



Kentucky Association of Health Care Facilities ♦ Kentucky Center for Assisted Living

Annual Report 2018



Representing Kentucky's Care Providers

Chairman's Message



It has been an eventful first year serving as your Kentucky Association of Health Care Facilities Board Chair. I consider it an honor and a privilege to represent you as we continue moving the long-term care provider community forward in Kentucky.

The Association has been busy working on your behalf in Frankfort and Washington, D.C. We continue to focus on reimbursement, regulatory and legislative issues that directly impact our members. Association staff and other members regularly visit and discuss these issues with government officials and legislators to ensure our voices and concerns are heard. Many of you take advantage of our continuing education to keep up with the ever-changing regulatory and reimbursement arena.

As operators, we are facing unprecedented challenges. Declining occupancy rates, flat Medicaid reimbursement, and the increasing cost of liability insurance are placing financial burdens on facilities. The nursing facility sector is also seeing workforce challenges in the areas of recruitment and retention. As reimbursement remains flat, workforce costs continue to go up. Your Association will be calling on our membership to engage your legislators to help them understand these important issues.

However, with all challenges – there are also opportunities. In May, the KAHCF membership voted to adopt the Kentucky Center for Assisted Living (KCAL) bylaws, which will allow the Association to extend its expertise further in the care continuum.

From the time I started in long-term care, I was encouraged by mentors to take an active role in our Association. Through committee participation, board leadership, grass-roots advocacy and education, I have benefited personally from being part of a small group and showing up.

Our Association is made up of insightful individuals who collectively can make a difference. Encourage your facility leadership and frontline staff to be active participants in our Association. Our collective knowledge and combined efforts make a difference.

We need each other and the Association needs you more than ever. I look forward to continuing to serve you.

Sincerely,

Terry Skaggs

Wells Health Systems

Public Policy and Advocacy

The Kentucky Association of Health Care Facilities (KAHCF) was successful in working with both Senate and House leadership to see the bipartisan passage of SB 123, which related to nursing facility beds approved by the state health plan. SB 123 effectively stopped an executive branch pilot project that could have resulted in the addition of unnecessary nursing facility beds in 4 Kentucky counties. The key parts of SB 123, sponsored by Senate President Robert Stivers and co-sponsored by Senator Max Wise were:

- The state health plan, as defined in KRS 216B.015, shall not permit any applications establishing nursing facility beds under a pilot program for post-acute transitional care in any county where the state health plan long-term care bed need calculations show that there is not a need for long-term care beds in the county.
- The long-term care bed need calculations shall be the calculations that were in effect as of January 5, 2018.
- This section expires on the completion of any pilot program for post-acute transitional care permitted by the state health plan.

Additionally, the biennial budget maintained Medicaid funding for skilled nursing facilities. The budget included tax provisions to generate \$400 million in additional revenue over the next years with a cigarette tax increase of 50 cents per pack and expanding the state sales tax to some services. It also created a flat 5 percent tax for personal corporate income taxes in Kentucky.

Once again, it was the KAHCF Members that deserve the credit for their advocacy efforts in Frankfort. Successful advocacy started with more than 60 Members gathering for a “Day in Frankfort” to educate their legislators on long-term care issues. Throughout the session, Members continued to call, email and visit legislators to express support for numerous bills.



Morganfield Nursing and Rehab's LaDonna Tapp (left) and Mary Wood (right) met with Rep. Suzanne Miles (R-Owensboro) during KAHCF'S Day in Frankfort.

Regulatory

The revised October 2016 Requirements of Participation (RoP) for Medicare and Medicaid went into effect in July 2017. The final rule included a three (3) phase Person Centered Care concept implementation process and a new F-tag numbering system. Revised interpretive guidance (Appendix PP) was issued in September 2017, and, in November 2017, members began experiencing a revised blended Quality Indicator Survey (QIS) and Traditional Survey Process as well as new Emergency Preparedness requirements and survey process.

KAHCF participated in the Centers for Medicare and Medicaid (CMS), American Health Care Association (AHCA) and the Office of Inspector General (OIG) State Survey Agency RoP and new survey process trainings to keep members informed.

KAHCF shared survey and regulatory information with members via committee meetings, member newsletters, KAHCF trainings, and regulatory alerts to assist members in the transition to the new requirements and processes. KAHCF is in frequent communication with the OIG and meetings occur on a quarterly basis to request information and guidance on issues such as transfer and discharge, abuse/neglect and the implementation of RoP Phase II and III requirements. Members are encouraged to contact KAHCF with survey and compliance questions and concerns.

Reimbursement

- On July 1, 2017, the Department for Medicaid Services increased the urban and rural price by .1% for capital and non-capital components for the fourth year in a row. The Association requested the Department for Medicaid Services increase the provider tax to the maximum amount allowed by state law to supplement an inflationary increase. The Association was unable to persuade the Department for Medicaid Services to increase the provider tax, and at the time of this writing, is waiting on a decision on an inflationary increase.
- Changes to the state's Benefind eligibility system implemented in early 2016 has posed challenges for providers, but as a result of the Association meetings with the state, outstanding Medicaid pending cases decreased by 64% and Medicaid pending account balances dropped from \$12.4 million to \$3.3 million for providers surveyed. At the time of this writing, the Association is continuing to monitor this issue to ensure the trend doesn't reverse.
- On the Medicare front, the Centers for Medicare & Medicaid Services (CMS) issued a Notice of Proposed Rule Making (NPRM) containing a 2.4% market basket increase for providers effective October 1, 2018. However, the biggest change announced in the NPRM was CMS' proposal to change the current RUGs payment system to a Patient Driven Payment Model (PDPM) to be implemented on October 1, 2019. The Association will disseminate information through its committees, newsletters and educational events regarding this important proposed shift in payment methodology.

Event Sponsors

Thanks to these vendor members for sponsoring events during fiscal year 2017-18

360 Care
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Dean Dorton Allen Ford, PLLC
DMLO CPAs
Ecolab
Encore Rehabilitation Services
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Forcht Pharmacy Inc.
Gerwick Purchasing, LLC
GrandView Pharmacy
Hargis & Associates, LLC

Healthcare Services Group
Healthcare Therapy Services, Inc.
HPSI Purchasing Services
It's Never 2 Late
Kentucky Health Care Foundation
Logan's Healthcare Linen Systems
Magnolia LTC Management Services, Inc.
MainPointe Pharmaceuticals
MatrixCare
McBrayer, McGinnis, Leslie & Kirkland, PLLC
Med Care Pharmacy
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Mobilex USA
Omnicare – A CVS Health Company
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Stites & Harbison, PLLC
Tena/SCA
The Compliance Store
Thompson, Miller & Simpson, PLC
USI Insurance Services
Vertis Therapy

Professional Development

The Association focused its educational offerings this year on the Requirements of Participation preparing members for Phase II that went into effect November 28, 2017, and on the upcoming Phase III. Highlights of the year's offerings include:

KAHCF 2018 Webinar Series: Mastering Regulations, Red Tape & Resident Care: This year-long webinar series focused on the top nationally cited deficiencies according to the new Long Term Care Survey Process (LTCSP) with review of the regulation and analysis of the associated Interpretive Guidance. KAHCF partnered with Proactive Medical Review on this series.

KAHCF partnered with the Office of the Inspector General to provide training on the *New CMS Nursing Facility Requirements of Participation Survey Process*. This two-day Provider Training for was held in Bowling Green. The Kentucky Office of Inspector General, CMS' designated State Survey Agency, provided an in-depth overview of the new CMS Nursing Facility Requirements of Participation (RoP) and survey process.

- 75 Educational Sessions Provided
- 2,000 Overall attendees
- 200 accredited hours provided
- 725 Registered for 2017 Annual Meeting
- 145 booths sold and of those booths we have over 300 vendors attending.

Nursing Home Infection Prevention Program...Nipping Infections in the Bud © This two- and-half days of training provided by RB Health Partners offers attendees an effective infection control and prevention program and the opportunity to take an overall examination upon completion of this program. KAHCF offers this training on a quarterly bases.

Game Plan for Success – Learning the Playbook Puts You in Position to Win was the theme for the 2017 Annual Meeting. Mark Parkinson, President and CEO of AHCA/NCAL presented the Opening General Session on recent changes to the long-term care environment, opportunities for improvement, and how long-term care providers can win using the right resources.

2018 Quality Summit, Dive Deep into Key Changes was held for the first time in May and was at a new location in Lexington. The sessions gave attendees up-to-date educational offerings focusing on key changes in long term care, assisted living and personal care. New this year was the KAHCF Membership Meeting, the Lunch & Learn, and the Splish Splash Reception with the 19 overall vendor member sponsors.

Quality Awards Program

The Public Relations Committee was overwhelmed with the response to the first Best of Kentucky – Nursing and Rehabilitation Award at the 2017 Quality Awards Banquet as 21 facilities were recognized with this recognition! Facilities used the logo in their own marketing, including social media, newspaper ads and even t-shirts. One recipient said that they saw an increase in inquiries after running the announcement in their local paper. Nearly 200 entries were submitted and 77 were recognized at the banquet.



Public Relations

The Association uses mainstream and social media to promote members throughout the year. In 2017:

Known Newspaper Articles: 52
Facebook Posts: 350
Facebook Likes (Total): 2,075
Twitter: 1,245 Tweets

Heroes of Long-Term Care Issues – 2017 Quality Award Winners; 2018 National Skilled Nursing Care Week CareLink – Workforce Retention; Caring for those with Dementia

