



SHEBOYGAN COUNTY

Katherine Clinton
Rocky Knoll

February 14, 2020

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

Attached please find the 2019 Annual Report for Rocky Knoll Health Care Center. The report is inclusive of our mission statement and responsibilities, the goals and objectives achieved in 2019, 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 2020.

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.

Respectfully Submitted,

Katherine (Kayla) Clinton

Mission Statement and Summary of Responsibilities

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.

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 2019

- 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 added key leadership team members including a Director of Clinical Services, Social Worker, Life Enrichment Director, Area Nurse Manager and 2nd Shift Nursing Supervisor.
- Rocky Knoll added amenities to its grounds including; five-miles of single-track mountain biking/hiking trails open to the public, a paved resident path that winds around the facility offering fresh air, exercise and beautiful views, and refurbished historic arches that date back to 1926.
- Rocky Knoll utilized \$600,665 from the \$754,227 Certified Public Expenditure payment to reduce capital outlay and structural needs for the next 5 years.
- Rocky Knoll became a certified host site for the Virtual Dementia Tour and received trauma informed care education from Health and Human Services.
- Rocky Knoll tested their Memorandum of Understanding by participating in a partial evacuation by accepting Sunny Ridge residents for evacuation on July 18, 2019.

Budget

Rocky Knoll's total amended budget for 2019 was \$14,061,556 of which \$716,884 was supplemented with Tax Levy dollars. 2019 ended with a positive variance of \$627,585 or 4.46% compared to the amended budget. Looking at 2020, we expect \$846,506 of Levy usage reflecting an 18.08% increase from 2019 as part of a \$13,881,145 budget. Rocky Knoll also received a

supplemental payment of \$1,513,550 and a Certified Public Expenditure payment of \$754,227 in 2019.

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 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 28th, 2016. The second phase of the Mega Rule went into effect November 28th of 2017. The third and final phase goes into effect November 28th of 2019. In 2020 Rocky Knoll will have its first survey under all three phases of the mega rules.

- 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, and speech-language pathology, nursing, and non-therapy ancillary services. The Patient Driven Payment Model is effective October 1, 2019 and will require data analysis in 2020 for future budget projections.
- Our long-term care community throughout the state continues 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. The state funded program designed to add nurse aids into the workforce ended in 2019.

Goals and Objectives for 2020

- Plan and execute the \$1.6 Million worth of projects at Rocky Knoll.
- Oversee the construction and development of onsite daycare at Rocky Knoll.
- Maintain 5-star quality rating issued by Center for Medicare and Medicaid Services.
- Create recruitment and retention strategies to attract and retain Certified Nursing Assistants.
- Work with CEO and founder of Vibetech, Jeff Leismer on the Vibesit which can improve outcomes for residents with dementia.
- Explore different revenue streams utilizing available land to offset tax levy.