



January 31, 2019

Honorable Members of the Sheboygan County Board and County Administrator Adam Payne,

Attached please find the 2018 Annual Report for Rocky Knoll Health Care Center. The report is inclusive of our mission statement and responsibilities, the goals and objectives achieved in 2018, 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 foremost for the year 2019.

Rocky Knoll continues to be a leader in Sheboygan County for providing outstanding short-term rehab and long-term skilled nursing services as evidenced by maintaining our five-star rating in quality measures recognized by the Centers for Medicare and Medicaid Services. The employees have worked diligently to strive for continual improvement in order to achieve such great success, and thereby enhance the lives of those we serve on a daily basis.

Rocky Knoll has achieved a positive year-end budget variance driven by conscientiously managing expenditures. Many projects were completed, which continue to improve the facility in terms of structure, functionality and aesthetics.

Rocky Knoll is the prominent skilled nursing facility in Sheboygan County. It embraces a reputation for providing excellent care, achieving positive outcome measures in rehabilitation, and fostering caring relationships with the residents, families and the community it serves.

Please contact me with any questions or requests for further clarification. Thank you for your leadership and ongoing support.

Respectfully,

Katherine (Kayla) Clinton, NHA  
Administrator

## 2018 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 are directed by six guiding principles; according to priority they are:

- 1) Proactively anticipate and meet our residents' physiological and psychological needs
- 2) 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 dynamic in approach and open to improving operations, recognizing fiscal challenges, and identifying opportunities for alternative revenue streams

### Goals and Objectives Achieved in 2018

- Rocky Knoll maintained the Five Star quality rating acknowledged by the Centers for Medicare and Medicaid Services which reflects a quality health survey, quality care, and adequate staffing.
- Rocky Knoll conducted a partial evacuation drill of the facility in coordination with Sheboygan County Emergency Management and various local emergency response agencies. Rocky Knoll was the first long-term care facility in the region to conduct such a drill.
- Rocky Knoll was named a preferred provider in AuroraAdvocate Post-Acute Network program and was a finalist for the Best Nursing Home of Sheboygan County.
- Physical building improvements such as the new resident call light system, upgraded sinks and vanities in the West building, energy efficient improvements in the kitchen with the intellihood and boiler. The exterior of the building has been improved with new decorative panels on the B- building.
- Rocky Knoll in collaboration of human resources and finance department created a bold, new recruitment plan for maximizing staff and filling open certified nursing assistant (CNA) positions. Highlights of this recruitment plan include a competitive starting wage for certified nursing assistants, wage increases for current certified nursing assistants, a new vacation policy, and exploring an established career path for CNAs.

## **Budget**

Rocky Knoll's total budget for 2018 was set at \$13,464,811 of which \$670,883 was supplemented with Tax Levy dollars. 2018 ended with a positive variance of \$461,317 or 3.38% compared to budget. Looking at 2019, we expect \$760,884 of Levy usage reflecting a 6.83% increase from 2018 as part of a \$13,506,391 budget. Rocky Knoll also received a supplemental payment of \$1,468,800 and a certified public expenditure payment of \$764,053 which allowed Rocky Knoll to complete the boiler house projects and purchase and the new VoIP phone system.

Operationally, the facility continues to adhere to a fiscally responsible approach to spending. Department heads remain cognizant of their own budgets and explore cost saving measures. Updating and upgrading the facility continues to remain a focus to enhance the quality of resident lives and to remain competitive in our market.

## **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 more stringent with the issuance of a new Mega Rule. The Mega Rule is the most comprehensive revision of requirements for nursing homes since 1991. The Mega Rule includes revisions to existing regulations and many new regulations that affect all aspects of nursing home operations including; staffing, staff training, physical environment, emergency preparedness, and new requirements on mental and behavioral health. The first phase of the Mega Rule went into effect November 28<sup>th</sup>, 2016. The second phase of the Mega Rule went into effect November 28<sup>th</sup> of 2017. The third and final phase goes into effect November 28<sup>th</sup> of 2019.
- The Center for Medicare and Medicaid has redesigned the Medicare reimbursement system which would reimburse Skilled Nursing Facilities based on components of resident's care, including physical therapy, occupational therapy, speech-language pathology, nursing, and non-therapy ancillary services. The Patient Driven Payment Model is effective October 1, 2019 and will require additional education and training for optimal reimbursement.
- Our long-term care and assisted living facilities throughout the state continue to struggle with inadequate numbers of nurse aides and other licensed nursing staff. Recruitment and retention efforts are at an all-time high, but response has been slow to make necessary gains in terms of increasing the staffing in the nursing department.

## **Goals and Objectives for 2019**

- Update and implement all Rocky Knoll policies, procedures, and practices to be in compliance with the phase three of the Mega Rule issued by the Centers for Medicare Services regulating long-term care facilities.
- Seek opportunities to further improve dining services and the quality of food
- Work with CEO and founder of Vibetech, Jeff Leismer, on ways technology can improve outcomes for residents with dementia.

- Train and equip Rocky Knoll staff for the patient driven payment model beginning October 1, 2019.
- Join the Cycling Without Age movement by purchasing a trishaw bike for residents and work towards finishing the paved multi-use trail on Rocky Knoll's campus.
- Merge building maintenance work order programs and preventative maintenance with the Sheboygan County Highway Department and Building Services.
- Explore different revenue streams utilizing available land to offset tax levy.