

# **State of Alaska FY2005 Governor's Operating Budget**

## **Department of Health and Social Services Alaskan Pioneer Homes Results Delivery Unit Budget Summary**

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**Alaskan Pioneer Homes Results Delivery Unit**

**Contribution to Department's Mission**

Alaskan Pioneer Homes assist older Alaskans to have the highest quality of life by providing assisted living in a safe home environment.

**Core Services**

Administration of the six Pioneer Homes and the Alaska Senior Assistance Program.

End Results	Strategies to Achieve Results
<p><b>(1) Outcome statement - Provide a safe assisted living environment for eligible Alaskan Pioneers.</b></p> <p><u>Target:</u> Employ adverse event analysis plan.  <u>Measure:</u> Reduction in adverse events.</p>	<p><b>(1) 1) Improve adverse event reporting system.</b></p> <p><u>Target:</u> 24 hour completion of incident report for 90% of adverse events  <u>Measure:</u> Percent of reports completed in 24 hours</p> <p><b>(2) 2) Improve accuracy of medication administration system.</b></p> <p><u>Target:</u> Less than 2% medication error rate.  <u>Measure:</u> Percent of administration errors.</p> <p><b>(3) 3) Reduce number of sentinel event occurrences in the Pioneers Homes.</b></p> <p><u>Target:</u> Injury rate lower than national standards.  <u>Measure:</u> Pioneers Home sentinel event injury rate.</p> <p><b>(4) 4) Reduce number of resident injuries by improving the maintenance of resident care equipment.</b></p> <p><u>Target:</u> 100% of resident care equipment routinely inspected and maintained.  <u>Measure:</u> Percent of resident care equipment inspected and maintained.</p>

**FY2005 Resources Allocated to Achieve Results**

<p><b>FY2005 Results Delivery Unit Budget: \$37,592,900</b></p>	<p><b>Personnel:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Full time</td> <td style="text-align: right;">525</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">44</td> </tr> <tr> <td style="border-top: 1px solid black;"><b>Total</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>569</b></td> </tr> </table>	Full time	525	Part time	44	<b>Total</b>	<b>569</b>
Full time	525						
Part time	44						
<b>Total</b>	<b>569</b>						

## Performance Measure Detail

### (1) Result: Outcome statement - Provide a safe assisted living environment for eligible Alaskan Pioneers.

**Target:** Employ adverse event analysis plan.

**Measure:** Reduction in adverse events.

**Analysis of results and challenges:** New "patient safety science" directs adverse event investigations to be considered within the framework of a process called root-cause analysis (RCA). When conducted properly, RCA leads the investigative team to processes that failed, rather than an individual to blame. Through root cause analysis efforts, the number of events in the Pioneer Homes will continue to remain far below the national standard. For more detail, refer to the secondary tables and analyses for specific measures in the Strategies to Achieve Results section.

### (1) Strategy: 1) Improve adverse event reporting system.

**Target:** 24 hour completion of incident report for 90% of adverse events

**Measure:** Percent of reports completed in 24 hours

% of Reports Completed in 24 Hours

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD Total
2004	0	0	0	0	0

**Analysis of results and challenges:** The Pioneer Homes unusual event reporting system requires input and review by four different categories of staff, so there is opportunity for the reporting process to get stalled. However, for the process to generate the most valuable information possible, it is important to gather the information quickly while recollections are fresh and evidence, if necessary, is undisturbed. Quick response to and analysis of adverse events will provide the optimal opportunity to identify causation.

This is a new performance measure-no historical data is available.

### (2) Strategy: 2) Improve accuracy of medication administration system.

**Target:** Less than 2% medication error rate.

**Measure:** Percent of administration errors.

Medication Error Rate

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD Total
2002	.07%	.08%	.04%	.05%	.06%
2003	.10%	.11%	.09%	.15%	.11%
2004	0	0	0	0	0

**Analysis of results and challenges:** All care processes are vulnerable to error, yet several studies have found that medication-related events are the most frequent type of adverse event. Medication administration errors have been the traditional focus of incident reporting programs because they are often the types of event that identifies a failure in other processes in the system. A wrong medication may be administered because it was prescribed, transcribed, or dispensed incorrectly. The Division will use a systemwide risk reporting program that tracks medication errors, and allows the collected data to be reported and trended for use in identifying error prone steps (risks). Trending the cause of the error tends to provide the most useful information in designing strategies for future error prevention.

The Health Care Financing Administration, which oversees and surveys nursing facilities throughout the United States, considers a 5% medication error rate as acceptable.

### (3) Strategy: 3) Reduce number of sentinel event occurrences in the Pioneers Homes.

**Target:** Injury rate lower than national standards.  
**Measure:** Pioneers Home sentinel event injury rate.

#### Sentinel event injury rate

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD Total
2002	2.9%	0.7%	0.0%	0.37%	.99%
2003	1.1%	.04%	1.79%	1.5%	1.1%
2004	1.2%	0	0	0	0

**Analysis of results and challenges:** Despite remarkable advances in almost every field of medicine, an age-old problem continues to haunt health care professionals—the occurrence of errors. When such errors lead to sentinel events—serious and undesirable occurrences—the problem is even more disturbing. The event is called "sentinel" because it sends a signal or warning that requires immediate attention. The National Safety Council lists falls in older adults as five times more likely to lead to hospitalization than other injuries. 10-20% of the time such incidents result in a serious injury, and 2-6% result in a bone fracture. The Division will respond to sentinel events with root cause analysis investigations and continue to improve data quality in the reporting system.

#### (4) Strategy: 4) Reduce number of resident injuries by improving the maintenance of resident care equipment.

**Target:** 100% of resident care equipment routinely inspected and maintained.  
**Measure:** Percent of resident care equipment inspected and maintained.

**Analysis of results and challenges:** Medical device users such as nurses and certified nurses aides are often blamed for adverse events when medical equipment is involved. A comprehensive record of regular equipment inspection and maintenance will identify the types of equipment that are obsolete or in need of repair before they fail during use. The Pioneer Homes will undertake an inventory of all state owned resident care equipment and implement a maintenance and repair program. This is a new performance measure—no historical data is available.

### Key RDU Challenges

- Caring for Alaskan seniors with increasingly complex needs within the authorized budget
- Converting a Pioneer Home into a state Veterans Home and promoting the availability residential care services within the Pioneer Homes system
- Implementing the Veterans Home transition plan for optimal occupancy
- Implementing Medicaid reimbursement within the Pioneer Homes system
- Identifying the billing approach for Medicaid and insurance reimbursement
- Determining the resource requirement needed to operate each Pioneer Home as an assisted-living facility
- Recruiting and maintaining adequate health care personnel in a time of national shortage
- Managing the Quality Assurance Program

### Significant Changes in Results to be Delivered in FY2005

In FY04 the division assumed responsibility for processing applications and issuing monthly payments to seniors qualifying for the Alaska Senior Assistance Program.

In FY04 the Longevity Bonus Program was eliminated, reducing the income of many Pioneer Homes residents and, consequently, the amount they are able to pay for services. A fund change is requested to replace the reduced receipt supported services with General Funds. Pioneer Homes residents do not qualify for the Alaska Senior Assistance Program.

### Major RDU Accomplishments in 2003

- Continued to pursue strategies for cost containment

- Transitioned to new medical records, accounts receivable and trust accounting systems
- Continued managing the Quality Assurance Program with the overall goal of increasing resident safety
- Responded to issues and inquiries regarding the elimination of the Longevity Bonus Program
- Initiated a review of alternative financing options
- Assumed the responsibility for processing applications and issuing monthly warrants for the new Alaska Senior Assistance Program
- Implemented the Interim Assistance Program to conduct independent medical reviews for SSI eligibility determination

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**Alaskan Pioneer Homes  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2003 Actuals				FY2004 Authorized				FY2005 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b><u>Formula Expenditures</u></b>												
None.												
<b><u>Non-Formula Expenditures</u></b>												
Alaskan Pioneer Homes Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,127.4	68.3	76.5	1,272.2
Pioneer Homes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,047.3	1,434.9	12,838.5	36,320.7
<b>Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23,174.7</b>	<b>1,503.2</b>	<b>12,915.0</b>	<b>37,592.9</b>

**Alaskan Pioneer Homes  
Summary of RDU Budget Changes by Component  
From FY2004 Authorized to FY2005 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Adjustments which will continue current level of service:</b>				
-Alaskan Pioneer Homes Management	1,145.7	0.0	442.0	1,587.7
-Pioneer Homes	-832.0	1,434.9	166.9	769.8
<b>Proposed budget decreases:</b>				
-Alaskan Pioneer Homes Management	-18.3	0.0	-428.5	-446.8
-Pioneer Homes	-443.4	0.0	-1.4	-444.8
<b>Proposed budget increases:</b>				
-Alaskan Pioneer Homes Management	0.0	68.3	63.0	131.3
-Pioneer Homes	350.0	0.0	0.0	350.0
<b>FY2005 Governor</b>	<b>23,174.7</b>	<b>1,503.2</b>	<b>12,915.0</b>	<b>37,592.9</b>