



ROCKY KNOLL
HEALTH CARE CENTER

Innovation with Compassion

February 24, 2017

TO: Adam Payne, County Administrator and
Members of the Sheboygan County Board of Supervisors

RE: Rocky Knoll Health Care Center's 2016 Annual Report

Attached please find the 2016 Annual Report for Rocky Knoll Health Care Center. The report is inclusive of our mission statement and responsibilities, the goals and objectives achieved in 2016, a synopsis of our budget status, current issues and challenges we face as a skilled nursing facility, as well as goals and objectives identified as imperative for the year 2017.

Rocky Knoll has ended a very successful year in terms of achieving greater than expected census and revenue. Many projects were completed, which continue to improve the facility in terms of structure and aesthetics.

The AFSCME bargaining contract ended on December 31, 2016 thereby bringing all employees at the health center in alignment with the Sheboygan County personnel policies and procedures as well as the Compensation system and into a pay for performance program.

Rocky Knoll continues to be the premier skilled nursing facility in Sheboygan County, with a reputation for providing excellent care, achieving positive outcome measures in rehabilitation, and fostering caring relationships with the residents, families and the community as a whole.

Please contact me with any questions or requests for further clarification.

Respectfully,

Rachelle Valleskey, RNC, BSN, NHA
Administrator

2016 Annual Report for Rocky Knoll Health Care Center

Mission Statement and Summary of Responsibilities

Mission Statement: The purpose of the Sheboygan County Health Care Center shall be to establish an integrated system of long term care delivery designed for and dedicated to providing optimal services to its constituents.

The Sheboygan County Health Care Center known as Rocky Knoll Health Care Center is licensed and certified as a Skilled Nursing Facility. The license requires that the Health Care Center complies with state administrative codes and federal regulations established to ensure that residents receive quality care, at a time in their lives when they are dependent on others.

Responsibilities: The responsibilities of the Health Care Center can be divided amongst six general factors according to priority, they are:

- 1) Proactive approach to anticipating and meeting our residents' physiological and psychological needs
- 2) Devote effort to continually provide quality care and service to the residents we serve
- 3) Maintain open communication with staff, residents, and representatives
- 4) Maintain fiscal responsibility to the taxpayers of Sheboygan County
- 5) Maintain an open working relationship with the Health Care Center Committee, Foundation Committee, other Committees, members of the County Board, and all other County departments
- 6) Remain nimble in approach and open to improving operations, identifying fiscal challenges, and opportunities for alternative revenue streams.

Goals and Objectives Achieved in 2016

- Our Five Star quality rating with Centers for Medicare and Medicaid Services was maintained until October, when the effects of the workforce shortage impacted our rating which dropped to four stars.
- Several Performance Improvement Projects occurred throughout the year, such as. Reducing pain in short stay residents, switching to Tuberculosis screening from routine Tuberculosis testing, and decreasing behavioral symptoms in residents affecting others.
- Expanding the 1 North Memory care unit from 19 to 28 beds has been post-poned to be achieved by June, 2017, in alignment with the installation of a new Nurse Call system in the facility.
- Two Nurses stations in the north building were replaced with new desks that are beautiful and homey as well as being friendlier and more approachable for the residents as they are smaller, and shorter allowing better visibility and access.

Budget

Rocky Knoll's total budget for 2016 was set at \$13,338,261 of which \$885,197 was supplemented with Tax Levy dollars. 2016 ended with a positive budget variance of 2.8%. Looking at 2017, we expect \$844,577 of Levy usage reflecting a 4.6% decrease from 2016 as part of a \$13,389,835 budget.

For three quarters in 2016, Rocky Knoll experienced higher than expected census and a favorable room and board revenue variance, resulting in the Local 2427 employees receiving a 1.5% Incentive bonus payments for each of those quarter.

Operationally, the facility continues to adhere to a fiscally responsible approach to spending and department heads remain cognizant of their own budgets and exploring further cost saving measures. Updating and upgrading the facility continues to remain a focus to enhance the quality of resident lives and to remain marketable to our competitors.

Issues and Challenges Ahead

- Nursing homes are heavily regulated at both the federal and state levels. In September, 2016 the Centers for Medicare and Medicaid Services (CMS) made the already burdensome nursing home regulatory system worse with the issuance of a new, wide-ranging rule.

It affects all aspects of nursing home operations, including staffing, staff training, physical environment and new requirements on mental and behavioral health.

The time frames provided under the rule are short and little to no guidance has been given to nursing homes on compliance. CMS grossly underestimated the cost and time needed for nursing homes to implement the new requirements.

Congress is being urged to suspend the rule to provide more opportunity for reconsideration as to what measures would be most productive to effective assurance of nursing home quality.

- Proposals to convert Medicaid into block grants or a system of per capita capped allocations to the states would reduce the funding every state now receives under the program. Medicaid must be preserved at the federal level. Seventy percent of people who turn 75 will come to need long term services and support. Half of people aged 65 and over have annual incomes of under \$24,000. Medicaid is not a welfare program. It serves people who worked very hard all their lives, but in their old age have come to need more help than they and their families can obtain or provide on their own.

The proposed changes in Medicaid come at a time when the senior population is growing and more people are reaching the advanced ages at which the need for long-term services and supports can become more urgent.

- Wisconsin has a workforce crisis! Our long-term care and assisted living facilities throughout the state are struggling with inadequate nurse aide and nursing staff.

Recruitment and retention efforts are at an all-time high, with response being slow to make necessary gains in terms of increasing the staffing in the nursing department.

- Rocky Knoll's administrator will be retiring this year, with strong efforts underway for succession planning. The facility will be required to on-board a new administrator which takes time, careful consideration and adequate training.

Goal and Objectives for 2017

- Work with Martin Bros on decreasing food costs and garnering assistance with new menu planning and operational efficiencies in the department
- Continue Quality Assurance and Performance Improvement (QAPI) efforts in Fall and Injury prevention/reduction while working towards becoming an alarm free facility
- Adequate on-boarding of new Administrator by sharing mission, vision and values as well as quality of care efforts, budgetary considerations, staffing opportunities, and general facility management.
- Work with Sheboygan County Highway department on new Transportation Complex and opportunities for shared services related to sewer and water plans.
- Explore possibility of an Adult Day Care as a revenue stream and utilization of available space.