

State of Alaska FY2007 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

Provide residential assisted living services.

End Results	Strategies to Achieve Results
<p>A: Outcome statement - Provide a safe assisted living environment for eligible Alaskan Pioneers.</p> <p><u>Target #1:</u> Track and trend adverse events. <u>Measure #1:</u> Stabilize numbers of adverse events.</p>	<p>A1: 1) Improve accuracy of medication administration system.</p> <p><u>Target #1:</u> Less than 2% medication error rate. <u>Measure #1:</u> Percent of medication administration errors.</p> <p>A2: 2) Reduce number of sentinel event occurrences in the Pioneers Homes.</p> <p><u>Target #1:</u> Injury rate below half the national standard, which is two to six percent. <u>Measure #1:</u> Pioneers Home sentinel event injury rate.</p>

FY2007 Resources Allocated to Achieve Results							
<p>FY2007 Results Delivery Unit Budget: \$49,411,500</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">555</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">46</td> </tr> <tr style="border-top: 1px solid black;"> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">601</td> </tr> </table>	Full time	555	Part time	46	Total	601
Full time	555						
Part time	46						
Total	601						

Performance Measure Detail

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

Target #1: Track and trend adverse events.
Measure #1: Stabilize numbers of adverse events.

Analysis of results and challenges: Increasing age and acuity levels of the residents in the Pioneer Homes system creates a challenge for the reduction of adverse events. By properly utilizing the strength of trending and tracking information available in the risk analysis program, the Homes will be able to identify times, places, staff and conditions that hold inherent risk. Action plans to address risk will help the Homes to prevent errors or stabilize the number of events and reduce the severity of injury.

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

Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD Total
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%	0.08%
2005	0.08%	0.09%	0.09%	0.14%	0.10%
2006	0.19%	0 0%	0 0%	0 0%	0.19%

The medication error rate is calculated by taking the number of medication errors per quarter divided by the total number of medications taken by all Pioneer Home residents in the same quarter.

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 are the traditional focus of incident reporting programs because they are often the types of events that identify 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 Centers 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 FY2005, the actual number of medications administered in the Pioneer Homes was between 344,664 to 418,505 individual medications per reporting quarter. Both the medication passes and the occupancy rate of the Homes has remained stable over this period of time.

A2: Strategy - 2) Reduce number of sentinel event occurrences in the Pioneers Homes.**Target #1:** Injury rate below half the national standard, which is two to six percent.**Measure #1:** 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%	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%	2.1%	1.85%	2.26%	2.18%
2006	0.6%	0 0%	0 0%	0 0%	0.6%

The Sentinel Event Injury rate reports the percentage of falls that resulted in a major injury. The rate is calculated by dividing the number of Sentinel injuries to Pioneer Homes residents by the total number of falls reported for the same quarter.

Analysis of results and challenges: Despite remarkable advances in almost every field of medicine, the age-old problem of health-care errors continues to haunt health care professionals. When such errors lead to sentinel events, those with "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. One in three people age 65 and older, and 50 percent of those 80 and older fall each year. The National Safety Council lists falls in older adults as five times more likely to lead to hospitalization than other injuries. One estimate suggests that direct medical costs for fall-related injuries will rise to \$32.4 billion by 2020. Falls can have

devastating outcomes, including decreased mobility, function, independence, and in some cases, death. The elderly, who represent 12 percent of the population, account for 75 percent of deaths from falls.

The average age in the Pioneer Homes is 84.5. Since this puts our residents in the highest risk category, they are more likely to suffer a major injury from a fall and experience significant morbidity thereafter.

The Division will respond to sentinel events with root cause analysis investigations and corrective action plans to address underlying causes.

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

Sentinel Event Injury Rate FY 2005
Expressed in Percentages

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Sitka	5.3	2.8	4.0	4.0
Fairbanks	0.0	1.2	1.85	0.0
Palmer	0.0	2.9	2.2	4.2
Anchorage	1.5	0.0	3.1	1.9
Ketchikan	0.0	4.3	0.0	0.0
Juneau	8.0	3.2	0.0	3.5
Average	2.46	2.4	1.85	2.26

Overall Fall Rate FY06

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Sitka	4			
Fairbanks	10			
Palmer	7			
Anchorage	6			
Ketchikan	4			
Juneau	3			

The Fall Rate is a measurement of risk. It tells you how many falls you can expect for every 1000 bed days of care.

Deaths from Falls FY06-FY08

	FY05	FY06	FY07	FY08
Sitka	0			
Fairbanks	2			
Palmer	3			
Anchorage	0			
Ketchikan	1			
Juneau	1			
Total	7			

To date, the number of resident deaths attributed to Sentinel Event falls.

Witnessed/Unwitnessed Falls

FY06	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Witnessed	33%			
Unwitnessed	66%			

The percentage of falls for the quarter that were or were not witnessed.

Key RDU Challenges

- Caring for Alaskan seniors with increasingly complex needs within the authorized budget
- Assuring efficient operation of the six Pioneer Homes and the centralized pharmacy
- Managing quality assisted living services for an aging population with complicated and difficult health care needs
- Continuing to reduce the general fund requirements to operate the Pioneer Home system
- Complete the federal programmatic certification process for operation of the State Veterans and Pioneer Home in Palmer
- Implementing the Veterans Home transition plan for optimal occupancy and providing veterans benefits for domiciliary care
- Implement the billing approach for the Medicare Part D Drug Program within the Pioneer Home system
- Recruiting and maintaining adequate health care personnel in a time of national shortage
- Development of a Continuation of Operations Plan for the six Pioneer Homes and the Pioneer Home Central Office to be used in the event of a disaster that closes one or more Homes for an extended period of time
- Maintaining the Pioneer Home facilities

Significant Changes in Results to be Delivered in FY2007

In FY06, the division received federal approval to convert the Palmer Pioneer Home into the State Veterans Home. Renovation and remodeling began in August 2005 and should be completed in the Spring of 2006. In accordance with federal requirements, the division will submit the operational policies and procedures to the Veterans Administration. Upon receiving certification, the division will work to fill 18 currently vacant beds. Operating as a State Veterans Home will require changes in staffing, increased reporting and meeting Veterans Administration requirements. In addition, the Department and Division will be required to assimilate the federal accounting methodology for projections, billing and reconciliation of domiciliary claims for Veterans benefits.

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. Medicaid implementation began in FY05 and will continue in FY 2006 and FY 2007. New regulations implementing legislative intent language will require residents to apply for Medicaid, Medicare Part D (prescription drug program) and other alternative assistance programs before receiving Pioneer Home payment assistance.

The FY 2007 budget includes a request for 24 additional positions for the Pioneer Homes. Although the acuity level of Pioneer Home residents continues to increase in all six homes, the staffing levels have not. Over the past ten years, the percentage of Pioneer Home residents requiring the highest level of care has risen from 25 to 59 percent. The additional positions will allow the Sitka home to fill ten currently vacant beds and the other homes to safely care for the residents served at their current occupancy levels.

Major RDU Accomplishments in 2005

- Received approval from the Veterans Administration and secured funds to renovate, remodel and convert the Palmer Pioneer Home into the State Veterans Home. Broke ground in August 2005.
- Increased the use of Medicaid as an alternative to the Pioneer Home Payment Assistance Program, thereby reducing the general fund requirements to operate the homes
- Negotiated agreements with plans supporting the new Medicare Part D Drug Program
- 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 the transition to the Alaska SeniorCare Program
- Continued processing applications and issuing monthly warrants for the Alaska SeniorCare Program through December 2005

Contact Information

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

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 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
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Alaska Pioneer Homes Management Pioneer Homes	683.0	68.6	307.2	1,058.8	733.6	2.4	271.9	1,007.9	785.0	179.2	0.0	964.2
	22,813.0	0.0	14,128.5	36,941.5	24,838.4	25.0	16,735.7	41,599.1	29,041.3	169.7	19,236.3	48,447.3
Totals	23,496.0	68.6	14,435.7	38,000.3	25,572.0	27.4	17,007.6	42,607.0	29,826.3	348.9	19,236.3	49,411.5

Alaska Pioneer Homes
Summary of RDU Budget Changes by Component
From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	25,572.0	27.4	17,007.6	42,607.0
Adjustments which will continue current level of service:				
-Alaska Pioneer Homes Management	31.7	77.4	-71.7	37.4
-Pioneer Homes	1,106.1	144.7	369.4	1,620.2
Proposed budget decreases:				
-Alaska Pioneer Homes Management	0.0	0.0	-200.2	-200.2
-Pioneer Homes	0.0	0.0	-11.1	-11.1
Proposed budget increases:				
-Alaska Pioneer Homes Management	19.7	99.4	0.0	119.1
-Pioneer Homes	3,096.8	0.0	2,142.3	5,239.1
FY2007 Governor	29,826.3	348.9	19,236.3	49,411.5