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Independent Review

Management and Operations

of the

Vermont Veterans' Home

August 8, 2013

Prepared by: **Health Care Management Associates, Inc.**

Prepared for: **Vermont Agency of Administration**

Independent Review of the Management and Operations of the Vermont Veterans' Home

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1. Brief Introduction

Please note that a Summary and Recommendations section starts on page 32. Health Care Management Associates, Inc. (HCMA) entered into an agreement on April 15, 2013 with the State of Vermont, Agency of Administration, to conduct an Independent Review of the Management and Operations of the Vermont Veterans' Home (VVH), and to provide a "concise written summary report". Please see "Attachment A: Specifications of Work to be Performed" at the end of this report. This effort was led by Michael Pulling, MBA, LNHA who previously served VVH as Interim Administrator and Interim Planning Coordinator. Other HCMA staff and associates included Bruce Bodemer, MBA, LNHA who was our Interim Administrator at the Centers for Living and Rehabilitation in Bennington; Nancy Herrmann, MPA, LNHA who operated a male only nursing home for us for 12 years having a five star rating (much above average) for that entire period of time; and Donald Hayward, MBA who previously served as Finance Director at VVH, and who has an extensive career track record in health care financial management.

In addition, at our suggestion in 2012, VVH retained Clay and Associates (a clinical nursing firm specializing in nursing operations and survey preparation and compliance). This firm served as advisors to us in this project. Finally, we were also advised by HMR Veterans Services, Inc. (HMRVSI), a firm that manages six state Veterans' homes. A team of four staff (finance, human resources, clinical, and management) were on-site at VVH, and reviewed extensive documentation from the position of an organization that is intimately familiar with the unique operating parameters of state veterans' homes.

Utilization of HMRVSI arose out of an effort to identify model state veterans' homes that had high operating metrics in terms of census, survey results, financial position, and related. VVH is a member of the National Association of State Veterans' Homes, and we chose 3 state homes from within our Northeast region that offer different models of governance and management. Charlotte Hall in Maryland has been managed by HMRVSI for twelve years, and the firm comes highly recommended by state staff.

The Maine Veterans' Homes were considered by the VVH trustees as an organizational model in 2009. At our suggestion, representatives of the State and VVH recently joined us in a visit with the

staff and general counsel who had drafted the legislation that organized MVH as an "Instrumentality of the state", but operating as a distinct 501(c)(3) non-profit entity.

We also considered the Long Island State Veterans' Home that has a stellar census improvement and educational and marketing component, and is operated by the Health Sciences Center of Stony Brook University.

Further, we considered state veterans' homes that operate as an integrated part of state government. In general, this has not been a trend due to the complexities of state government, financial pressures, and the need to run these facilities according to a reasonable business model. Nonetheless, we will review the other New York State Veterans Homes, and the Massachusetts Soldiers' Homes, that operate under agencies of state government.

In addition, closure caused by a loss of federal funding may be an option. We will discuss briefly how this process works in Vermont, and the prospects for accomplishing this in a reasonable manner for all parties.

2. Interviews with Staff, Board Members, and Other Interested Parties

We conducted extensive interviews with various constituencies. In addition, there were opportunities to have a telephone interview or to provide comments by email. We considered the current working environment, areas of potential operational improvement, and other relevant issues that arose during the course of the study. In addition, we considered the response and approach to overall management leadership.

The Board of Trustees sent out a letter to family members explaining the study, and offering various avenues to contact us including a confidential interview, a telephone number to call, and our email address. In addition, we spent many days at VVH, and the staff were encouraged to connect us with family members who wanted to discuss the study or to express any opinions or observations about conditions at the Vermont Veterans' Home.

Through this process, we had input or contact with seven family members. Frankly, this was a surprisingly low number given the amount of adverse publicity and other activities that have occurred over the past year. Typical of the more favorable comments are the following:

"There is a wonderful great caring staff. I've never seen any lazy staff in six years."
"During my time at VVH, management has been accessible and helpful."
"Some nurses are above and beyond. Some work, and some don't."
"The staff members at VVH are extremely devoted to the residents' care."
"This is the best facility he has ever been in: follow-up quickly, explain everything, staff is lovely, and nursing is good."
"I am very pleased with the care and communication from staff. I think they are doing an excellent job."

There were also some less positive comments such as:

"There is a lack of management, and overall lack of communication."
"There is very poor communications with upper management."
"There is a river of anger, negativity, mistrust, resentment, finger-pointing, blame, and outright disrespect running through VVH."
"I can't stand the administrator. I could write a book on her."

Members of the Board were encouraged to provide input. We had interviews or discussions with four members, and were unable to accommodate a fifth member due to his travel schedule. Typical comments included:

"Al Faxon is a breath of fresh air. He gets on the floors."
"Communication stinks, and management doesn't speak clearly to the staff."
"VVH is still a good home. People want to come in."
"The organization may be top heavy in middle management."
"Allan has great personnel skills...charisma."
"Melissa is a 'hero' given the challenges."
"We have turned the rough corner, and are going in the right direction."

There were 18 management, supervisory, and professional level staff interviews. Typical comments included:

"The administrator's personnel skills are getting better, but she often acts like a spoiled brat."

"Allan was a great addition: a strong leader, on the floors, a real people person, and follows-up on things."

"Meetings are too long here."

"The administrator is nice, but doesn't always lead, have staff respect, and help you."

"Al Faxon has a great demeanor. He listens, and it helps that he is military."

"Nursing is the biggest complaining area. They could use their supervisors better."

"People are being held accountable now, and scheduling has improved."

"The administrator gets over-burdened. I report to Al now, and he gets back to me."

"The finance director gives you 3 different answers. It's loopy, can't understand him, can't get a solid answer, and he needs to know the financial answers."

"The ship is turning slowly. Morale has vastly improved."

"The administrator is very proficient, and starting to surface."

"The finance director is pretty good: black and white with the numbers, and presents well."

"Licensed nursing assistants having two weekends on and one off is difficult, but VSEA voted for it."

"Stopped using part time nursing staff – lose a full time position with part time."

"The administrator has no team. There is a lack of inspiration – scolding, punitive."

"Admissions are down because the administrator is overly financially risk averse."

"Al is great – he has natural leadership."

"We need more cohesion, a personal connection, follow-up and communication."

"The previous [permanent] administrator had a level of respect that I'm not seeing here."

"The administrator knows her stuff and is a good administrator; but she waffles at times, backs down, relies on the wrong people, and doesn't back me up."

"Allan is dynamic, and has energy."

"Al – amazing, love him, a leader."

"The administrator is insulting, disrespectful, doesn't acknowledge anyone in the hallways."

"The director of nursing is not a good leader or DNS. She doesn't know how to manage or communicate ideas."

"Al – see him every day on the wings, mature, knows more Vets than Melissa."

"We need to get back into partnership with VSEA – it goes both ways."

"The director of nursing has just given up, never see her here, she is defeated now."

"Melissa is trying – knows it takes a team."

"The administrator and nursing management can be very disrespectful. They pass the buck to the supervisors, and don't follow-up on anything."

"We still have staff members who have never met the administrator."

"The director of nursing is very bright, but learning. Her communications could be better."

"Allan has total insight – a great leader."

"Melissa is not too approachable, got shaky with the union, not a leader, but knows the regulations."

"The administrator is all gray zone, waffles, not definite and clear, poor communications, not a leader. I asked for an organization chart for 6 months to know who I report to."

"Allan is great. I now report to him, and everything is clear, but he's not the top manager."

"VSEA was so counter-productive. Why ruin our market and reputation?"

"There is absolutely no chain of command in nursing, and no one takes responsibility. There are so many levels, and it is seriously top heavy."

"Allan is a great leader. He listens, is respected, he has the gift."

"Melissa's strengths are not in communications and inter-personal relations. There is no positive leadership."

"The Board of Trustees has tremendously improved: Joe's leadership and having more local members and a leading physician on the Board is good."

There were three Vermont State Employees' Association (VSEA) sponsored off-site meetings scheduled at times convenient to all 3 shifts. These meetings were requested by VSEA leadership. The sessions were approximately 2 hours long, and attended by Mike Pulling and Don Hayward. On average, each meeting had five or fewer staff attendees. There were two VSEA representatives, some family members, a former staff member, and so forth. The focus was on "current working conditions" and "areas for potential operational improvement." All but two of the attendees were from the nursing department, and the non-nursing staff people made it clear that they were there to support nursing, and had no significant issues with their own departments.

The staff from VSEA were respectful, and may have been surprised at the relatively low turnout, especially given the effort put in by VSEA staff in doing a pre-meeting VVH membership survey, sending a flyer out to all of the VVH members, arranging the off-site location, and providing refreshments.

The meetings started out with VSEA staff reviewing the survey results. These results are in no way a part of this report since we had no hand in drafting the survey, compiling the results, or being involved in the survey process in any manner. We would be unable to verify the reliability, validity, or veracity of the survey results. Following this brief introduction, we were able to get direct discussion and comments from the VVH staff members themselves. We also got a very long and detailed typed essay from one of the attendees.

The tenor of each meeting was pretty much the same: poor administration, not knowing the staff or being on the floors, poor nursing leadership, lack of communication, lack of respect, breakdown in the admissions process, a lot of stress, no support of management, disorganization, top heavy with nursing management, enormous level of distrust, excessive use of disciplinary actions for minor offenses, hard place to work, medication problems with the new pharmacy, fear of losing their jobs, frustration with the nursing scheduling, mandated overtime (generally no longer used), a perceived lack of staff on the floors, and so forth. Proposed solutions were generally along the line of "Replace them all", "Bring in a contract management team", and "Every department should just do its own job."

By the nature of this meeting format and the focus of the flyer ("Frontline staff making our voices heard: Save the Vets Home") and the survey questions ("VVH Administration uses fear as a management tactic"), it was obviously going to be focused on the more negative than positive elements at VVH. However, there were some positive comments: "There is good social service staff ", "Our VVH staff members are very good", and "We really like Al. He comes out and meets other people. The residents are very pleased with him."

Because of the low turnout at the VSEA-sponsored meetings, and because we wanted all staff to feel free to talk with us in confidence, we set several days aside simply so that staff could drop in and talk, talk during our rounds of the unit neighborhoods, or schedule an appointment with a sign-up sheet by the scheduling office. The schedule was discussed in the morning meeting so that management could inform their staff members, and the following notice was posted in many conspicuous locations:

NOTICE TO ALL VVH STAFF

MIKE PULLING IS CONDUCTING THE STATE SPONSORED STUDY OF THE VERMONT VETERANS' HOME. ANY STAFF WHO **DID NOT** PARTICIPATE IN THE VSEA SPONSORED MEETINGS ARE ENCOURAGED TO MEET **CONFIDENTIALLY** WITH MIKE, OR TO CALL OR CONTACT HIM AT (781) 596-0122 (JUNE 28 AND AFTER) OR EMAIL AT MIKE@HCMAI.ORG.

IN ADDITION, HE WILL BE AVAILABLE AT VVH JUNE 25-27, AND WILL MAKE ROUNDS ON ALL OF THE NEIGHBORHOODS. FEEL FREE TO SHARE A FEW WORDS WITH HIM THEN.

ALSO, THERE WILL BE A **SIGN-UP SHEET OUTSIDE THE SCHEDULING OFFICE** FOR SMALL GROUPS OR INDIVIDUALS WHO WOULD LIKE TO MEET BRIEFLY AND **CONFIDENTIALLY** ON WEDNESDAY JUNE 27 FROM 6AM TO 6PM. THE LOCATION WILL BE THE CONFERENCE ROOM ON D-DAY. FEEL FREE TO STOP IN IF THERE IS NO ONE ELSE THERE. THE PRIMARY TOPICS ARE: THE CURRENT WORKING ENVIRONMENT, AND AREAS OF POTENTIAL OPERATIONAL IMPROVEMENT.

The turnout was better at these sessions, especially as the word got out. Staff members reported back to other staff on the interview process, and there was comfort with the interviewer. Although the representation was still mostly from the nursing department, we did get people from several other areas also. Typical comments included the following:

"Many are not happy with VSEA."

"Appalled at how the VSEA leadership acted at a labor-management meeting: attacked the administrator, yelled, disgusted and appalled at that behavior."

"The union makes it impossible for management to do the job. Some staff members just shouldn't be here, but it's impossible to get them out."

"The VSEA meeting on privatization: just so biased, manipulated the facts to give it a negative tone."

"Some nurses don't respect or assist the licensed nursing assistants."

"Some LNAs act like children – because we treat them like children."

"We need accountability at all levels – LNAs, licensed nurses, nurse managers, supervisors, and above – at all levels take no responsibility."

"There is a lack of communication – a lot of unhappy people due to this."

"The VSEA 'Save the Vets Home' scares people away."

"Lost many part timers when the policy was changed – and many who would do part time."

"I am so disgusted with the unprofessional behavior of the administrator."

"Some of the disciplinary actions are just so petty and small minded."

"We really like Al. He could do this."

"In my 23 years, it has never been this bad."

"Asked the director of nursing to come in unannounced on a weekend to see how it really is, but it never happened."

"It is exhausting to continually work 2 on and 1 off for the weekends. You can understand why there are call-ins."

"We were short three LNAs, and the four nurses wouldn't help us."

"The cell phone use by some staff is so overdone."

"Hire part timers and reduce the outrageous amount of overtime."

"Al – we really like him."

"We want our bad people out – drug dealing, truly mean and awful – and we want our old home back, and the Stewards will support this."

"Al is a great leader: open, well received on the floors, communicates."

"The VSEA campaign wasn't helpful."

"We are communicating better."

"The staff members are mostly all dedicated to the Vets – hardworking and good care."

"This is a great place to work, but 2 years ago things went south."

"VSEA has not really helped us. There is a big wall between management and line."

"There are a few who are agitators."

"Hard to hold staff accountable when the union hits you hard."

"I started part time, but there is no per diem list or part time now."

"Mandated overtime was a problem."

"The union stewards are empowered, and can be difficult."

"So much FMLA can cause tension. Call in just before your shift to cancel."

"Some families are not paying, but we don't go after them."

"There is a lot of waste here: use of maintenance contractors, redundant staffing."

"Al is just so good, and was great as a teacher. If he could get a bigger role here, that would be great."

"Everyone thinks Al is great."

"The way it is being run – I've never encountered such disorganization and lack of professionalism."

"I've never seen Melissa or Christina stop and have a conversation with the Veterans."

"Al is out on the wings – communicates."

"The main problem is communication, and the admissions process is tedious."

"Many have never seen the administrator – never on nights."

"I've worked in 3 nursing homes and this is the best, but we need part time staff."

"VSEA became too confrontational. They have their own problems."

"VVH is full of angst and anxiety. I'm ready to leave."

"Top heavy with nursing management, and never see the director of nursing."

"There is just a little group of VSEA people who spread the rumors."

"This is still the best care, but the write-ups are just piddling."

"Some family members don't pay, and won't."

"Not using the VA like we should to pay for hospital tests, etc., with prior approvals."

"Bring this up with the finance director, but it just falls on deaf ears."

"Things were more closely monitored under the previous finance director."

"We often don't charge the veterans or their families for medical supplies."

"I wish the union would go away – just riling up the staff and hurting the Vets Home, and 80% of the staff agree with this."

"We have a lot of confidence in Al."

"The director of nursing's father is on the Board. This is a conflict of interest."

"Admissions from the hospital can be a problem. Al went to the hospital and it helped."

We apologize for the fact that results of the interview and meeting process were far from a "concise written summary report." However, when we got into this process, the response to the interviews was so overwhelming and genuine that we felt that the actual voices had to be heard through the written quotes. It would be advisable, just as an outlet valve and to direct action to correct reasonable staff concerns, that some type of a similar process be incorporated periodically into the personnel management and organizational behavior component at VVH.

Reviewing the comments of the confidential staff interviews in particular, and from all levels, the following impressions seemed to resound forcefully:

- The angst with the administrator, and lack of support by many, should be addressed without delay. Especially noteworthy are the comments from the management and professional staff – many of whom are, or were, in a direct reporting relationship with the administrator.

- The Deputy Administrator is profoundly and universally respected. This leads us to believe that he may be the foundation upon which to re-direct the Vermont Veterans' Home into a financially viable, stable, organizationally mature, productive, and highly rated successful organization.

- There are genuine concerns, even from the most devoted and committed staff, that must be addressed. These concerns include improving communication, building team cohesion, providing clarity in policies and processes, creating a more respectful environment, improving nurse scheduling, using part time staff to fill in, increased accountability, a simplified and more effective management and supervisory structure, and so forth. Just having this opportunity to be heard, in a neutral venue, almost certainly was good for morale. There is plenty of goodwill to be built upon with this staff given real communications and real results.

- There is a serious lack of support, perceived weakness or incompetence, in a number of key management areas. This needs to be fully evaluated, performance improvement opportunities provided, outcomes carefully measured, and appropriate actions taken based upon measurable "management by objectives" performance improvement.

- VSEA certainly had many genuine concerns as expressed by the staff members. The methods, however, may well be questionable – and possibly damaging – for the organization. Management may have over-responded as a result, further creating a polarized environment. In any case, a "cooling off" or "grace period" will be needed to allow clear and concrete improvements to go forward, on the part of both VSEA and management.

3. Review of Relevant Policies and Processes

The Vermont Veterans' Home is the most regulated and surveyed licensed nursing home in Vermont. There are also a small number of residential care/domiciliary beds. VVH is subject to the Vermont Licensing and Operating Rules for Nursing Homes, the Federal CMS Requirements for Nursing Homes Participating in Medicaid and Medicare, and the VA Standards for Nursing Homes. In the past year, VVH has been surveyed by all three agencies.

The annual Department of Veterans Affairs recognition survey results were provided in their letter dated October 12, 2012, for a survey over a four day period. This survey is very detailed in terms of a review of policies and procedures, and VVH had only one deficiency related to Standard #147 - Physical Environment. Many of the other standards relate to administrative policies, nursing policies, and related. We reviewed the various policy and procedure manuals located throughout the facility, and the update and signature pages appear to be complete and timely.

VVH is in a new and somewhat complicated CMS designation termed "Special Focus Facility". Per a December 7, 2012 DLP letter, "A nursing home may graduate from the SFF program when it demonstrates at two consecutive surveys that it has deficiencies cited at a scope and severity level of no greater than 'E' and no intervening complaint-related deficiencies cited greater than 'E' ".

The Enforcement Cycle for 2012 (denial of payment and potential termination from Medicare and Medicaid) ended on September 26 following a special survey conducted by the CMS Division of Survey and Certification Operations (Boston Region) indicating that VVH had "achieved substantial compliance". A letter from CMS dated March 20, 2013 initiated a new Enforcement Cycle based upon a Vermont Division of Licensure and Protection survey on February 26, 2013. This established a new denial of payment date and a new termination date. It is our understanding that resolution of the current Enforcement Cycle is still being determined.

A nursing and survey compliance specialty firm (Clay and Associates) was retained for both Enforcement Cycles. A nursing consultant from Clay and Associates has been reviewing every incident report, doing chart audits, and so forth. It is her opinion that "nursing systems are now okay". Therefore, from the "policies" viewpoint, given the on-site consultants and the VA policy standards survey, we believe that VVH has appropriate policies in place relative to the licensure and certification component.

For other aspects of the operation, namely human resources and the VSEA contract, there are state staff members who are on-site at VVH. We have no indication that these policies are not being handled in an appropriate manner. We will review financial management in a separate section.

From our interviews outlined in the previous section, the big issue for VVH is in the "processes" area. There seem to be various levels of knowledge of specific policies, a sense of a lack of communication, a variety of management and supervisory levels (mainly nursing) that have uncertain information and responsibilities. We believe that VVH will greatly benefit from more simplified and functional organizational and governance structures, and we will discuss this later in this report.

We find the Board operation and reporting policies and processes to be much improved. The Board has revised its membership in an appropriate manner, and has added more frequent meetings. These meetings include a variety of reports from the medical director, nursing director, finance director, and administrator; and a variety of financial and other statistical and planning information.

Of particular interest is the Pinnacle Quality Insight "Customer Satisfaction" report. The most recent report (April) indicated that the Customer Satisfaction Scores are higher in virtually every area compared to the "national" and best in class" comparison benchmarks. "Overall Satisfaction" was a 4.78 out of a possible 5.00, and "Nursing" was 4.94. Resident and family comments included:

"I really appreciated the compassion and understanding of the staff. They treat everybody like individuals and like they are human."

"The staff members were so good. They were overworked and understaffed but they did so much for the residents."

"They had a Namaste Room that was wonderful."

"Very few things could be better, but sometimes they were understaffed."

"The care is wonderful. I appreciate that there are no odors."

"It's very good and it was impossible for him to get appreciated care in his home."

"They are so good to call me for anything."

"I really love the girls that work there. They are excellent to him and to me."

"They are happy, clean, and they receive good care."

"They are giving my mother really good care."

"She is now walking with a walker and doing great."

"I appreciated the care. One of the nurses even stayed with him when he was passing and held his hand."

"I will recommend that they make sure the nurses know how appreciated they are for what they do."

"I appreciate the staff. The food could be better. They have hired a new cook and are making new menus."

This direct feedback from the "customers" is highly valuable. It may well be that this information does not get disseminated to the line staff in a process that underscores their real and perceived sense of value to VVH and the Veterans.

The information from the "Pinnacle Quality Insight" April 2013 Vermont Veterans' Home Customer Satisfaction Report is enclosed with this report: Trends and Comparisons, and Feedback Interviews. Because the interviews are HIPPA Protected Data, the names have been redacted. More information on this firm can be found at www.pinnacleqi.com.

4. Projected Demand for Services

While we will consider local and state information on Veterans and their spouses, the definitive sources are the National Center for Veterans Analysis and Statistics (NCVAS), Office of the Actuary for the DVA Office of Policy and Planning, and the Department of Defense Office of the Actuary. Their models use actual Department of Defense data on military separations.
The Profile of Veterans: 2011 was issued in March 2013. It is indicative of ongoing trends with Veterans relative to the general population including:

- A much higher proportion of Veterans age 55+ and age 85+.
- A highly increasing older female Veteran population.
- Veterans having a higher proportion in management, public service, and professional occupations than the general population, and commensurately higher median earnings.
- A median age of 64 for male Veterans, and 49 for female Veterans.
- A projected total Veteran population of over 22 million nationwide, and almost fifty thousand in Vermont.

The value of the above information is that each element is a predictor of much higher utilization of sub-acute care, long term care, memory care, and senior living services. The key for the future needs assessment and projections will be to provide appropriate and realistic experiential nursing home utilization rates. In doing these projections, we will take into account the overall demographic characteristics, longevity and actuarial assumptions, general population characteristics, and special utilization disability factors for the Veteran population.

With that in mind, the following summarizes the March 2011 "Progress Report" that we provided for the VVH Strategic Planning Committee as follows:

- The profile of residents suggests that the Vermont Veterans' Home has a broader market potential than other Veterans' homes including not only Vermont Veterans, but also their spouses up to 25%, and Veterans from the Albany VA Hospital area where there is no Veterans' Home.

- The historical assumption at VVH (as noted in the then administrator's May 2010 report) was a "global downsizing trend" in admissions, residents, and beds.

- However, preliminary data from other Veterans' homes (3-5 years projected growth of 20%) and the National Center for Veterans Analysis and Statistics (no decline in very old Veterans over the next ten years and an increase in older women Veterans) suggests that VVH should maintain and increase census.

- Therefore, strategic directions should include the following:
  - Creating a higher census by marketing, referral source awareness, and education
  - Contracting with the Holyoke Soldiers Home which has a waiting list
  - Achieving financial viability in census improvement and cost control/revenue maximization
  - Initiatives including fund development, corporate restructure, and program and services

This "medium term" projection and strategic focus is still relevant for VVH. This was proven by our initiation of the "+10 campaign" in October 2010 that led to an increase in the daily census from 131 to over 150 in early 2011. This included creating a rapid admissions team, working with hospital discharge planners, and having a public educational announcement on Vermont

Public Radio indicating "The Vermont Veterans' Home in Bennington providing long term care, rehabilitation, and memory care for Veterans', their spouses, and Gold Star parents since 1884."

In our early interviews for the current study, we were informed that the current low census was due to "the World War II Veterans dying off". That was the same assumption made in 2010 without consideration of aging trends, longevity increases, and other statistical analyses indicating higher nursing home utilization rates for elements of the at-risk Veterans' population. This time, using the relevant information provided less than two years ago, there should be a strong assurance that the lesson of being able to attain higher occupancy for the Vermont Veterans' Home by better management in the medium term is not lost once again. Current evidence of this is that the VVH census at the start of our study was 116 with all appearances of continuing to decline, while the census as of July 2 is 124 with the Deputy Administrator having set a target of 125 by July 1. Leadership matters.

As a prelude to our estimate of the long-term demand projections for VVH, please consider the following information:

- We have been making successful and accurate need and demand projections for many years in Vermont for assisted living, senior living, and nursing home levels of care.

- According to the Veterans Health Administration projections for 2012, New York State would have a 20% higher market share than Vermont. This has occurred in large part due to the very professional market and educational efforts of New York VA institutions such as our model Long Island State Veterans' Home which has a reported census of over 99%.

- New research continues to come out suggesting that Veterans are at higher risk for nursing home services. For example, a research report noted (July 1) indicated that in a study of Vietnam Veterans "The researchers found that those who had PTSD were more than twice as likely to have developed heart disease during the 13-year study."

- In the May 2004 VVH study by the Vermont State Auditor, it was determined through a telephone survey that "the Veterans' Home serves only about 20 percent of those Vermont veterans currently residing in nursing homes." Based upon recent efforts, it would appear that this low penetration rate is probably still near the mark.

- Our own summary outline of "Geriatric Research for Senior Men" indicates that "Several trends are apparent in the latest longevity numbers. One is a rapid narrowing in the gender gap as male mortality rates, especially for those 65 and older, have fallen far faster than female rates."

- The United Healthcare Foundation's "America's Health Ranking: 2013 Senior Report" ranks Vermont number two among the states in "34 different measures of senior wellness ranging from physical inactivity, obesity, health status, poverty, drug coverage, hospital readmission rates, and flu vaccinations". Vermont's senior Veterans will likely be living longer than Veterans in many other states.

According to a recent National Nursing Home Survey, 3.6% of seniors age 65+ are in nursing homes. At one time, this percentage was 6.1%. Despite the growth and aging of the senior population, home and community-based services (HCBS) alternatives have picked up the slack and nursing homes remain targeted for HCBS options, especially in Vermont. Nonetheless, there is a core senior population (and particularly Veterans with many special needs) for whom nursing home care will be required due to advanced age and disability, medically complex care, and related factors. The most current Veterans' Population Projections from the Office of the Actuary, Office of Policy and Planning, Department of Veterans Affairs, December 2012 indicates that there will be 20,193 age 65+ Veterans living in Vermont in ten years (2023). This is the endpoint of any reasonable long-term projections in our experience, given unknown future changes in longevity, morbidity, and related factors.

The projected Vermont Veterans bed need, based upon 3.6% of the projected 20,193 age 65+ cohort, is 727 beds. This would be close to full occupancy for VVH, even if the 20% market penetration determined in the 2004 study did not change. However, the education, marketing, and other strategic actions that we have proposed should result in a much higher penetration rate. Other State Veterans' Homes know that the value of the VA per diem payment, the recognition of

service, and the special care services and programs that the Veterans' homes provide are a significant asset in attracting Veterans to our facilities.

Adding 25% spouses to the projection above and perhaps another 20% for out-of-state Veterans, returning to Vermont, or being related to a Vermont resident, the minimum expected need and demand for Veterans' beds will be 1,054. There is also another significant factor. The Vermont Veterans' Home has two memory care neighborhoods comprising "Freedom Village". In our experience, there is an extraordinary need for these special care units.

Age 72 is the average age of onset for Alzheimer's disease and related dementias. While individuals may not present for care for a decade or more (depending upon the status of spouses, home caregivers, and other health conditions), it is a condition that will continue to push nursing home and residential care resident admissions.

There are no "silver bullets" on the horizon for Alzheimer's and related dementias, despite some pharmaceuticals which may slow progression in early to moderate stages. From a senior care planning viewpoint, dementias will remain a major source of admissions (directly or in concert with other conditions) for the foreseeable future.

Various studies cited by the Alzheimer's Association and the National Institutes of Health provide information on dementia incidence and prevalence rates including:

- 13% to 14% of seniors have some form of dementia. Approximately 70% of these individuals have Alzheimer's disease, with the remainder having vascular dementia or a similar condition.

- The number of seniors with Alzheimer's and other dementias is increasing every year because of the growth of the elder population due to aging-up and life expectancy increases.

- Studies of age-specific incidence rates have found no significant difference by gender. Women reaching the age of 65 have a 20% estimated lifetime risk of developing dementia vs. 17% for men. This is related primarily to higher average longevity for women.

To project the actual "market" or prevalence of Alzheimer's and other dementias, we use the age-specific incidence rates from the "East Boston Study". Newer estimates and other recent studies are similar to these findings.

This typically accounts for 13% of the total age 65+ population. If we take the ten year projected 65+ Veterans population of 20,193, subtract out the 727 in nursing homes, multiply the remainder by a 13% Alzheimer's prevalence rate, and then multiply this remaining number by the overall 3.6% nursing home utilization rate, we get an additional 91 Veterans who would need the specialized memory care services. Given the prior estimated ten year (2023) need and demand for Veterans' nursing home care, and adding the additional need and demand that might arise from the "Freedom Village" memory care services, the total projected need and demand for the year 2023 is 1,145 for the Vermont Veterans' Home.

In twenty years (2033), the Vietnam Veterans will be in their peak nursing home utilization years. As we mentioned previously, emerging research suggests a higher utilization level for this group. The overall total of age 65+ Veterans in Vermont is projected to be somewhat lower than in 2023 at 16,264. Nonetheless, the projected bed need will still be 586 beds using the prior methodology, and increasing to 850 with spouses and out-of-state Veterans. Actuarial projections often under estimate longevity increases and, therefore, we would anticipate a need for more than 850 beds.

Using the prior methodology for memory care bed need, we arrive at an additional bed need of 73. By combining the two figures, the resultant total Vermont Veterans' Home nursing home bed need increases to 923 beds in twenty years.

5. Current Fiscal Management Practices

The finance office staff appears competent in most day to day financial matters. However, as we discuss further on, they express a lack of guidance and response from the finance director who has not had previous experience in a facility of this type. Based on the 2014 budget submission, the finance director needs to improve his understanding of the state processes. This is confirmed by the Commissioner's office.

While several internal and external events have made the VVH financial environment difficult, the opportunity for a significant turnaround in revenue and expense clearly exists. Because such a

large proportion of the budget is devoted to human resources costs, the attainment of a surplus (or a reasonable loss) is not obtainable in the short term. It will take considerable protracted effort, and expert guidance based upon our experience.

In fact, results for FY 2013 and projected FY 2014 will be particularly unsatisfactory. Contributing factors include unacceptable surveys that restricted admissions, a resulting decline in census, several residents/families who refuse to pay, and an increase in the level of difficulty in obtaining Medicaid for New York and Vermont residents.

One particular shining light during the course of this study was that management (once again) found out that a declining census is not inevitable. Admissions and census appear to be making a turnaround.

Financial Results - Through April, VVH had a net loss of approximately $3.5 million. At the current rate, it could be over $4 million by year end. On a state budget basis, the loss may be near $3 million. VVH has a negative cash balance of $1.4 million as of April, and is losing cash at a rate of $225,000 a month. Since FY 2012, accounts receivable have grown by $220,000 even with a declining census and writing off $600,000 of bad debt.

FY 2014 Budget - The current budget appears to be unobtainable. Census is the driving force in making the revenue budget, although there are other avenues of revenue maximization which we'll discuss. At a census of 120, the budget will be short by $4.6 million. If VVH achieves an average census of 130, the shortfall would be $3.4 million. This is in addition to the $0.4 million in Global Commitment, and $1.3 million in General Funds. Expense improvements could offset a portion (10 to 20%) of this shortfall.

Staffing Costs - There are many factors that contribute to staffing costs including budgeted positions, position vacancies, staff on administrative leave, workers compensation, annual and sick leave, and so forth. VVH's staffing is also compounded by the special training required for the secured memory care units. Nursing staff is more than adequate at the current census, although a poor scheduling model and lack of part time staff give staff the perception of being over-worked at times. It is only at or near the 150 census level that nursing hours of care falls to the 3.5 hours per

patient day target. At that level, scheduling would be particularly difficult, and staffing may have to be augmented.

Comparative Costs and Performance - The auditing firm provided comparative data from 32 Vermont nursing homes from the most recent cost reports. The data indicate that VVH has the lowest case mix of any home in the state, with a score of 0.8787 versus the state average of 1.0870. The nursing hours per day are the 5th highest in the state, and the total nursing hours of 4.9 hours per patient day is the highest in Bennington County. Please note, that this is different than the direct care hours per patient day. Nursing cost per day and health insurance per day are also the highest. Since the VVH census has declined since 2011, the spread between VVH and the other Vermont homes is probably increasing.

Case Mix - Case mix is an indicator of the amount of care required by VVH residents. It is also used in determining VVH's final reimbursement rate for Medicaid and also is an indicator of the likely Medicare rates. On a comparison day in May 2013, the average case mix was 0.8313. This is low by all reasonable standards. However, the score is driven down because 18 residents are in the PA1 category (0.45) and another 11 residents are in the BA1 category (0.53). In fact, if these low care residents were deleted, the average for this day would be a more competitive 0.96.

Accounts Receivable - As noted above, the accounts receivable has increased and is aging. As of May, accounts over 120 days represent over 50% of the $3.2 million gross receivable. Net of the allowance for bad debt, the receivable is approximately $0.5 million lower. The accounts receivable below 120 days appear to be aging at a normal rate, indicating that billing is appropriate. As expected, half of the over 120 day accounts receivable is private pay. Two are waiting for the sale of a home and a business, and therefore may be collectable. More worrisome is over a quarter of the over 120 day accounts are classified as Vermont Medicaid. Tightening of the recertification process is contributing to this. For example, families have been given less than two weeks to respond to inquiries or their case is closed. These issues were noted by VVH's auditors last year. They noted, "Significant effort should be given to working on collecting old balances that are building in accounts receivable and, at the same time, ensuring timely collection of current balances." Managing accounts receivable should be a priority. Staff needs to find ways to improve this process and aggressively seek positive solutions.

Summary - Defining and implementing a revenue and expense improvement plan, led by the finance director, may be a challenge. In our discussions, there seemed to be reluctance to take "ownership" of the financial status of VVH, preferring instead to defer to the state, and to the lack of control over staffing and benefits. The staff are clearly eager (finance staff and others who interact regularly with finance) for leadership and guidance in maximizing revenues and controlling expenses. At some point, the finance director's lack of experience in this venue will be an insufficient excuse for failing to have the knowledge, drive and leadership necessary to direct and assist the staff who wish to make improvements.

For now, it may take the use of outside consultants knowledgeable in nursing home and Veterans' home fiscal management to devise and implement a plan for revenue and expense improvement. Comments by staff members and our consultants show the gaps that exist. For example:

> "The 2014 budget has increases for many line items. It does not appear that a rigorous budgeting process is in place that would require cost increase justification, and assist managers in finding savings."
>
> "Staff was not displaying an aggressive approach to collecting the monies owed to the home, mainly stemming from being unaware of the steps and measures that can be taken to collect amounts due and to ensure that applications (Medicaid and VA benefits) are completed."
>
> "It was identified that the Federal VA per diem was not being paid by the VAMC of jurisdiction for veterans who were ineligible for primary care services at the VAMC due to exceeding the income requirements. This was incorrect and we phoned the VA to share this with them. The VVH should be able to strongly market the facility to private paying veterans who are eligible for Nursing Home admission when they become aware that they will receive a $97.07 per day credit. There is not an income requirement that would make the veteran ineligible to receive the VA nursing home per diem provided that the veteran meets the other criteria for admission."
>
> "Medicare training is needed for the finance director. We should be maximizing our Medicare A and Medicare B reimbursements. He is unable or unwilling to give us any guidance or assistance."
>
> "VVH is paying for so many things out of pocket that perhaps should be billable with VA prior approval. We bring it up to the finance director, but it just falls on deaf ears."
>
> "We pay outside vendors an ungodly amount."
>
> "We are not using the VA like we used to."

"We are not charging for many medical supplies that should be paid by the Veterans or their families."

"We are missing a great medical records person who, despite education, does not know how to code correctly for Medicare A. The top diagnosis for Medicare A cannot be dementia."

6. Current Staffing Levels

There were no indications of inadequate staffing, excessive call outs, and related issues in non-nursing departments. Because the primary area of concern (and cost) is nursing, we focused our attention there. There may well be areas for staffing and productivity improvements in administration, dietary, activities, maintenance, housekeeping, and so forth. But, we see any considerations in these areas (that appear to be operating without discord) to be marginal to the primary cost/benefit relative to nursing. The nursing department has the added responsibility and cost to maintain 24 hour staffing for 365 days a year.

Each of our consultants took an independent review of nursing staffing levels based upon Veterans' Home comparisons, industry comparisons, alternate census levels, case mix and acuity level comparisons, actual worked days, worked days tracking by VVH, call out levels, and so forth. There were no significant differences in our separate analyses and conclusions. The following summarizes these assessments.

- Using a Nursing Staff Analysis model that considers budgeted licensed staff, staff on workers compensation, position vacancies, net days (assumes 100% of annual vacation taken, 11 holidays, and 75% of sick days), the direct care nursing hours per patient day (NHPPD) by census levels come out as follows:

Projected Census	Projected Actual Worked NHPPD
150	3.53
140	3.78
130	4.07
120	4.41

Using this model, it is only at or near the 150 census level that nursing hours of care falls to the 3.5 hours target generally used in the industry. At that level, scheduling would be difficult and staffing should be augmented.

- Salaries and benefits as a combined total are over 70% of all budgeted expenses for VVH. However, since the census levels are lower than the budget census levels, the percentage is now over 80%. Approximately 75% of a nursing facility's costs relate to the cost of labor. The inability to adjust staffing levels to census levels is a major drawback for VVH.

- We compared VVH staffing levels to CMS 5 Star (much above average) staffing level ratings at the 150 budget census target. Reducing staffing levels to "5 Star" levels would result in a savings. A savings of approximately $250,000 annually was calculated based on staffing for 150 residents.

- Comparing the VVH average salary and benefit costs to another State Veterans' Home in a high cost Northeast Region state, the average annual salary per full time equivalent (FTE) is 16% higher at VVH. The benefit costs are approximately double at VVH.

- A significant savings could be achieved by reducing the number of non-worked days. In comparing non-direct care staffing levels, VVH staffed some skilled positions that, based upon the size of the home, could possibly be filled by outside contractors. Also, VVH includes a high number of administrative positions.

- The most current CMS Nursing Home Profile for nursing staffing at VVH, with the lowest recent census level, indicated "Licensed Nurse Staff and CNA hours per resident per day" at 5.42. This compares with to 4.3 for the Vermont average. The previous CMS comparison at the higher census last year (144) showed VVH at 4.55 vs. 4.2 as the Vermont average.

- The finance office at VVH has tracked the nursing department "worked" staffing for 2012-2013. NHPPD stayed consistently above 3.6 hours except for July 2012. The NHPPD was 3.89 hours for April 2013. Also, there is "non-licensed" direct care nursing hours (Veterans' Care Assistants - VCAs) which brings the current NHPPD to 4.5 hours. In our experience, having VCA type positions is rare. These unlicensed staff may serve as hall monitors, for transport, and a variety of roles that do not require an LNA or licensed nurse. Having VCAs is a significant benefit to the direct care licensed staff, and to the Veterans.

- The highest "Nursing Call Out %" was 12.30% in January 2012. The current percentage is 8.90%. The Vermont Health Care Association did an informal survey of its members. The average reported call out percentages for Vermont nursing homes that responded to this survey was 2-3%. The higher call out percentage does have a significant impact on scheduling, finding last minute replacements, overtime costs, the number of direct care staff on the floor, and the incidence rates of mandatory overtime.

All of the above clearly establishes that the current staffing levels at VVH are sufficient. However, there are still concerns about staffing on certain neighborhoods (units), days, and shifts. In other cases, staff indicated that there may be "overstaffing", particularly on some of the units and during mid-week.

We find the staffing analysis complicated by the possible lower case mix scores that may be due to coding and documentation. We have used a firm quite successfully in Vermont that specializes in evaluating case mix and coding/documentation procedures, usually seeking to increase reimbursement rates that are based on case mix methodologies. A firm of this type could do an evaluation that may have the benefit of correcting the reported problems, and also increasing revenue.

Scheduling is a major challenge at VVH. Management is reluctant to change the current scheduling pattern because it was voted on by the staff representatives, who described it as "the lesser of evils". The scheduling pattern is particularly difficult on some categories of nursing staff that may end up working most weekends. This inflexibility is difficult. If management and VSEA can reach a more mature and reasonable operating accord, the scheduling issue should be revisited. VVH now has a nurse scheduler who has had previous experience in scheduling patterns. She believes that she could come up with a schedule (never perfect, always difficult) that would be more amenable and effective for all parties, and that may reduce the call out levels.

A major difficulty relative to cost and scheduling is the unusual procedure of having all full time staff. We have never seen this before. The standard is to have about an equal number of full time and part time staff. The advantages are obvious: The labor pool is increased since many nursing staff members may be only willing to work part time due to age or family circumstances. Some

staff may have other part time or full time positions, but may be able to cover the typically less attractive weekend, evening, and night shifts.

It is our understanding that VVH did have part time nursing staff at one time. Various explanations for eliminating part time nursing positions included mention of "Losing full time positions if they were only filled part time", "Benefit costs are higher", and so forth. Despite the reasons for going with all full time staff, this issue should be revisited. In our experience, the expanded labor pool with part time staff will make scheduling easier, replacing call outs easier, reduce benefit costs, reduce labor costs, and improve all around nursing staff morale.

To summarize, while the current staffing levels are sufficient by all indicators, a significant increase in census may require an adjustment in the staffing levels. Staffing is less productive and efficient due to the lack of part time staff that can fill "holes" in the schedule. In addition, the nurse consultants and the new professional scheduler should be able to devise a revised schedule that will "even out" staffing (now typically overstaffed mid-week), reduce required weekend coverage, and improve staff morale and productivity.

The terms "case mix" and "acuity" are typically interchangeable. Having a lower case mix suggests a lower acuity level and, thus, a reduced need for staff. However, we are concerned that the case mix scores may be too low due to "coding" and "documentation" issues. This can easily be evaluated and rectified, if needed, by a firm that specializes in this complex process. In addition, case mix is used by both Medicaid and Medicare payers to determine the level of reimbursement in a "blended" process. Improving the case mix scores, if appropriate, should benefit reimbursement and revenue.

Suggestions have been made that all management positions should be made exempt positions. In order to streamline and right size management and supervisory levels, this would be a practical expedient that we would endorse. However, such changes may require a change in the appropriate statute.

7. Alternative Governance and Management Structures

We considered three alternative successful models for State Veterans Homes (SVHs) within our Northeast Region of the National Association of State Veterans Homes (NASVH) that represents

the 140+ SVHs around the country. Because it is closest, and is considered a model around the country, we looked at the Long Island State Veterans Home. Next we considered the Charlotte Hall Veterans Home in Maryland because they are successful, and use an approach that appears to be growing with SVHs around the country. Finally, we looked at the Maine Veterans Homes because it is in Northern New England, is very successful and highly regarded among SVHs, and was considered as a model by the VVH Board back in 2009.

Long Island State Veterans Home (www.listateveteranshome.org)

Relative to operational results, the LISVH has a remarkable census of over 99%, compared to the March 2013 VVH census of 69%. It has a very aggressive marketing and Veterans education program, and focuses on admissions, finances, and new program development. It had the first VA approved Adult Day Health Program. The CEO is Fred Sganga, who is a dynamic past president of NASVH, and who offered to share his entire marketing and education program and materials with VVH with an on-site visit to VVH. LISVH is operated by the Health Sciences Center of Stony Brook University (part of the State University of New York system). This makes it one of the few SVHs that are fully integrated into the health and educational mission of a major teaching and research university. The LISVH has a 4 Star CMS rating (above average).

Their website stresses the advantages to Veterans of two special VA programs: the Federal Per Diem Payment program that "will reduce the daily rate for any veteran who is paying privately. The veteran will save over $28,000 per year by taking advantage of this per diem program", and the Non-Service Connected Disability Pension Benefit – Aid and Attendance which "is a special exemption for single Veterans on Medicaid in State Veterans Home. This benefit is a needs-based pension benefit for low-income Veterans who are disabled and require daily assistance."

Charlotte Hall Veterans Home (www.charhall.org)

Charlotte Hall Veterans Home in Maryland operates at over 90% census, and has a 4 Star CMS rating. While it is under the Maryland Department of Veterans Affairs, it has been managed since 2001 by a management firm that specializes in only SVH management and consulting. The firm is HMR Veterans Services Inc. which we asked to assist us in this project because of their expertise. The state staff considers this management firm to be "very good". They manage a total of six SVHs in three states.

The outside management of State Veterans Homes appears to be a trend among the states. We are aware of at least four firms that manage SVHs, and we know that at least one state sent out a management contract RFP in the recent past. The advantage of a specialized and highly qualified firm is that they bring a knowledgeable and trained team to bear on running the operation in an acceptable and fiscally prudent manner according to established objectives. The alternative to direct management is a consulting arrangement based upon achieving specified results.

The Vermont Veterans' Home has past experience in using contract management firms. However, in the past, these have been used for a transitional period and have not been specialized in the operation and management of SVHs per se (to the best of our knowledge). For example, the Sub-Acute Management Corporation of America managed, or oversaw management, of VVH from March 1999 to March 2000.

Maine Veterans Homes (www.MaineVets.org)

We spent quite a lot of time researching and interacting with this most impressive organization. The CEO (Kelley Kash, a retired Air Force Colonel who is not a licensed nursing home administrator) is Northeast Regional Director for NASVH, and he and MVH are very highly regarded. Their operational metrics are as follows:

- Six licensed facilities averaging a 4 Star rating, 95% census, and considering expanding.
- More than 3x the number of beds as VVH, but with only about twice the population.
- Based upon their most recent IRS 990 form, they made an operating surplus of 4.9%.
- MVH is a no-cost operation for the state, and the investment fund was over $28 million.

Mr. Kash and his general counsel hosted a meeting at their Augusta offices to review how they are structured, and how they operate. Attending from Vermont and VVH were the Commissioner of Human Resources, two VVH Board Officers, the Administrator, and the project consultants. The outline of the organizational structure is as follows:

- Created in July 1977 as "public not-for-profit" with a 501(c)(3) IRS tax exempt designation.
- Title 37B Chapter 11 is the governing statute.
- MVH runs entirely as a separate entity, but with Trustees appointed by the Governor.

- They are an "instrumentality" of the state with a "quasi-public" status.
- The employees participate in the Maine Public Employees Retirement System.
- They offer "rich benefits", and have had pay increases and bonuses for the past six years.

The MVH employees are not state employees. Apparently, at least one other state has made a "conversion to this model", and others are considering it. They are quite willing to assist Vermont in such a process. Their thoughts about an implementation process include:

- Establish a transition team and date.
- Draft the statute first.
- Proceed with education, modification, approvals, and implementation.

This presents us with three tested and viable models: operation under a state university medical teaching institution, or other state institution; a specialized management contract or consulting assistance; reorganization as a distinct non-for-profit entity as a "quasi-public state instrumentality." We don't offer an opinion at this time as to the way to proceed should alternate governance and management structures be considered. However, there are certainly advantages for the state and VVH in all three approaches, or some particularly Vermont hybrid.

In addition to the model governance and management alternative structures in the foregoing, we believe that we should mention two other possibilities: Direct state management, and closure.

Officially, there are four New York State Veterans' Homes. These are operated by the New York State Department of Health and (to the best of our knowledge) do not have separate Boards. The fifth "Veterans' Home" is our model Long Island State Veterans Home and is described by the NYDOH as "LISVH is not part of the Department of Health, but part of the State University of New York. LISVH works closely with the Veterans' Homes." LISVH is a model because of its innovative program and education results as distinct from a direct arm of state government.

The Soldiers' Home in Massachusetts "operates under the direction of the Executive Office of Health and Human Services. The Commandant is appointed by the Secretary with the approval of the Governor. A seven-member Advisory Board is appointed by the Governor." In general,

Veterans' Homes appear to be moving away from direct state management due to the added costs and complexities, and the desire to operate in a "business-like" manner.

Closure is a distinct, if unsavory, option. Indeed, last year, the Vermont Veterans' Home was just two days from being decertified under the CMS "Enforcement Cycle" previously mentioned. This would be a loss of all revenue (it is our understanding that any VA payments are contingent upon certification) and there is a strong possibility that the state would be economically forced to voluntarily close VVH.

The process to do this is fairly straightforward. The Licensing and Operating Rules for Nursing Homes, under section 2.8 Change in Status Necessitating Discharge or Transfer of Residents, indicates that "Whenever a licensee plans to discontinue all or part of its operation...the administrator shall notify the licensing agency and the State Long Term Care Ombudsman at least 90 days prior to the proposed date of change." The closure requirements continue "At least 60 days prior to the date of the planned change in status, the administrator shall provide the licensing agency and the State Long Term Care Ombudsman with a written transfer plan, subject to approval by the licensing agency."

We know of two such closures within the past year or so in Vermont. In the first, the facility was decertified. The owner voluntarily closed due to a lack of funds, although it is our understanding that the state licenses (administrator and facility) may otherwise have been rescinded. Currently, another facility chose to close (following a study by our firm) because there was no viable avenue to obtain long range financial viability. This facility is closing currently in a model process worked out with the state agencies, and with a well-planned communications and family/resident assistance process.

Even for a larger facility like VVH, there are plenty of surplus beds in nearby facilities to expedite a reasonable closure process. Other facilities are willing to fully cooperate because the "marginal revenue" from these new admissions will typically greatly improve their financial results.

One compounding factor for the Vermont Veterans' Home is the VA grant recapture requirement. The VA funded 65% of the Geo-Thermal and Facility Renovation project and, per 38 CFR 59, these funds may have to be repaid if VVH should close. It is also possible that some sort of

Agency or Congressional waiver could be sought since closure would likely save the VA considerable operational funding over the long range. The 20 year process for recapture decreases at a rate of 5% of the VA grant amount to be repaid per year.
Given its location in Bennington with close highway access, it is also possible that there would be a suitable buyer for the property and buildings. A likely re-use would be for senior living and assisted living, possibly with partners such as Southwestern Vermont Medical Center.

VVH is now in its second "Enforcement Cycle" within the year leading to possible decertification from Medicaid and Medicare. In the 34 year history of our firm, we have never experienced or heard of such a situation. Most organizations are fortunate to survive a first Enforcement Cycle, and then take drastic actions and investment to make sure that it does not happen again.

8. Summary and Recommendations

There are genuine concerns, even from the most devoted and committed staff, that must be addressed. Just having this opportunity to be heard, in a neutral venue, almost certainly was good for morale. There is plenty of goodwill to be built upon with this staff given real communications and real results.

There is a serious lack of support, perceived weakness or incompetence, in a number of key management areas. This needs to be fully evaluated, performance improvement opportunities provided, outcomes carefully measured, and appropriate actions taken based upon measurable "management by objectives" performance improvement.

The Deputy Administrator is profoundly and universally respected. This leads us to believe that he may be the foundation upon which to re-direct the Vermont Veterans' Home into a financially viable, stable, organizationally mature, productive, and highly rated successful organization.

VSEA certainly had many genuine concerns as expressed by the staff members. The methods, however, may well be questionable – and possibly damaging – for the organization. Management may have over-responded as a result, further creating a polarized environment. In any case, a "cooling off" or "grace period" will be needed to allow clear and concrete improvements to go forward, on the part of both VSEA and management.

The big issue for VVH is in the "processes" area. There seem to be various levels of knowledge of specific policies, a sense of a lack of communication, a variety of management and supervisory levels (mainly nursing) that have uncertain information and responsibilities. We believe that VVH will greatly benefit from more simplified and functional organizational and governance structures.

Of particular interest is the Pinnacle Quality Insight "Customer Satisfaction" report. The most recent report (April) indicated that the Customer Satisfaction Scores are higher in virtually every area compared to the "national" and "best in class" comparison benchmarks. "Overall Satisfaction" was a 4.78 out of a possible 5.00, and "Nursing" was 4.94. Resident and family satisfaction seems to remain very positive overall, and this is measured in part by admissions with a net of at least eight net new admissions during the course of this study.

We were able to review the Profile of Veterans: 2011 issued this March. Highlights included veterans having a higher proportion in management, public service, and professional occupations than the general population, and commensurately higher median earnings. The value of such information is that each element is a predictor of much higher utilization of sub-acute care, long term care, memory care, and senior living services by Veterans.

New research continues to come out suggesting that Veterans are at higher risk for nursing home services. For example, a July 1 research report indicated that in a study of Vietnam Veterans "The researchers found that those who had PTSD were more than twice as likely to have developed heart disease during the 13-year study."

In the May 2004 VVH study by the Vermont State Auditor, it was determined through a telephone survey that "the Veterans' Home serves only about 20 percent of those Vermont veterans currently residing in nursing homes." Based upon recent admissions efforts, it would appear that this low penetration rate is probably still near the mark, and is an area for improvement.

The United Healthcare Foundation's "America's Health Ranking: 2013 Senior Report" ranks Vermont number two among the states in "34 different measures of senior wellness ranging from physical inactivity, obesity, health status, poverty, drug coverage, hospital readmission rates, and flu vaccinations". Vermont's senior Veterans will likely be living longer than Veterans in many other states, and ultimately requiring more services from the Vermont Veterans' Home.

According to recent projections made by the U.S. Department of Veterans Affairs, there will be an estimated 20,193 age 65+ Veterans living in Vermont in ten years (2023). Considering likely nursing home utilization rates, up to 25% Veterans spouses, up to 20% out-of-state Veterans, and a special demand for memory care services provided at VVH, the total projected nursing home need and demand for the year 2023 is 1,145.

In twenty years (2033), the Vietnam Veterans will be in their peak nursing home utilization years. Emerging research suggests a higher utilization level for this group. The overall total of age 65+ Veterans in Vermont is projected to be somewhat lower than in 2023 at 16,264. The resultant total Vermont Veterans' Home nursing home bed need and demand is estimated to be 923 in twenty years.

The finance office staff appears competent in most day to day financial matters. However, they express a lack of guidance and response from the finance director who has not had previous experience in a facility of this type. Based on the 2014 budget submission, the finance director needs to improve his understanding of the state processes.

While several internal and external events have made the VVH financial environment difficult, the opportunity for a significant turnaround in revenue and expense clearly exists. Because such a large proportion of the budget is devoted to human resources costs, the attainment of a surplus (or a reasonable loss) is not obtainable in the short term. It will take considerable protracted effort, and expert guidance, based upon our experience. For now, it may take the use of outside consultants knowledgeable in nursing home and Veterans' home fiscal management to devise and implement a plan for revenue and expense improvement.

All of our analysis clearly establishes that the current staffing levels at VVH are sufficient. However, there are still concerns about staffing on certain neighborhoods (units), days, and shifts. In other cases, staff indicated that there may be "overstaffing", particularly on some of the units and during mid-week.

Scheduling is a major challenge at VVH. Management is reluctant to change the current scheduling pattern because it was voted on by the staff representatives, who described it as "the lesser of evils". The scheduling pattern is particularly difficult on some categories of nursing staff that may end up working most weekends. This inflexibility is difficult. If management and VSEA can reach a more mature and reasonable operating accord, the scheduling issue should be revisited.

A major difficulty relative to cost and scheduling is the unusual procedure of having all full time staff. We have never seen this before. The standard is to have about an equal number of full time and part time staff. The advantages are obvious: The labor pool is increased since many nursing staff members may be only willing to work part time due to age or family circumstances. Some staff may have other part time or full time positions, but may be able to cover the typically less attractive weekend, evening, and night shifts. The issue of part time staff should be revisited.

We considered three alternative successful governance and management models for State Veterans Homes (SVHs) within our Northeast Region of the National Association of State Veterans Homes (NASVH) that represents the 140+ SVHs around the country. Because it is closest, and is considered a model around the country, we looked at the Long Island State Veterans Home. Next we considered the Charlotte Hall Veterans Home in Maryland because they are successful, and use an approach that appears to be growing with SVHs around the country. Finally, we looked at the Maine Veterans Homes because it is in Northern New England, is very successful and highly regarded among SVHs, and was considered as a model by the VVH Board back in 2009.

This presented us with three tested and viable models: operation under a state university medical teaching institution, or other state institution; a specialized management contract or consulting assistance; reorganization as a distinct non-for-profit entity as a "quasi-public state instrumentality." We don't offer an opinion at this time as to the way to proceed should alternate governance and management structures be considered. However, there are certainly advantages for the state and VVH in all three approaches, or some particularly Vermont hybrid.

With the foregoing in mind, the following are our recommendations:

1. Replace the Deputy Administrator position with a Chief Executive Officer position. The CEO should become a member of the Board. This is a corporate model that recognizes that policy and implementation leadership must be integrated in a complex organization. It would allow the Licensed Administrator to focus on code compliance, survey preparation, regulatory and legal requirements, and related matters. The current Deputy Administrator would be highly suitable for this position. He is a highly regarded retired Marine officer, gifted leader, and educator whose addition already has made a notable mark on the Vermont Veterans' Home. In our opinion, this cannot happen quickly enough given the somewhat fragile current state of the Home. A fast track learning process has been offered by VHCA and NASVH. In our experience, mid-career changers into this field learn quickly and provide much added value due to their other career experiences.

   It is increasingly common for health care organizations to combine Board and CEO positions. Such a move reflects the complexities of organizations that require Board members having ready guidance to policy formation expertise, and then being able to ensure that these policies are fulfilled by management processes that fully "buy-in" to and integrate with the policies, with the full responsibility and accountability for the change. This often happens best with a full time chief executive who is both a board member and leader, and the staff and management leader.

   In Vermont, an example of this approach is Central Vermont Medical Center. The President and CEO is also a member of the Board of Trustees, and serves on the Executive, Governance and Human Resources, Finance and Audit, Medical Staff Executive, Quality Council, and Risk Management Committees. Another example is the Vermont Association of Hospitals and Health Systems. The VAHHS Board includes the following members: "The hospital CEOs of our member institutions as well as four hospital and health system trustees, and the president of VAHHS."

2. Possibly in concert with the position modification above, consideration should be given to using specialized management consultants to help devise and implement the turnaround plan of the new Chief Executive Officer. We foresee a significant financial and

organizational turnaround, but not in the very short term or without some initial investment given the state of the Vermont Veterans' Home currently.

3. In order to provide a more rational and business-like organization, senior management positions at the Vermont Veterans' Home should be made exempt to enhance accountability, flexibility, and management responsiveness.

4. The organizational turnaround plan to be directed and coordinated by the CEO and the specialized management consultants should include at least the following elements:

- Assurance of continued improvement in the survey and compliance process and results.
- Continued progress in admissions, marketing, education, and overall census.
- Specific improvement work plans for senior managers as needed, with measurable results and actions. This would include administration, nursing and finance.
- Improvements in nursing, in particular, including revisiting the scheduling pattern, use of part time staff, supervisory structure, communications, support to the line staff, and so forth.
- Improving overall communications and relations between management and staff members.
- Developing a sustainable long range plan for the organization.

5. Proceed with a transition team and plan to permanently reorganize the governance model of the Vermont Veterans' Home to support a sustainable well-functioning organization. The Maine Veterans Homes model appears to provide the most long range benefit of the models considered. Otherwise, long range contract management should be considered with discussions and a request for proposal from pre-qualified firms with both Veterans home and nursing home expertise and a positive track record and results.

Given the critical financial, census, and federal enforcement circumstances of the Vermont Veterans Home, the immediate short term steps could be as follows: Create a CEO and Board position "leader" with the tools and mandate to retain suitable consultants, and create and implement a turnaround plan; and/or retain a qualified contract management firm to provide a team to manage the organization and the turnaround process. Once this was reasonably accomplished or underway, proceeding with a transition team to implement the management and governance reorganization as proposed in recommendation #4 would be a longer range and more permanent solution to achieve organizational stability and viability.

Although there are plenty of areas for improvement and growth at the Vermont Veterans' Home as identified by the consultants and during the course of the interviews, signs of management progress have emerged in the course of this study. These include the Administrator having hired a Deputy Administrator whose leadership style and ability are a very good fit for VVH at this point in time, census being on the increase during the study, and customer satisfaction has been improving quarter by quarter with a very favorable current result.

ATTACHMENT A: SPECIFICATIONS OF WORK TO BE PREFORMED

The contractor will perform work consistent with 2013, No. 1, § 53; One-time Vermont Veterans' Home Management Review Appropriation.

Elements of this review will include:

1. An independent review of the management and operations of the Vermont Veterans' Home.
    a. To complete this review the contractor will perform the following tasks:
        i. A planning meeting with the Secretary of Administration
        ii. Interviews with available Vermont Veterans' Home staff and board members to gain an understanding of the current working environment and areas of potential operational improvement;
        iii. Review relevant documentation related to state and Vermont Veterans' Home policies and processes;
        iv. Research projected medium-and-long-term demand for services and implications for the service mission of the Vermont Veterans' Home;
        v. Review current fiscal management practices, including knowledge of and compliance with State internal financial policies, procedures and practices;
        vi. Review and assess the current staffing levels;
        vii. Research and review alternative governance structures.
        viii. Review other issues relevant to the successful administration of the Vermont Veterans' Home.

2. The contractor will develop a concise written summary report including recommendations addressing the results of the independent review topics outlined above.

3. The contractor will deliver a draft of the report to the Secretary of Administration on or before July 15, 2013, with the final document to be delivered on July 31, 2013.

In addition to the review the contractor will:

1. Undertake related professional activities as needed and appropriate.

2. Present review findings in up to two presentations to be scheduled by the Secretary of Administration on or before October 30, 2013

The period of the contractor's performance shall begin on May 1, 2013, and conclude no later than October 30, 2013.

PINNACLE™

QUALITY INSIGHT

HIPAA PROTECTED DATA

This document contains confidential information, protected by law, regarding recipients of health care services. This information is being provided as permitted under HIPAA regulations and provisions governing treatment, payment, and operations. If you are not authorized to view HIPAA-sensitive data pertaining to **VERMONT VETERANS HOME**, do not read, distribute, or reproduce this document or the information it contains. If you have received this document in error, please destroy it.

PINNACLE™ QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted:

Placement / Discharge Reason: I chose Vermont Veterans mainly because they have different levels of dementia care, and many other centers don't.

How often do/did you visit/contact? He is an hours drive away so I visit once a week and call once a week.

Areas Appreciated:

I really appreciate the compassion and understanding of the staff. They treat everybody like individuals and like they are human.

Recommended Improvements:

Nothing noted.

Ratings:		Clarifiers:
Overall Satisfaction:	5	
Nursing Care:	5	
Dining Service:	5	
Quality of Food:	5	He has to be fed and the food is pureed but there is a good variety.
Cleanliness:	5	
Individual Needs:	5	
Laundry Service:	5	He always has clean clothes on and looks well-cared for.
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	I have recommended them to many other people.
Recreational Activities:	4	He has no mobility so I'm not sure how much he does.
Professional Therapy Services:	4	I believe he has had some therapy periodically.
Admission Process:	5	
Overall Safety:	5	

What is valued most? **Most important is that he is content.**

PINNACLE™ QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

DISCHARGE

Name:

Person Contacted: /

Placement / Discharge Reason: Number one, he is a veteran, number two, after we Googled on line we liked the looks of the place, and number three, they had a bed open. / Expired.

How often do/did you visit/contact? I visited two or three times a week.

Areas Appreciated:

The staff were so good. They were overworked and understaffed but they did so much for the residents.

They had a Namaste Room, that was wonderful.

Recommended Improvements:

Very few things could be better but sometimes they were understaffed.

Ratings:		Clarifiers:
Overall Satisfaction:	4.5	
Nursing Care:	5	
Dining Service:	5	They had feeders to help the residents and they did a good job.
Quality of Food:	4	I was usually there for lunch time and it was always very good, except for once or twice.
Cleanliness:	5	
Individual Needs:	5	
Laundry Service:	4.5	He was always in clean clothes.
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	I will recommend them to anyone, always. The grounds are beautiful, it's spacious and he enjoyed the fish pond.
Recreational Activities:	5	
Professional Therapy Services:	NS	He wasn't able to do therapy. They might have been able to do more at just moving him around.
Admission Process:	4	
Overall Safety:	5	
Adjustment to Home:	NA	

PINNACLE™
QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

DISCHARGE

Name:

Person Contacted:

What is valued most? **It was important that he was kept clean and comfortable.**

PINNACLE
QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interview

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted:

Placement / Discharge Reason: She had been in Vermont Veterans Home before and wanted to go back after being in a center near me in Pennsylvania.

How often do/did you visit/contact? We talk every day and I visit when I can. My sister lives near her and visits every other day..

Areas Appreciated:

The care is wonderful.

I appreciate that there are no odors.

Recommended Improvements:

Nothing noted.

Ratings:		Clarifiers:
Overall Satisfaction:	5	
Nursing Care:	5	
Dining Service:	5	
Quality of Food:	4	
Cleanliness:	5	
Individual Needs:	4	
Laundry Service:	5	
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	I have already recommended them to others.
Recreational Activities:	4	They don't have as many activities as where she was before.
Professional Therapy Services:	5	
Admission Process:	5	It was easy because they transferred her.
Overall Safety:	NS	I can't rate that; I'm not sure.

What is valued most? **It's important to me that she gets attention when she needs it and is comfortable.**

PINNACLE™ QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted:

Placement / Discharge Reason: He is a veteran.

How often do/did you visit/contact? I visit him once a month or more.

Areas Appreciated:

It's very good and it was impossible for him to get appreciated care in his home. He went to VVH for rehab and they provide meals and activities. He has gained weight and is doing very well.

They are so good to call me for anything.

Recommended Improvements:

His room and closet are very messy. There are always diapers and supplies on the window sill, and nothing is put away very good.

Ratings:		Clarifiers:
Overall Satisfaction:	4.5	
Nursing Care:	4.5	His primary nurse I would rate a five. Some other nurses are new and not as good as previous nurses.
Dining Service:	5	
Quality of Food:	5	
Cleanliness:	5	
Individual Needs:	5	
Laundry Service:	3.5	His clothes could be folded and they should be hung on hangers.
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	If I were a veteran that's where I would want to go, they are top of the list.
Recreational Activities:	4.5	
Professional Therapy Services:	5	He isn't able to do therapy now.
Admission Process:	5	It was quick and easy.
Overall Safety:	5	

PINNACLE™
QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted:

What is valued most?

It's important that if they are caring for him the way I would want a parent to be cared for, I would look at the cleanliness, food and his ability to eat. I would want him to participate in the quality of life he would be able to handle at this stage in his life.

PINNACLE™ QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted:

Placement / Discharge Reason: He is a veteran.

How often do/did you visit/contact? I visit him every day.

Areas Appreciated:

I really love the girls that work there, they are excellent to him and to me.

Recommended Improvements:

Not really.

Ratings:		**Clarifiers:**
Overall Satisfaction:	5	
Nursing Care:	5	
Dining Service:	5	
Quality of Food:	4	He is very fussy but anything he wants, they give him.
Cleanliness:	5	
Individual Needs:	5	
Laundry Service:	5	
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	I would definitely recommend them.
Recreational Activities:	5	
Professional Therapy Services:	NS	No, he doesn't have therapy.
Admission Process:	NS	I didn't do the admission.
Overall Safety:	5	

What is valued most? **It's important that when I leave they take good care of him and are keeping him content.**

PINNACLE™ QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted

Placement / Discharge Reason: Dad is a veteran and they have very good ratings.

How often do/did you visit/contact? I visit once every two weeks.

Areas Appreciated:

They are happy, clean and they receive good care.

Recommended Improvements:

Nothing noted.

Ratings:		**Clarifiers:**
Overall Satisfaction:	5	
Nursing Care:	5	
Dining Service:	5	
Quality of Food:	4	
Cleanliness:	5	
Individual Needs:	5	
Laundry Service:	5	
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	It's a nice place.
Recreational Activities:	5	
Professional Therapy Services:	5	Both are receiving physical therapy.
Admission Process:	5	
Overall Safety:	5	

What is valued most? **Most important to me is that they are safe and well-cared for.**

PINNACLE
QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

CURRENT RESIDENT

Name:

Person Contacted:

Placement / Discharge Reason: Bill is a veteran so we chose Vermont Veterans Home for their care.

How often do/did you visit/contact? I talk to them three times a week and visit them twice a week.

Areas Appreciated:

They are giving my mother really good care. When she went in she wasn't able to walk at all and she had a hole in her foot. She is now walking with a walker and doing great.

Recommended Improvements:

Nothing noted.

Ratings:		Clarifiers:
Overall Satisfaction:	5	
Nursing Care:	5	
Dining Service:	5	
Quality of Food:	4	Sometimes they aren't real happy with the meal but nothing specific.
Cleanliness:	5	
Individual Needs:	5	
Laundry Service:	5	
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	They give great care, it's very clean and they are very concerned with the residents' needs.
Recreational Activities:	5	
Professional Therapy Services:	5	They are given therapy whenever they need it. I think Bill may be getting some still but Mom has finished for now.
Admission Process:	5	
Overall Safety:	5	

What is valued most? **It's important to me for the staff to meet their needs, and keep them fed and clean.**

PINNACLE QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

DISCHARGE

Name:

Person Contacted:

Placement / Discharge Reason: He was a veteran, but more important they were chosen because of other friends and family that have had positive experiences that we have known about. / Expired.

How often do/did you visit/contact? I visited him once a week.

Areas Appreciated:

I appreciated the care.

The nurses would call me regularly and tell me the jokes he would tell them because he was such a character and kept them laughing. One of the nurses even stayed with him while he was passing and held his hand.

Recommended Improvements:

I will recommend that they make sure the nurses know how appreciated they are for what they do.

Ratings:		Clarifiers:
Overall Satisfaction:	5	Excellent!
Nursing Care:	5	
Dining Service:	4	
Quality of Food:	4	He loved the food.
Cleanliness:	5	
Individual Needs:	5	His needs were met 100%.
Laundry Service:	4	
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	Very much so, I would say the dignity they treat their residents with is impressive.
Recreational Activities:	5	Everybody was different and they treated them with whatever their individual needs were.
Professional Therapy Services:	5	I didn't see a lot of therapy, but it had to have been doing something to help him for five years, he still remained a happy character.
Admission Process:	5	
Overall Safety:	5	

PINNACLE QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

DISCHARGE

Name:

Person Contacted:

Adjustment to Home:	NA
What is valued most?	**It's important that he was provided so many very positive things, but they provided hope and a very optimistic future day to day, a good life.**

Rating scale based on one to five, five being the highest. NS = No Score given. For internal quality assessment purposes only. Privileged information. PCC #87

PINNACLE™ QUALITY INSIGHT

CUSTOMER SATISFACTION

Feedback Interviews

April 2013

VERMONT VETERANS HOME

ANONYMOUS

Name:

Person Contacted:

Placement / Discharge Reason: (The resident) is a veteran and Vermont Veterans had the only bed available.

How often do/did you visit/contact? I visit five days a week.

Areas Appreciated:

I most appreciate the staff.

Recommended Improvements:

The food could be better. They have hired a new cook and are making new menus, different variety and maybe less chicken.

Ratings:		Clarifiers:
Overall Satisfaction:	4	
Nursing Care:	5	
Dining Service:	4	
Quality of Food:	2	See Recommended Improvements.
Cleanliness:	5	
Individual Needs:	4	
Laundry Service:	5	
Communication from Facility:	5	
Response to Problems:	5	
Treatment/Dignity/Respect:	5	
Recommend Facility to Others:	5	I would say that the food isn't the greatest.
Recreational Activities:	5	
Professional Therapy Services:	NS	(The resident) doesn't receive therapy.
Admission Process:	NS	It's hard to remember.
Overall Safety:	5	

What is valued most? **It's important for me to know that (the resident) is responded to promptly.**

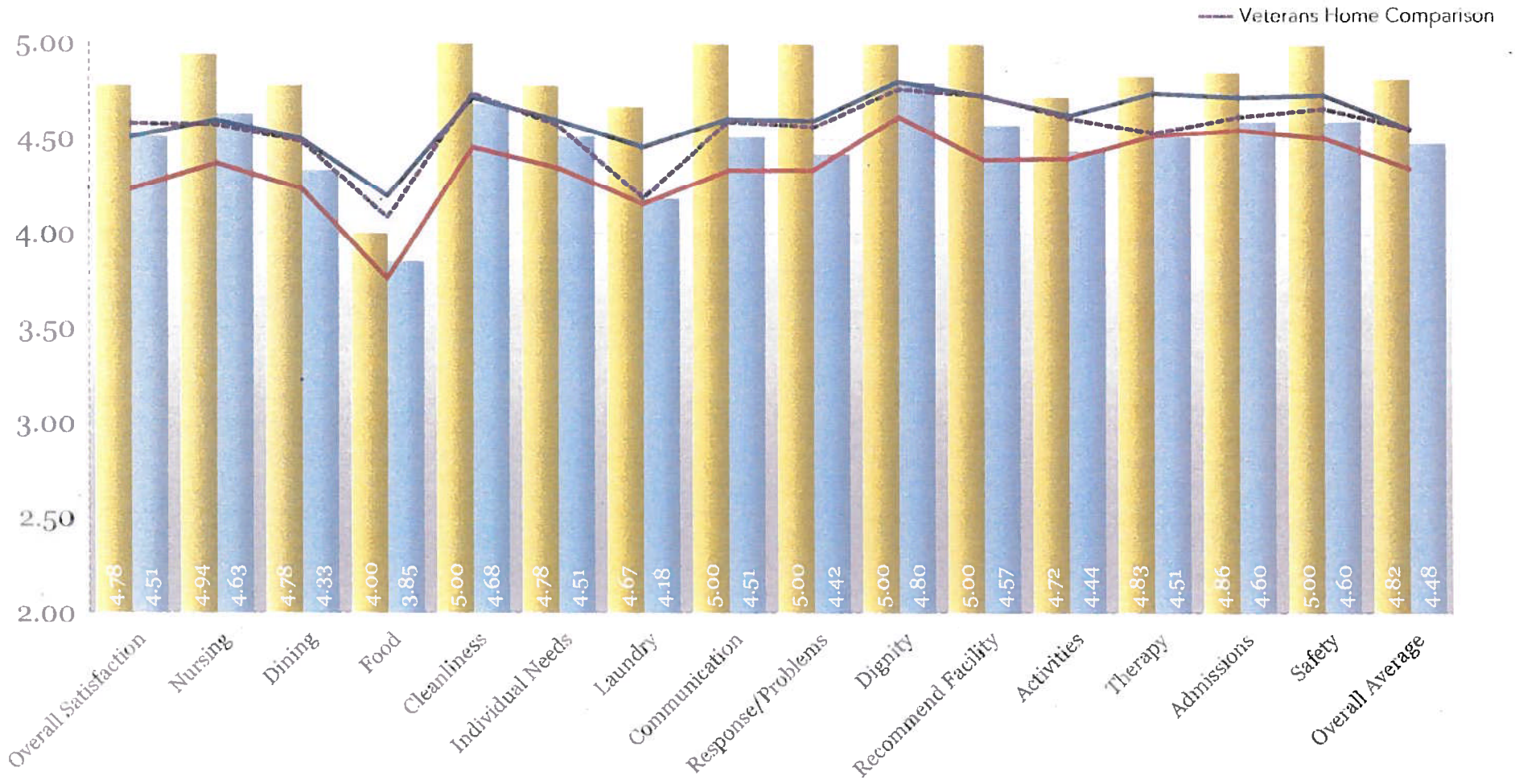
PINNACLE

CUSTOMER SATISFACTION

Trends and Comparisons

April 2013

VERMONT VETERANS HOME



PINNACLE

DASHBOARD - VERMONT VETERANS HOME

The following report displays the average score for the last month, last 3 months, and last 12 months. The variance shows the difference from the Pinnacle Average. The National Average, Best in Class Level and Company Average (if applicable) are listed for comparative purposes. The quarterly scores are rolling quarters. The arrows indicate if the recent quarter is above or below the average of the previous three quarters. The report also shows the percentages of positive responses (4s and 5s) and negative responses (1s and 2s).

	Customer Satisfaction Scores						Comparisons			Quarterly Scores				Response Percentages					
	Apr 13		Last 3 Months		Last 12 Months		National	Best in	Corp.	Feb-	Nov-	Aug-	May-	Top 2 Satisfied			Bottom 2 Dissatisfied		
KEY INDICATOR	AVG	Variance	AVG	Variance	AVG	Variance	AVG	Class	AVG	Apr	Jan	Oct	Jul	Month	QRTR	Year	Month	QRTR	Year
Overall Satisfaction	4.78	0.55	4.61	0.38	4.51	0.28	4.23	4.51	-	↑ 4.61	4.49	4.50	4.46	100%	96%	92%	0%	0%	2%
Nursing	4.94	0.58	4.72	0.35	4.63	0.26	4.37	4.60	-	↑ 4.72	4.66	4.57	4.58	100%	93%	93%	0%	0%	0%
Dining	4.78	0.55	4.40	0.17	4.33	0.10	4.23	4.50	-	↑ 4.40	4.26	4.36	4.32	100%	92%	94%	0%	0%	2%
Food	4.00	0.24	3.89	0.13	3.85	0.09	3.76	4.20	-	↑ 3.89	3.88	3.75	3.89	89%	67%	67%	11%	7%	8%
Cleanliness	5.00	0.55	4.69	0.23	4.68	0.23	4.45	4.72	-	↑ 4.69	4.85	4.63	4.56	100%	89%	97%	0%	0%	0%
Individual Needs	4.78	0.43	4.59	0.25	4.51	0.17	4.34	4.60	-	↑ 4.59	4.61	4.47	4.39	100%	93%	94%	0%	0%	0%
Laundry	4.67	0.51	4.37	0.21	4.18	0.03	4.15	4.46	-	↑ 4.37	4.12	4.18	4.10	89%	88%	87%	0%	4%	6%
Communication	5.00	0.67	4.65	0.32	4.51	0.18	4.33	4.61	-	↑ 4.65	4.55	4.44	4.43	100%	93%	93%	0%	0%	1%
Response/Problems	5.00	0.67	4.39	0.05	4.42	0.09	4.33	4.60	-	↓ 4.39	4.47	4.40	4.41	100%	81%	88%	0%	0%	3%
Dignity	5.00	0.38	4.89	0.27	4.80	0.18	4.62	4.81	-	↑ 4.89	4.82	4.74	4.76	100%	100%	97%	0%	0%	0%
Recommend Facility	5.00	0.61	4.63	0.24	4.57	0.18	4.39	4.73	-	↑ 4.63	4.65	4.49	4.53	100%	93%	93%	0%	4%	3%
Activities	4.72	0.32	4.44	0.04	4.44	0.04	4.40	4.63	-	↑ 4.44	4.36	4.45	4.52	100%	88%	92%	0%	4%	3%
Therapy	4.83	0.31	4.50	-0.02	4.51	-0.01	4.52	4.75	-	↓ 4.50	4.68	4.33	4.60	100%	100%	92%	0%	0%	1%
Admissions	4.86	0.31	4.62	0.07	4.60	0.05	4.55	4.73	-	↑ 4.62	4.62	4.53	4.63	100%	100%	97%	0%	0%	1%
Safety	5.00	0.49	4.67	0.17	4.60	0.09	4.51	4.74	-	↑ 4.67	4.59	4.54	4.59	100%	96%	95%	0%	0%	1%
Overall Average	4.82	0.47	4.54	0.19	4.48	0.13	4.35	4.56	-	↑ 4.54	4.51	4.44	4.45	0%	0%	0%	0%	0%	0%

Congratulations, the Key Indicators bolded blue have qualified as Best in Class.

Total Respondents: April: 9 Quarter: 27 Year: 137

PINNACLE

CUSTOMER SATISFACTION

Monthly Trends

April 2013

VERMONT VETERANS HOME

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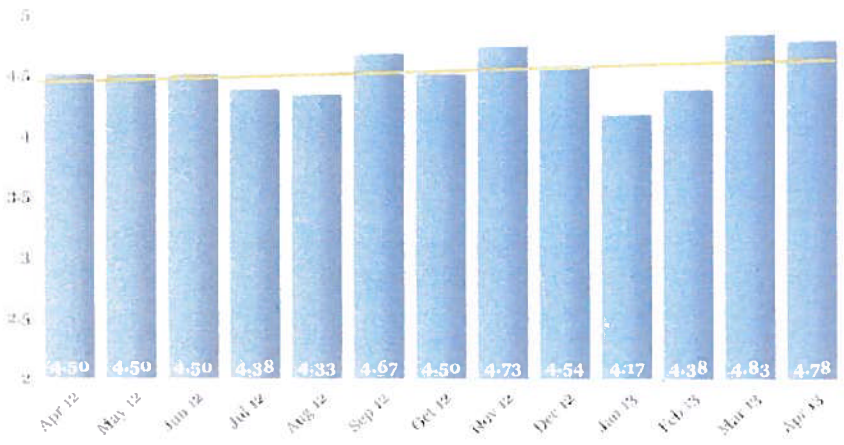
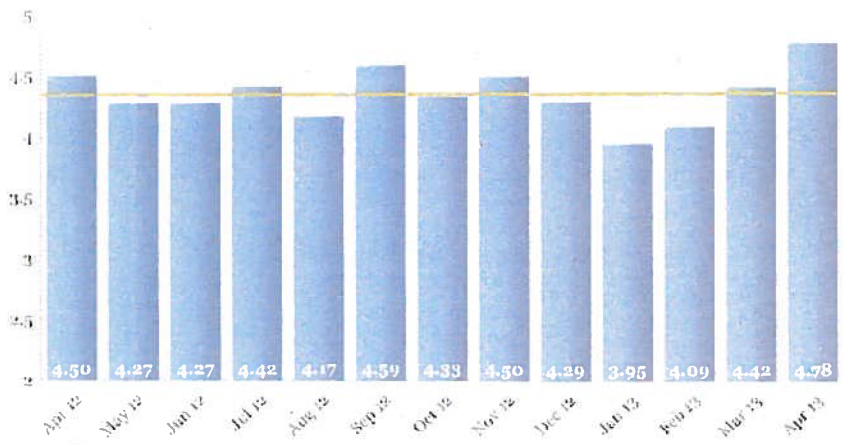
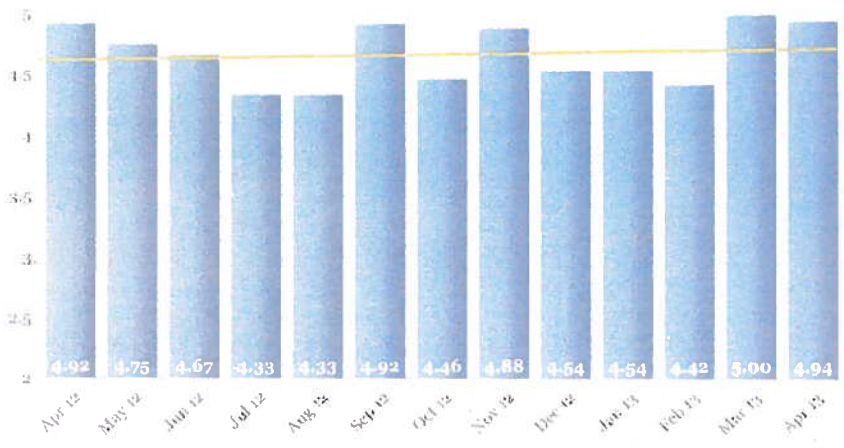
Overall Customer Satisfaction



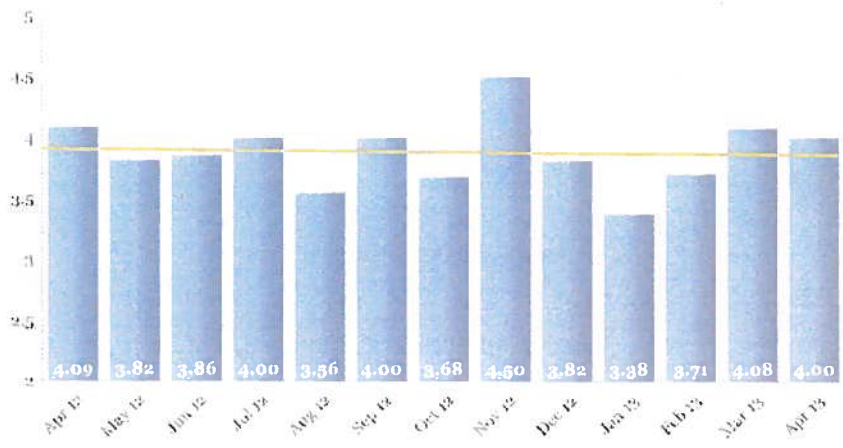
Dining Service



Nursing Care



Quality of Food



PINNACLE

CUSTOMER SATISFACTION

Monthly Trends

April 2013

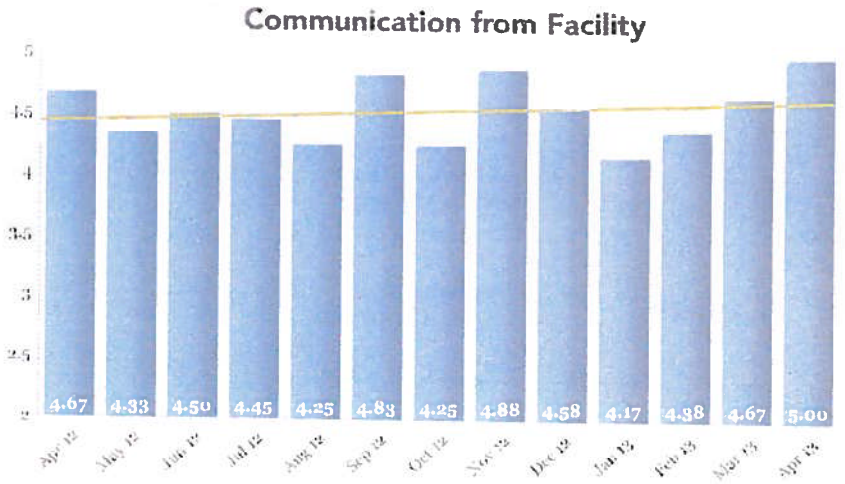
VERMONT VETERANS HOME

Facility Cleanliness

Laundry Service

Individual Needs

Communication from Facility



PINNACLE

CUSTOMER SATISFACTION

Monthly Trends

April 2013

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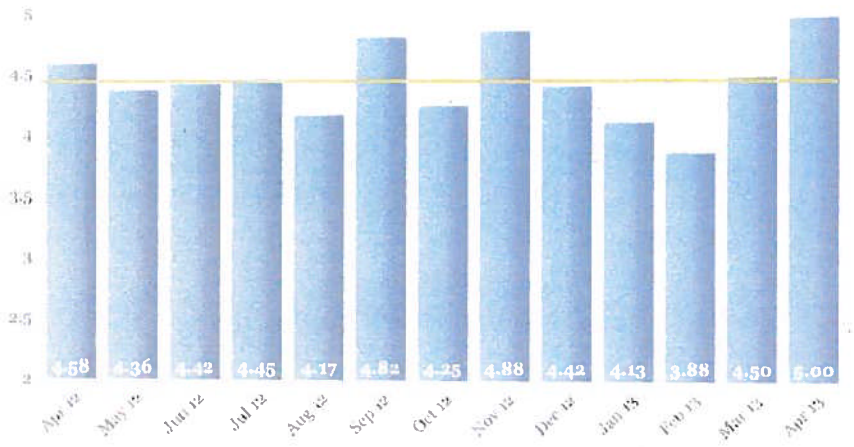
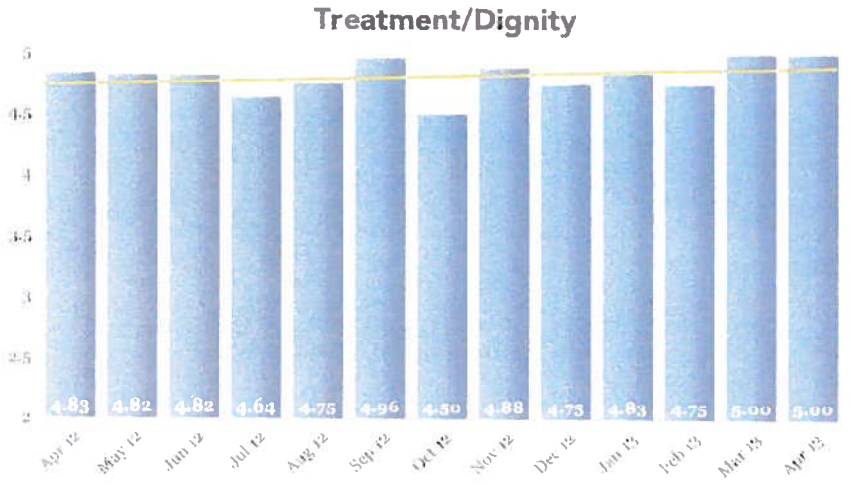
VERMONT VETERANS HOME

Response to Problems

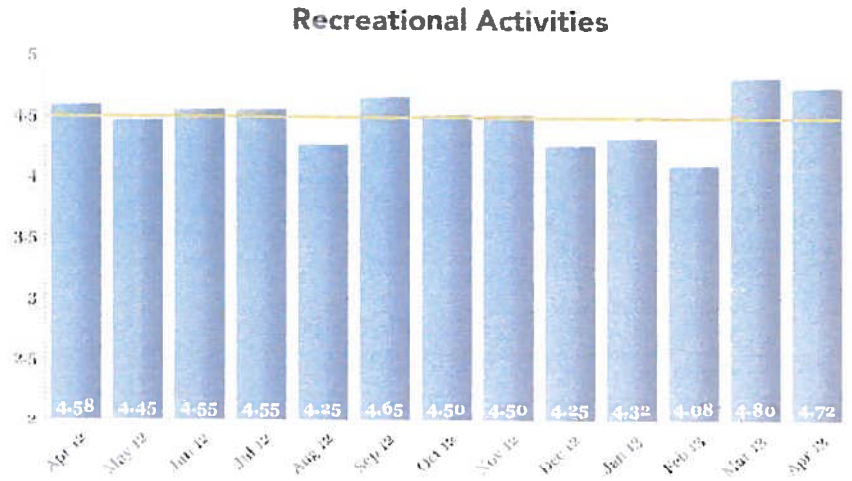


Recommend Facility to Others

Treatment/Dignity



Recreational Activities



PINNACLE

CUSTOMER SATISFACTION

Monthly Trends

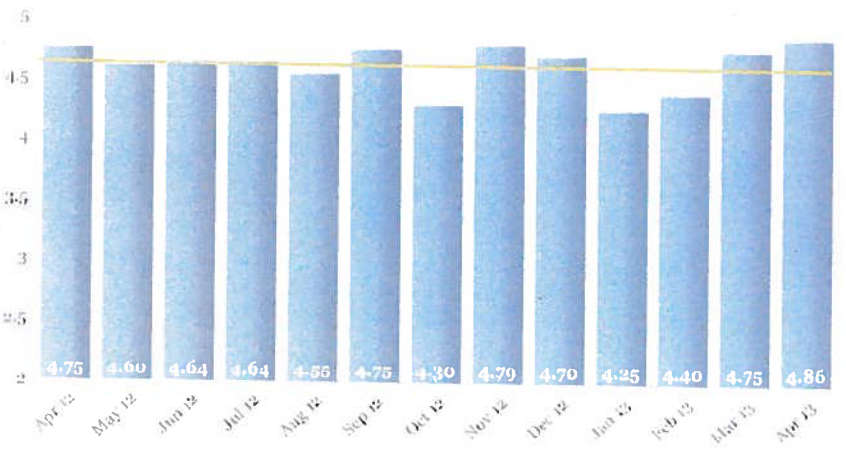
April 2013

VERMONT VETERANS HOME

Professional Therapy Services

Overall Safety

Admission Process



Overall Average