

2013 ANNUAL REPORT

Kentucky Association of Health Care Facilities



Painting a Picture of Quality



Providing a Voice for Kentucky's Long Term Care Provider

Message From the Chair

As I began my first year as your Association Board Chair back in 2011, I knew that one of my greatest challenges would be addressing the constant barrage of attacks from the personal injury lawyers who have infiltrated our state solely for the purpose of suing our nursing homes. I was constantly being asked how the Association was going to address the relentless stream of advertisements on television, radio and billboards, and in newspapers from the personal injury lawyers soliciting lawsuits in hopes of collecting massive contingency fees.



During these past two years, the Association developed a fair, reasonable, and proven solution to the overly litigious environment facing our profession by proposing a medical review panel process for potential claims against nursing homes. Several states around the country have implemented this same process.

We started this legislative agenda in 2012 by introducing a Medical Review Panel bill in the House (House Bill 361), but, unfortunately, it was never voted upon. This past session, we introduced the bill in the Senate (Senate Bill 9). It passed the Senate, but was never heard in the House.

KAHCF Strategic Objectives

- Influence Public Policy
- Affect State and Federal Reimbursement
- Promote Quality Initiatives
- Promote Positive Public Perception
- Promote Member Growth

While medical review panel legislation has not passed yet, we have made progress toward bringing the predatory practices of personal injury lawyers suing our Kentucky nursing homes to the forefront. I am proud to say that your Association, with the support of our lobbying team and public relations team, continues to educate legislators, the media, and the public about these issues and also educate them on the value of long term care in terms of jobs, services, and revenue for Kentucky. KAHCF remains committed to this effort and is now considering and evaluating our options going forward.

Of course, we all know that the first priority of all of us working in Kentucky's long term care community is providing quality care to our residents, and the Association provides its members the necessary tools to continue providing quality care. While your Association has already made a commitment to implement the AHCA/CMS Quality Initiative Program, a KAHCF Quality Initiative Subcommittee has been established. This Subcommittee will monitor Kentucky's Quality Measures data; make recommendations on educational topics to ensure our data continues to improve; and identify and recommend nationally recognized speakers to present these educational programs. This Subcommittee is currently in the formulation phase, and I am excited about the possibilities that lie ahead.

In conclusion, I share a statement from AHCA President Mark Parkinson in the 2012 AHCA Annual Report — "Our mission is to improve lives by delivering solutions for quality care." This statement speaks for all of us in long term care. I look forward to seeing the delivery of our solutions for quality long term care.

Sincerely

Wanda Meade, *Regional Vice President, Diversicare*



Past Ira O. Wallace Award recipients with the 2012 winner, John Vinson, Jr.

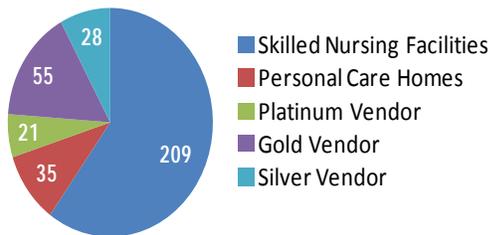
KAHCF endorses and encourages its members to meet AHCA's Quality Initiatives.

- ***Safely Reduce Hospital Readmissions***
- ***Increase Staff Stability***
- ***Increase Customer Satisfaction***
- ***Safely Reduce the Off-Label Use of Antipsychotics***

About KAHCF

Since its founding in 1954, the Kentucky Association of Health Care Facilities' mission has been to advocate for our members, and our vision is to represent all long term care in the Commonwealth of Kentucky. The Association's professional staff has a combined 151 years of experience in long term care settings, averaging 17 years per person. They serve on a variety of state and national groups, including: AHCA Survey and Regulatory Committee, AHCA Affiliate Policy Task Force, AHCA Quality Network, AHCA Long Term Care Meeting Professionals and Society of Long Term Care Communicators, KAHCF Quality Subcommittee, Kentucky Safety and Prevention Alignment Network (KSPAN), Kentucky State Regional Infection Prevention and Epidemiology Program (KSTRIPE), Kentucky Coalition for Person Centered Care (KCPC), NHQCC Advisory Council, Billing Work Group, Pharmacy Work Group, Quarterly Medicaid Advisory Council, Technical Advisory Council, and the MDS Task Force.

Association Membership by Type



KAHCF Executive Committee

Wanda Meade, Chair
Ken Urlage, First Vice Chair
Debra Finneran, Second Vice Chair
Teresa Kiskaden, Secretary
Chris Page, Treasurer
Greg Wells, Immediate Past Chair
Mary Haynes, Non Proprietary Chair

KAHCF Board of Directors

Sally Baxter, KY Board of Nursing Representative
Lisa Biddle-Puffer, Member-at-Large
Conjuna Collier, Northern Bluegrass District Director
Rick Foley, KY Medicaid Advisory Council Representative
Mike Gavin, Member-At-Large
Gail Gibbs, Eastern District Director
Jonathan McGuire, Midwestern District Director
Chris Minnich, Independent Owner Representative
Kim Nall, Facility Standards Committee Chair/KY Board of Licensure Representative
Mike Sims, Western District Director
Terry Skaggs, Payment for Services Committee Chair
Jo Anne Tinsley, Vendor Representative
John Vinson, Jr., Personal Care Committee Chair
Jean Wells, Legislative Committee Chair

Kentucky Health Care Foundation

The mission of the Kentucky Health Care Foundation, Inc., is to *enhance quality care through research, education, innovation, and partnership as supported by charitable contributions*. The Foundation, founded in 1998, is a 501(c)3 charitable, tax-exempt organization that has given individuals an opportunity to enhance their education and technical skills.

KHCF Board

Ken Urlage, President
Debra Finneran, Vice President
Mike Smith, Secretary/Treasurer
Sandra Higgins-Stinson, Board Member
Delbert Ousley, Board Member
John Vinson, Sr., Board Member
Greg Wells, Board Member



The Kentucky Health Care Foundation raises funds for scholarships with a raffle and silent auction.

Scholarships

One of the Foundation's most important goals is to aid in attracting and retaining quality employees for facilities in Kentucky in order to provide quality long term care for the elderly. **Since the Foundation's inception, a total of 107 scholarships have been awarded, totaling almost \$183,000.**

Professional Development

Learning across the state, throughout the year

Long term care professionals benefit from the KAHCF training, education, and networking opportunities that are offered at the local, regional, and state levels. KAHCF offers the tools and resources that LTC professionals need to deliver the highest quality of care. KAHCF offered 84 educational programs this year, totaling 345 continuing educational credits. Approximately 2,500 long term care providers attended KAHCF trainings over this year.

District Meetings & Seminars

KAHCF provided district locations on the Immediate Jeopardy and "Loved Ones, not Lawsuits" training in Louisville, Paducah, Bowling Green, London and Lexington. These trainings brought together 300 members and nonmembers for valuable information.

LTC Dietary Symposium

The symposium provided updates on state and federal regulations and the new "Dining Practice and Culture Change Standards" impacting long term care.

KAHCF Nurses Symposium

KAHCF and KADONA collaborated on a full-day program appropriate for all long term care team members. The program focused on CMS's Quality Initiatives and offered mandated continuing education for licensure renewal of the HIV/AIDS training required once every 10 years.

Changes to CMS Operations Manual (SOM) Appendix P

KAHCF provided this session that gave an overview of the changes by CMS regarding the traditional long term care federal survey process in Appendix P of the SOM and surveyor guidance for Advance Directives, End of Life and Feeding Tubes in Appendix PP of the SOM. Presenters were members of the Office of the Inspector General.

Webinar Series

Monthly webinars on a variety of topics were offered, including:

- Catching the HIPAA (Omni)Bus: What to do now to get in Compliance with the New HIPAA Rules
- Preventing Hospital Readmission and Managing Skilled Residents to Stability
- Making the Quality Indicator Survey Work for You Today
- How to Approach End of Life Conversation
- Fall Prevention: A Real Possibility

Education On-Demand

The Association partners with Silverchair Learning Systems, a distance learning program bringing education to staff to fit their schedules via online on-demand courses. Silverchair Learning Systems has its own website that can be accessed through www.kahcf.org by clicking on the Silverchair Learning System logo on the home page.

Annual Meeting & Trade Show

This year's theme focused on *Painting a Picture of Quality*.

- 1,200 professionals attended representing more than 200 long term care facilities.
- More than 100 exhibitors in the gallery touted the latest products and services, the best attended event of its kind in Kentucky.
- 35 educational offerings designed to equip staff with the latest information on a variety of issues to help them provide quality care every day.



Exhibitors register for the Annual Meeting and Trade Show

Spring Education Conference

Compelling educational offerings focused on quality improvement, compliance, and best practices, following the theme of the "Key to Quality: Putting the Pieces Together".

- 300 long term care professionals attended
- 18 educational offerings focused on the Quality Initiatives
- Agenda for district meetings included Association updates from staff

Technology

- KAHCF continues to embrace technology and deliver cutting edge communication tools.
- The Association launched a redesign of its KAHCF website in 2012, making it easier for members to find the latest information they need to meet the demands of this ever-changing profession.
- A new database is also in place, making it easier for you to register online using credit cards or invoicing for upcoming events.
- Be sure to regularly check the KAHCF Education calendar to register for upcoming training.

Visit www.kahcf.org!

Legislative

Strong Public Policy and Political Advocacy

As Kentucky's largest Association representing long term care facilities, KAHCF embraces the opportunity to share our profession's message with our state's elected officials and public policy makers. With an internal and external government affairs team, KAHCF utilizes its decades of experience in Frankfort to interact with legislators and government officials daily. KAHCF also utilizes its membership to contact and develop personal relationships and schedule facility tours, so our legislators can see and hear first-hand how their decisions impact long term care.

Legislative Efforts

- 43 different bills monitored during the 2013 Legislative Session
- All 138 Kentucky Legislators contacted by KAHCF Members
- Targeting Key Legislators:
 - House & Senate Leadership Officers
 - Health & Welfare Committee Members
 - Appropriations & Revenue Committee Members
- Led aggressive campaigns to pursue Medical Review Panel Legislation in 2012 & 2013

Grassroots & Advocacy Campaign

- Online Advocacy Tools and Resources Available to Members:
 - Identify and Contact Legislators;
 - Legislative Tracking Tables;
 - Advocacy Toolkit and template letters;
 - Issue Briefs; and
 - www.SupportKYlongtermcare.com

KAHCF Political Action Committee

- Only PAC for the long term care profession in Kentucky
- Among the top 3 largest PACs within the Health Care Industry in Kentucky
- Over \$35,000 raised in 2012
- Providing access and a forum for members to discuss long term care issues with candidates for elected office

Advocacy & Lobbying

- Efforts resulting in one of the most active initiatives in Frankfort mostly pertaining to Medical Review Panels:
 - 8 New legislative handouts during the session;
 - 5 Unique action alerts & member messages;
 - 3 Detailed letters to all 138 legislators;
 - 8 Major media statements, releases, or op-eds from KAHCF & supporters;
 - Television ads in support for MRPs in 5 different markets;
 - 3 Different statewide radio spots;
 - Over 650 calls to targeted legislators during the 2013 legislative session;
 - Over 50 facility visits with legislators across the state; and
 - Dozens of member visits with legislators in Frankfort.



Attorney Mike Sutton testifies before the Senate Health and Welfare Committee on behalf of Senate Bill 9 that would have established Medical Review Panels.

Reimbursement

In an environment of more entities wanting a share of a shrinking pool of reimbursement dollars, KAHCF actively works to ensure long term care providers are at the table in discussing issues relating to reimbursement.

Medicaid

- **Medicaid Rates** – Kentucky nursing facilities received a .5% Medicaid inflationary increase for capital and non-capital components effective July 1, 2012.
- **Medicaid Monthly Meetings** – Each month, KAHCF staff met with the Director of the Division for Health Care Facilities to discuss issues pertaining to long term care, including Clarification of Estate Recovery efforts by Medicaid; Division of Program Integrity and its role regarding the False Claims Act; and Department for Community Based Services issues regarding Medicaid Eligibility.
- **Health Insurance Exchange** – Gov. Steve Beshear signed an Executive Order to establish a Health Insurance Exchange. The exchange will be run by an 11-member Exchange Advisory Board with Carrie Banahan as Executive Director. Medicaid expansion could potentially add an additional 300,000 to 400,000 Medicaid beneficiaries.

Medicare

- **Observation Stays** - One of the American Health Care Association's (AHCA) top priorities was to affect change to the existing "observation stay" policy. The AHCA met with Jonathan Blum with CMS to attempt to alleviate this issue and worked with Sen. Sherrod Brown (D-OH) to introduce legislation to allow observation stays to count the same as an admission.
- **Sequestration Cuts** - Mandated cuts took effect this year, resulting in a 2% reduction to services provided – after deductibles and coinsurance were applied – effective April 1, 2013.
- **Other notable reductions** - Allowable bad debt for dual eligible residents decreased from 100% to 88% (70% to 65% for non-dual eligible residents) for cost report years after October 1, 2012; Multiple Procedure Payment Reductions took effect for claims with dates of service on or after April 1, 2013; Manual medical reviews became effective April 1, 2013, for claims over \$3,700, while the therapy caps exceptions processed was extended through 2013.

Billing Work Group

This group meets quarterly to address issues such as:

- Local and central office DCBS Medicaid eligibility issues
- Medicaid ancillary and room & board billing issues
- Medicare therapy billing questions & concerns
- Medicare MAC questions regarding policy implementation

Public Relations Efforts

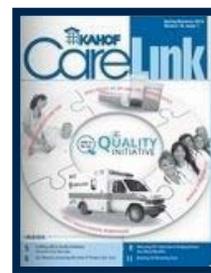
The Association continues working with its membership to promote positive items concerning our long term care providers and the services and quality care they provide.

Highlights the past year include:

- A minimum of 60 newspaper articles appeared in papers throughout the state. Most local papers ran their respective Quality Award winners, including *The Courier-Journal* and *Lexington Herald Leader*. Several members have taken it upon themselves to buy ad space in their local papers to tout their successes and highlight residents and employees.
- The Association used advantageous radio advertising rates to promote quality care and caregivers over the airwaves. Audio news releases featuring Quality Award winners ran on an estimated 128 stations; another release on Dr. Dan Sheridan's appearance at the Annual Meeting aired on an estimated 146 stations. Clear Channel News Network offered a deal to run ads on its 80-station network. These ads aired more than 30 times over a two-week period during the summer. All of these spots, valued at nearly \$50,000, cost the Association \$3,700.
- The Quality Awards Program had more than 200 entries this year. Our 2012-13 Facility of the Year, The Heritage Nursing and Rehabilitation Facility in Corbin, earned great coverage in Corbin and Lexington's WKYT Channel 27, which covered the facility celebration.
- Published three issues of *Heroes of Long Term Care*, and two issues of *CareLink* – focusing on Medical Review Panels and AHCA's Quality Initiatives.



Fall 2012 Edition



Spring 2013 Edition

- Members and staff started using Facebook pages to promote the long term care profession, including SB 9 and National Nursing Home Week.
- Association staff has taken an active role in various groups across the state, building relations in our efforts to promote the long term care profession. Among those efforts are participation with the Summer Series on Aging, The Sageser Award for Nurse Aides, the Nursing Home Quality Care Collaborative, workgroups on reducing the off-label use of antipsychotics and the Advancing Excellence for America's Nursing Homes campaign.

AHCA Quality Initiatives

KAHCF endorses and encourages its members to meet the four AHCA Quality Initiatives to improve resident care. One of these Quality Initiatives is to reduce the off-label use of antipsychotics. According to data recently released by AHCA measuring reduction rates from the fourth quarter of 2011 to fourth quarter 2012, Kentucky ranks among the Top 10 states which has significantly reduced its off-label antipsychotic drug use.



Regulatory

Kentucky's long term care providers face a challenging regulatory environment. Association staff is actively working with state and regional regulatory agencies to help members with these issues.

Involvement in Local Coordinating Councils for Elder Abuse/Maltreatment

KAHCF is well represented by member participation on Local Coordinating Councils for Elder Abuse/Maltreatment whose mission is to protect elders in each community. KAHCF has member participation listed in 90% of the statewide councils.

Immediate Jeopardy Task Force Reviews of Immediate Jeopardy Citations

The Task Force meets throughout the year to review the results of immediate jeopardy citations. The statements of deficiencies are reviewed to identify trends and patterns of the citations and use examples to provide education for our KAHCF members to help reduce further jeopardy citations.

KAHCF members experienced many regulatory issues and changes in FY 2012-13, leading to regularly scheduled meetings and conversations with the Office of Inspector General (OIG). The following is a summary of the OIG and the Centers of Medicare and Medicaid (CMS) communications impacting KAHCF facilities.

No Deficiency-Not Substantiated

Abbreviated (complaint) surveys frequently resulted in determinations of substantiation by the OIG even though no deficient practice was identified. The OIG agreed with KAHCF's request that the determination will be made as an unsubstantiated complaint if there is no deficient practice. The Nursing Home Survey Inspection Findings website has been modified for a more accurate reflection of survey results.

Five Day Extension to Submit Additional Information for Informal Dispute Resolution Denied

Due to a decision by the CMS Regional Office, Kentucky facilities were denied the opportunity to submit additional information as per 906 KAR 1:120. KAHCF has sought legal support for continuing the five (5) day extension and continue to present a case for this.

Surge Disaster Planning

Disaster conditions could result in the necessity for transferring residents from one facility to another, requiring a receiving facility to exceed their licensed bed capacity. The OIG has agreed to discuss with KAHCF how emergency planning can be accomplished in such situations.

Clarifications on Survey Issues

- Resident to resident altercations with residents of cognitive impairment and a determination that the act was not willful is not reportable as abuse, but is subject to a review with respect to supervision provided, if warranted.
- Significant change of condition of a resident can be addressed by the Advanced Practice Registered Nurse (APRN) if the facility has a policy and procedure that details the role of the APRN in this situation and how the physician will be informed of the significant condition change (via progress notes or phone calls etc.).
- Employees may request the presence of another employee in an interview with the surveyor and may review the written account of that interview as well.
- Surveyor requests for logs or lists of information on multiple residents such as for falls, wounds or activities are not an acceptable practice for routine surveys.
- Allegation of Compliance (AOC) submission acceptance has improved with the OIG "Tips for Developing an Allegation of Compliance" tool which resulted from KAHCF discussions with the OIG.

KAHCF and Statewide Insurance Services, Inc. (SIS) Fiscal Performance

Financial goals are set each year by means of a combined annual budget by the Board of Directors of KAHCF and SIS, as the entities share overhead functions. During the year, staff and elected leadership work together to ensure that the budget goals are achieved. KAHCF continued to pursue medical review panel legislation this year, which required Board approval for spending Investment Reserve dollars to finance the effort. These costs included a media campaign to help educate the public and legislators on our issue.

Statewide Insurance Services, Inc., which is wholly owned by KAHCF, was created in 1992 to generate additional financial resources for KAHCF and enhance benefits to the membership. Strategic alliances of SIS that benefit membership are:



- **COMS Interactive, LLC** – Deploys processes and systems that stabilize and improve resident health while improving financial outcomes for skilled nursing facilities.



- **AHCA and HealthCap** – HealthCap is a leading professional and general liability insurance company dedicated to the senior care profession. HealthCap provides focused claims management services and specialized insurance products.



- **Neace Lukens Insurance** – A full service insurance agency providing insurance, claims management, captives & clinical management services tailored to the senior living industry.



- **Silverchair Learning Systems** – Leading provider in senior care employee training nationwide. Silverchair is known for its extremely easy to use system.



- **Special Care Management, LLC** – Dental and vision services for residents delivered in facility funded by a fully insured policy (formerly known as Citizens Security Life Insurance Co.).

Through these alliances, we continue to seek ways to enhance member benefits and to increase Statewide's financial contributions to KAHCF.

Once again the Finance Committee and both Boards have approved the Association's combined 2013-2014 Budget. The Investment Reserve Account performance over the past few years has been even; therefore, the Finance Committee interviewed three investment firms to manage the account. Stock Yards Bank was chosen to manage the Investment Reserve account systems which has resulted in positive gains on the account since inception.

Both KAHCF and its subsidiary continue to build a fiscally secure foundation. We look forward to this continued success as we serve the needs of the membership.