

# **State of Alaska FY2006 Governor's Operating Budget**

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

## Alaska 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, the Pioneer Home Pharmacy and the Alaska SeniorCare Program.

End Results	Strategies to Achieve Results
<p><b>A: Outcome statement - Provide a safe assisted living environment for eligible Alaskan Pioneers.</b></p> <p><u>Target #1:</u> Employ adverse event analysis plan. <u>Measure #1:</u> Reduction in adverse events.</p>	<p><b>A1: 1) Improve accuracy of medication administration system.</b></p> <p><u>Target #1:</u> Less than 2% medication error rate. <u>Measure #1:</u> Percent of administration errors.</p> <p><b>A2: 2) Reduce number of sentinel event occurrences in the Pioneers Homes.</b></p> <p><u>Target #1:</u> Injury rate lower than national standards. <u>Measure #1:</u> Pioneers Home sentinel event injury rate.</p>

### FY2006 Resources Allocated to Achieve Results

<p><b>FY2006 Results Delivery Unit Budget: \$41,772,700</b></p>	<p><b>Personnel:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">534</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">45</td> </tr> <tr> <td style="padding-left: 20px;"><b>Total</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>579</b></td> </tr> </table>	Full time	534	Part time	45	<b>Total</b>	<b>579</b>
Full time	534						
Part time	45						
<b>Total</b>	<b>579</b>						

### Performance Measure Detail

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

**Target #1:** Employ adverse event analysis plan.

**Measure #1:** 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.

**A1: Strategy - 1) Improve accuracy of medication administration system.****Target #1:** Less than 2% medication error rate.**Measure #1:** Percent of administration errors.**Medication Error Rate**

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD
2002	0.07%	0.08%	0.04%	0.05%	0.06%
2003	0.10%	0.11%	0.09%	0.15%	0.11%
2004	0.07%	0.11%	0.06%	0.07%	0.07%
2005	0.08%	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 system wide 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 Center for Medicare and Medicaid Services (CMS), which oversees and surveys nursing facilities throughout the United States, considers a 5% medication error rate as acceptable.

The Pioneers' Home system collects medication information at the individual Pioneer Home level and aggregates the numbers for reporting at the Division level. From FY2002 through FY2004, the actual number of "med passes" in the Pioneer Homes has been between 344,664 to 395,846 individual medications per three month quarter. Both the "med passes" and the occupancy rate of the Homes have remained stable over this period of time.

**Medication Error Rate by Facility - FY2005**

1st Quarter

Sitka 0.060%

Fairbanks 0.230%

Palmer 0.090%

Anchorage 0.030%

Ketchikan 0.002%

Juneau 0.050%

Average 0.077%

**A2: Strategy - 2) Reduce number of sentinel event occurrences in the Pioneers Homes.****Target #1:** Injury rate lower than national standards.**Measure #1:** Pioneers Home sentinel event injury rate.**Sentinel Event injury rate**

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD
2002	2.9%	0.7%	0.0%	0.37%	0.99%
2003	1.1%	0.04%	1.79%	1.5%	1.1%
2004	1.2%	0.44%	0.49%	1%	0.78%
2005	2.5%	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.

The Pioneers' Home system collects sentinel event information at the individual Pioneer Home level and aggregates the numbers for reporting at the Division level.

Fall Rate FY 2005

Quarter 1

Sitka 5.3%

Fairbanks 0.0%

Palmer 0.0%

Anchorage 1.5%

Ketchikan 0.0%

Juneau 8.0%

Average 2.5%

## Key RDU Challenges

- Caring for Alaskan seniors with increasingly complex needs within the authorized budget
- Assuring efficient operation of the six Pioneer Homes and pharmacy
- Increasing occupancy in the Anchorage, Palmer and Sitka Pioneer Homes
- Transitioning the Palmer Pioneer Home into the State Veterans Home
- Completing and implementing the Veterans Home transition plan for optimal occupancy and providing veterans benefits for domiciliary care
- Identifying and implementing the billing approach for Medicaid reimbursement within the Pioneer Homes system
- 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 FY2006

In FY05 the division received legislative authority and provisional federal approval to convert the Palmer Pioneer Home into the State Veterans Home. Renovation/remodeling will begin May 2005. In accordance with federal requirements, the division will submit the final application, transitional plan and the operational policies and procedures to the federal Division of Veterans Benefits. Additionally, transitioning the Palmer Home into the Alaska Veterans Home will require changes in staffing, reporting and meeting US Division of Veterans Benefit requirements.

In FY04 Pioneer Home residents became eligible to apply for Medicaid. With this change, the division enrolled with the Medicaid program for pharmacy and long term care waiver services and division staff (primarily the social workers) have assumed the task of assisting interested residents with the Medicaid application process. Medicaid implementation will begin in FY05, but continue into FY 2006.

In FY05 the division assumed responsibility for processing applications and issuing monthly payments to seniors qualifying for the Alaska SeniorCare Program.

## Major RDU Accomplishments in 2004

- Gained passage of legislation (1) authorizing operation of the Palmer Pioneer Home as a State Veterans Home and (2) authorizing Medicaid benefits for Pioneer Home residents
- Gained passage of federal law amendment authorizing use of Veterans Benefits within the Pioneer Home system
- Received provisional approval from the federal Division of Veterans Benefits approving funds to renovate, remodel and convert the Palmer Pioneer Home to the Alaska Veterans Home
- Coordinated the development of Medicaid reimbursement in the Pioneer Homes between the divisions of Public Assistance, Health Care Services, Senior and Disability Services and the Alaskan Pioneer Homes

- Continued to pursue strategies for cost containment
- Continued managing the Quality Assurance Program with the overall goal of increasing resident safety
- Responded to issues and inquiries regarding, and prepared for, the transition from the Alaska Senior Assistance Program to the Alaska SeniorCare Program
- Assumed the responsibility for processing applications and issuing monthly warrants for the new Alaska SeniorCare Program

Contact Information
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**Alaska Pioneer Homes  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2004 Actuals				FY2005 Management Plan				FY2006 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</u></b>												
<b><u>Expenditures</u></b>												
None.												
<b><u>Non-Formula</u></b>												
<b><u>Expenditures</u></b>												
Alaska Pioneer Homes Management	0.0	0.0	0.0	0.0	689.7	68.6	261.0	1,019.3	704.6	0.0	195.7	900.3
Pioneer Homes	0.0	0.0	0.0	0.0	22,637.8	1,438.2	12,353.8	36,429.8	24,123.6	25.0	16,723.8	40,872.4
<b>Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23,327.5</b>	<b>1,506.8</b>	<b>12,614.8</b>	<b>37,449.1</b>	<b>24,828.2</b>	<b>25.0</b>	<b>16,919.5</b>	<b>41,772.7</b>

**Alaska Pioneer Homes  
Summary of RDU Budget Changes by Component  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>23,327.5</b>	<b>1,506.8</b>	<b>12,614.8</b>	<b>37,449.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Alaska Pioneer Homes Management	14.9	-68.6	-103.8	-157.5
-Pioneer Homes	1,066.5	-1,413.2	1,438.2	1,091.5
<b>Proposed budget increases:</b>				
-Alaska Pioneer Homes Management	0.0	0.0	38.5	38.5
-Pioneer Homes	419.3	0.0	2,931.8	3,351.1
<b>FY2006 Governor</b>	<b>24,828.2</b>	<b>25.0</b>	<b>16,919.5</b>	<b>41,772.7</b>