: These data refer to the resident population.
Source: National Nursing Home Survey.

What about in NY State?

Commission on Health Care Facilities in the 21st Century data:

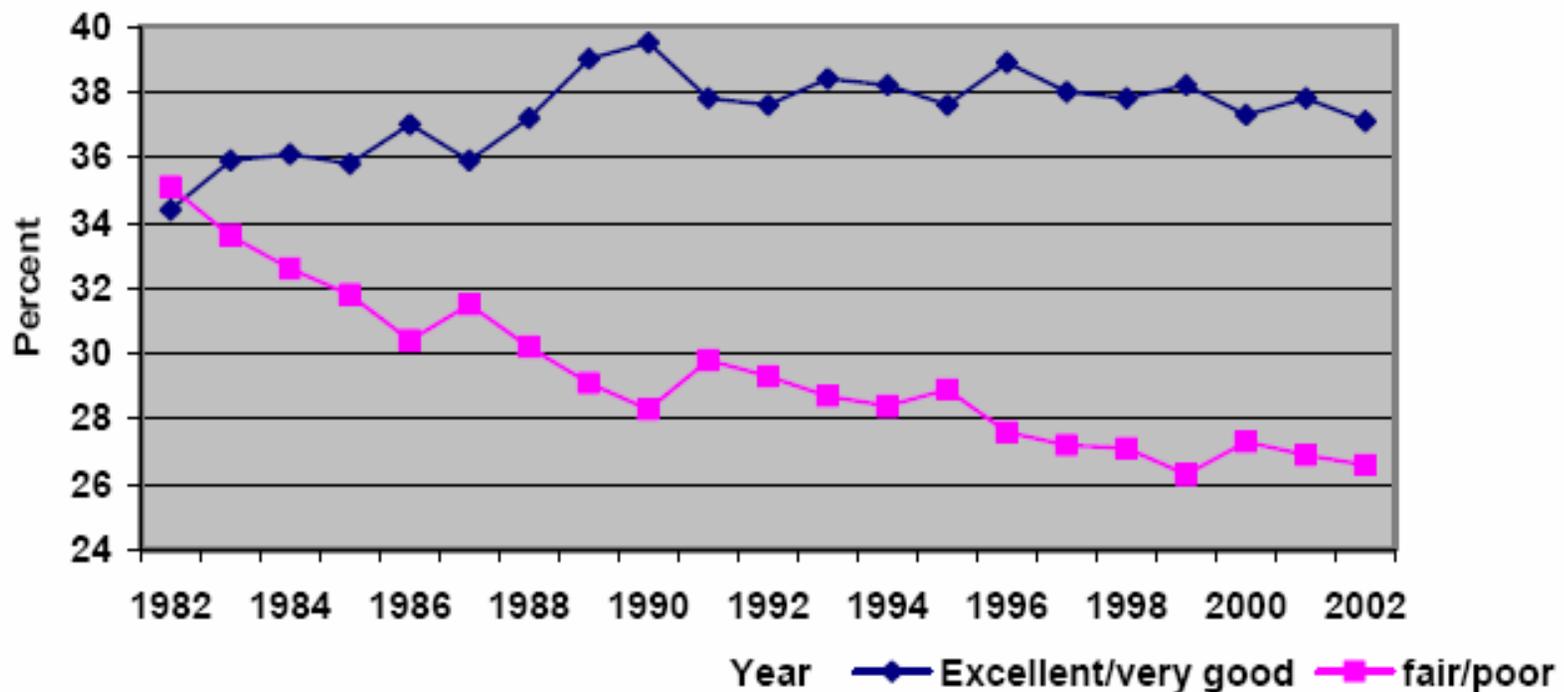
NYS Nursing Homes face declining occupancy rates and more empty beds



Source: Residential Health Care Facility-4 (RHCF-4) Cost Reports

Older Americans are healthier

Figure 8 – Trends in Self-Reported Health Among US 65+ Population



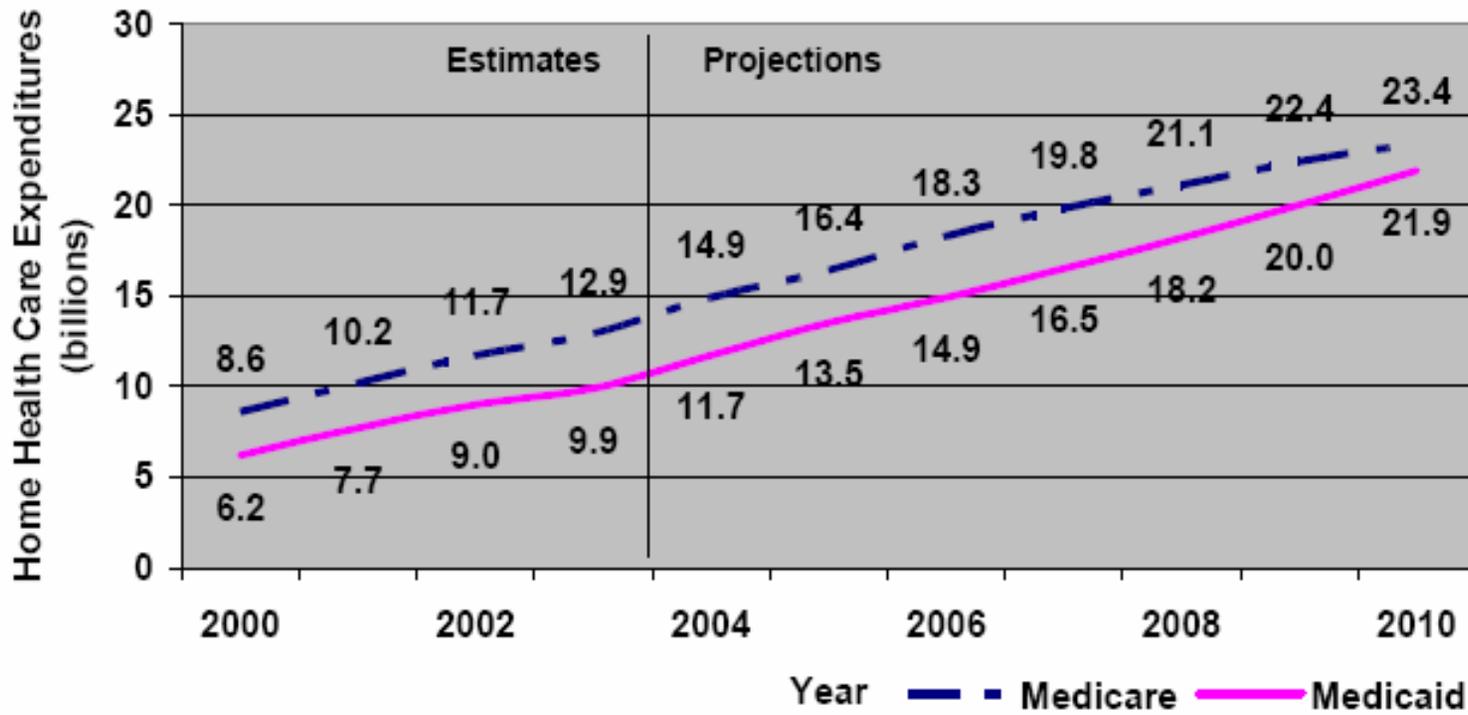
Source: National Center for Health Statistics, Data Warehouse on Trends in Health and Aging,
<http://www.cdc.gov/nchs/agingact.htm>. 11/14/2005

As a result :

Due to pressure from public and private payers to contain costs, hospitals have been forced to reconfigure their models of care, and new providers and programs have emerged in order to meet the needs of the less critically ill who do not require inpatient care. Ambulatory surgery centers, outpatient cancer centers, and outpatient diagnostic centers are now commonplace parts of the delivery system.

Not only is care shifting to outpatient settings, but it is also shifting towards home care.

Figure 20 – Medicare and Medicaid Spending on Home Health Care 2000 to 2010



Source: Centers for Medicare & Medicaid Services, Office of the Actuary

NYS Nursing Homes face mounting fiscal pressures



Source: Residential Health Care Facility-4 (RHCF-4) Cost Reports

Other reasons to shift towards non-institutional care:

- Growing consumerism/patient preferences
- Unsustainable growth in Medicaid spending
- The "*Olmstead*" decision
- Federal "New Freedom Initiative"

What is the Olmstead Decision and why is it important?

- Requires that individuals receive care in the most integrated settings appropriate to their needs.
- States must identify appropriate, less restrictive settings for placement.
- In New York, the current process to comply with the Olmstead decision is the implementation of the Most Integrated Setting Coordinating Council (MISCC)
- Provides an opportunity to reshape our long term care system to more effectively and affordably meet the needs of the disabled and elderly.
- Shifting the long term care system from institution-based to home- and community-based system parallels the desires of the disabled and the growing elderly populations to remain at home.

Results

- Despite the aging population—the number of New Yorkers aged 85 and over climbed 27% between 1990 and 2000 and continues to grow—nursing home occupancy has been dropping in recent years and now stands at 93%.
- Even though the preferred choice of consumers is NOT to reside in a nursing home, the number of nursing home beds in the state increased 11% between 1994 and 2003.
- In Fact, the decline in nursing home occupancy has paralleled the growth of non institutional, “community based’ services such as home health care, assisted living and supportive housing.

“Older American’s want to stay in their homes”

- A 2004 Study by AARP says that only 3 percent of respondents say they would prefer to have their needs met in a nursing home.
- Another survey, cited by David Sandman, Executive Director of the NY State Healthcare Facilities in the 21st Century, shows that 30 percent of seriously ill patients over the age of 70 said they would rather die than enter a nursing home.

The Newest Nursing Home in
our area...

Rensselaer County Van Rensselaer Manor

- Newly constructed 362 bed skilled nursing facility.
- has two nursing units specializing in Alzheimer and dementia.
- At a 99% Occupancy Rate and a new and better reimbursement rate.

LOSING MONEY!

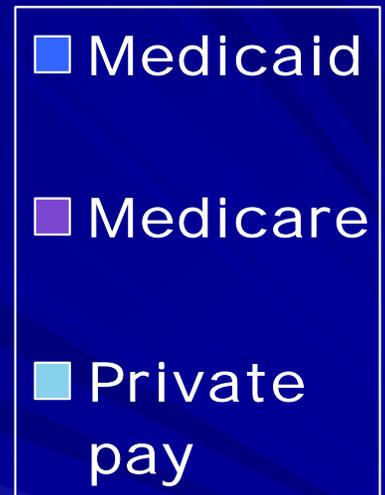
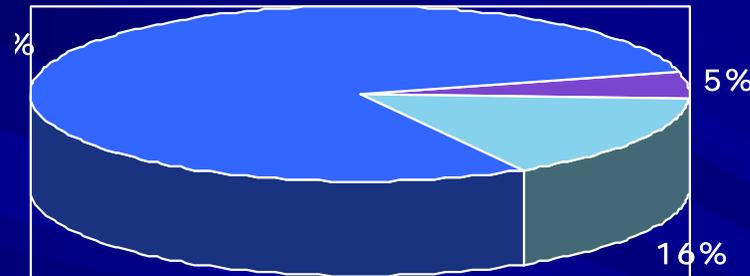
Subsidized by over \$4 million in 2005

How does ACNH rate against
other County Run Facilities?

You be the judge.

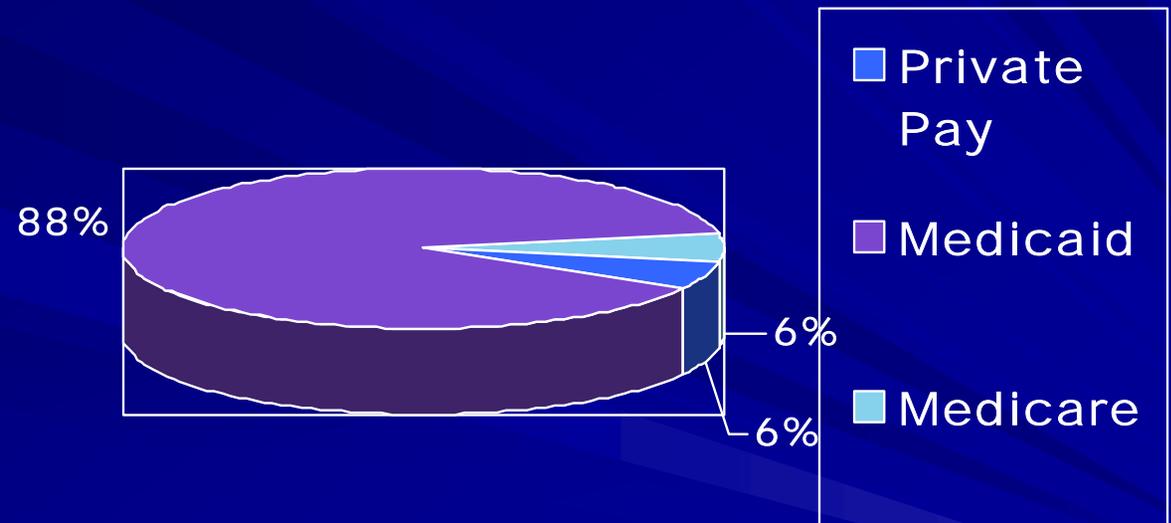
Saratoga County Maplewood Manor

- Built in 1976
- 99% Occupancy Rate
- 16% Private Pay
- Only 4 reported deficiencies
- 277 beds
- \$6 million loss in 2005



Rensselaer County Van Rensselaer Manor

- Newly constructed
362 bed skilled
nursing facility
- has two nursing
units specializing
in Alzheimer and
dementia.
- 99% Occupancy
Rate
- Only 4 reported
Deficiencies



“Right-Sizing” the Albany County Nursing Home

Key Points of the NY State
Healthcare Commission of the
21st Century

Some Key points brought up by the Right-Sizing Commission report 2/2006:

- The overall population of NYS is expected to be stable for the foreseeable future.
- The population is aging, but the impact of this will be gradual.
- Growth and aging trends vary by region.
- Older people express a strong preference for non-institutional alternatives to nursing home care.
- The Olmstead Decision and other imperatives require more community-integrated care.

“Right-Sizing” key points (continued)

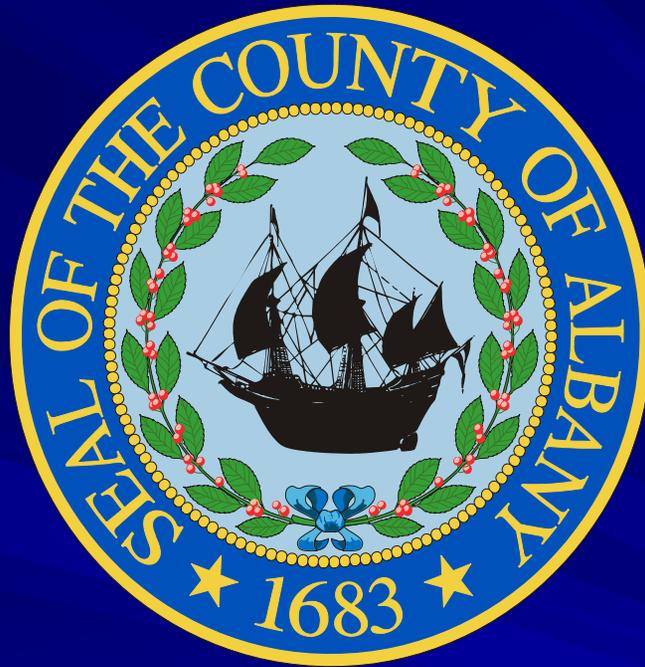
- Emerging clinical trends have combined with other factors to facilitate migration of care out of the hospital and nursing home into alternate settings.
- Health care delivery is likely to shift further out of large institutions and into ambulatory, community, and home-based settings.
- Hospitals and nursing homes are likely to serve increasingly acutely-ill patients while an evolving continuum of care will meet the needs of others.
- The provider of the future will be more integrated with other components of the delivery

What makes the most fiscal sense?

You decide.

Are we taking **all** these points
into consideration when
determining the size and scope
of a new nursing home?

Questions and Comments



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