

# **State of Alaska FY2008 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**

Provide the highest quality of life in a safe home environment for older Alaskans and veterans.

**Core Services**

Provide residential assisted living services.

End Results	Strategies to Achieve Results
<p><b>A: Outcome statement - Eligible Alaskans and Veterans will live in a safe environment.</b></p> <p><u>Target #1:</u> Reduce resident serious injury rate.  <u>Measure #1:</u> Hold constant, below the national level, the number of medication errors and falls that result in serious injury.</p>	<p><b>A1: 1) Improve the medication dispensing and administration system.</b></p> <p><u>Target #1:</u> Less than one percent medication error rate, which is one-half the low end of the national standard range.  <u>Measure #1:</u> Percent of medication administration errors.</p> <p><b>A2: 2) Reduce the number of residents' serious injuries from falls.</b></p> <p><u>Target #1:</u> Less than two percent injury rate, which is the low end of the National Safety Council's range of two to six percent.  <u>Measure #1:</u> Percent of Pioneer Homes serious injuries from falls.</p>

FY2008 Resources Allocated to Achieve Results							
<p><b>FY2008 Results Delivery Unit Budget: \$54,951,800</b></p>	<p><b>Personnel:</b></p> <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Full time</td> <td style="text-align: right; padding: 2px;">554</td> </tr> <tr> <td style="padding: 2px;">Part time</td> <td style="text-align: right; padding: 2px;">49</td> </tr> <tr> <td style="padding: 2px;"><b>Total</b></td> <td style="text-align: right; padding: 2px;"><b>603</b></td> </tr> </table>	Full time	554	Part time	49	<b>Total</b>	<b>603</b>
Full time	554						
Part time	49						
<b>Total</b>	<b>603</b>						

**Performance Measure Detail**

**A: Result - Outcome statement - Eligible Alaskans and Veterans will live in a safe environment.**

**Target #1:** Reduce resident serious injury rate.

**Measure #1:** Hold constant, below the national level, the number of medication errors and falls that result in serious injury.

**Analysis of results and challenges:** Increasing age and acuity levels of Pioneer Homes residents creates a challenge in reducing adverse events that result in serious injury. By properly utilizing the strength of trending

and tracking information available in the Division's risk analysis program, the Homes are able to identify times, places, staff and conditions that hold inherent risk. Action plans to address risk help the Homes prevent errors, reduce the number of serious injury events, and reduce the severity of injury.

See Link below for data.

### A1: Strategy - 1) Improve the medication dispensing and administration system.

**Target #1:** Less than one percent medication error rate, which is one-half the low end of the national standard range.

**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%	0.15%	0.16%	0.12%	0.17%
2007	0.19%	0	0	0	0
		0%	0%	0%	0%

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:** The Centers for Medicare and Medicaid Services, which licenses nursing facilities throughout the United States, considers a five percent medication error rate acceptable.

The Pioneer Home system collects medication information at the individual Pioneer Home level and aggregates the numbers for reporting at the Division level. In 2006, Pioneer Home staff administered an average of 434,464 individual medications each quarter.

All care processes are vulnerable to error, yet several studies have found that medication-related activities 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 uses 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.

### A2: Strategy - 2) Reduce the number of residents' serious injuries from falls.

**Target #1:** Less than two percent injury rate, which is the low end of the National Safety Council's range of two to six percent.

**Measure #1:** Percent of Pioneer Homes serious injuries from falls.

#### 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	1.96%	1.26%	0.97%	1.47%	1.45%
2005	2.6%	2.4%	1.5%	2.3%	2.2%
2006	0.6%	2.7%	1.3%	1.1%	1.43%
2007	4.0%	0	0	0	0
		0%	0%	0%	0%

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

**Analysis of results and challenges:** Seventy-five percent of elderly deaths result from falls.

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 average age of Pioneer Homes residents is 84.9 putting them in the highest risk category where they are more likely to suffer a serious injury from a fall and experience significant morbidity thereafter.

The Pioneer Homes responds to serious injuries with root cause analysis investigations and corrective action plans to address underlying causes.

The analysis of the spike in sentinel event injuries between FY04 and FY05 does not indicate one root cause. There were, however, seven deaths associated with falls in FY05\*. Of the total, six of the seven falls occurred when the resident was alone so they are categorized as unwitnessed. It is difficult to recreate the events leading up to an unwitnessed fall, especially if the fall involves a resident who suffers from dementia and is unable to articulate what occurred. Most of these falls are reported as "found on floor," and the sequence of events leading up to the fall reconstructed by staff depending on the time of day with some supposition on the activity the resident was attempting.

Because such a significant number of the witnessed falls are less severe than unwitnessed falls, the division built a case for increased staffing with the intention of reducing the number of falls that are unwitnessed. Three new positions were funded in FY06 and the table below shows a 2 percent decrease in the overall percentage of unwitnessed falls.

	Unwitnessed Fall Rate
FY05	81%
FY06	79%

Twenty-four new positions were funded for nine months in FY07, beginning October 1, 2006, so there are no correlating statistics for the first quarter.

\*Any death within 45 days of a sentinel event is associated with that event.

## Key RDU Challenges

- Caring for Alaskan seniors with increasingly complex needs within the authorized budget.
- Assuring efficient operation of the five Pioneer Homes, the Alaska Veterans and Pioneers Home 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.
- Completing the federal programmatic certification process for operation of the Alaska Veterans and Pioneer Home in Palmer.
- Implementing the Veterans Home transition plan for optimal occupancy to allow veterans benefits to be used for domiciliary care.
- Recruiting and maintaining adequate health care personnel in a time of national and state workforce shortages.
- Implementing the Continuity of Operations and Disaster Preparedness Plan for the five Pioneer Homes, the Alaska Veterans and Pioneer Home 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.
- Developing a training and disaster drill preparedness plan for the Pioneer Homes and the Pioneer Home Central Office.

- Establishing space to store stockpiled medical supplies and equipment to fulfill the Federal Emergency Management Agency's Continuity of Operations Plan recommendations.
- Maintaining adequate structural integrity of the Pioneer Homes.
- Transitioning the criminal background check processing to the newly established Alaska Background Check Program.

## Significant Changes in Results to be Delivered in FY2008

In FY06, the division received federal approval to renovate and remodel the Palmer Pioneer Home as the Alaska Veterans and Pioneer Home. Renovation and remodeling began in August 2005 and the ribbon-cutting ceremony was held July 2006. The US Department of Veterans Affairs began the six-month recognition process August 1, 2006. This process will be complete once the division submits the final operational policies and procedures to the Department of Veterans Affairs. Upon receiving certification, the division will work to fill 12 currently vacant beds. Operating as a State Veterans Home requires changes in staffing, increased reporting and meeting the federal Department of Veterans Affairs 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 continues in FY 2008. New regulations implementing legislative intent language will require residents to apply for Medicaid, the Medicare Part D prescription drug program and other alternative assistance programs before receiving Pioneer Home payment assistance. As of September 2006, 71 percent of the Pioneer Home residents receiving state payment assistance had applied for Medicaid benefits.

In FY07, The Legislature approved the Pioneers Home request for an additional 24 positions. Although the level of care needs for 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. It has become increasingly difficult to provide a safe environment and the care required by the residents without an increase in staff. These additional positions allow the Sitka home to fill ten currently vacant beds and the other homes to better care for the residents served at their current occupancy levels.

## Major RDU Accomplishments in 2006

- Completed the conversion of the Palmer Pioneer Home to the Alaska Veterans and Pioneers Home. The ribbon-cutting ceremony was held July 2006 and the Veterans Affairs Agency began the recognition process August 2006.
- 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.
- Completed successful negotiations with Medicare Part D drug plans for an institutional reimbursement rate for all Medicare claims.
- Successfully helped residents transition to the new Medicare Part D Prescription Drug Program.
- Continued to pursue strategies for cost containment.
- Continued managing the Quality Assurance Program with the overall goal of increasing resident safety.
- Transferred the Alaska SeniorCare Program to the Division of Public Assistance, January 2006.

### Contact Information

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

*All dollars shown in thousands*

	FY2006 Actuals				FY2007 Management Plan				FY2008 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>												
Alaska Pioneer Homes Management Pioneer Homes	545.4	65.4	79.9	690.7	849.6	182.8	3.3	1,035.7	936.4	83.7	24.4	1,044.5
	25,248.9	0.0	17,729.7	42,978.6	28,053.1	231.0	19,638.3	47,922.4	33,351.6	231.0	20,324.7	53,907.3
<b>Totals</b>	<b>25,794.3</b>	<b>65.4</b>	<b>17,809.6</b>	<b>43,669.3</b>	<b>28,902.7</b>	<b>413.8</b>	<b>19,641.6</b>	<b>48,958.1</b>	<b>34,288.0</b>	<b>314.7</b>	<b>20,349.1</b>	<b>54,951.8</b>

**Alaska Pioneer Homes  
Summary of RDU Budget Changes by Component  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>28,902.7</b>	<b>413.8</b>	<b>19,641.6</b>	<b>48,958.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Alaska Pioneer Homes Management	15.1	-24.1	24.4	15.4
-Pioneer Homes	1,093.6	0.0	-538.4	555.2
<b>Proposed budget decreases:</b>				
-Alaska Pioneer Homes Management	0.0	-99.4	-3.3	-102.7
<b>Proposed budget increases:</b>				
-Alaska Pioneer Homes Management	71.7	24.4	0.0	96.1
-Pioneer Homes	4,204.9	0.0	1,224.8	5,429.7
<b>FY2008 Governor</b>	<b>34,288.0</b>	<b>314.7</b>	<b>20,349.1</b>	<b>54,951.8</b>