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Case Studies

Use of Funds in Six States

Funding for Innovation: A Review of State Practices with Civil Monetary Penalties and Fines

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INTRODUCTION

Six states were selected for detailed analyses of CMPs/fines special fund uses: Kansas, Maryland, Massachusetts, Michigan, New Jersey, and North Carolina. The selection of these six was a convenience sample of the first state officials interviewed for the full study who reported using funds from CMPs/fines for special projects and who were willing to provide detailed data about the use of these funds. In order to get detailed information, four categories of stakeholder groups were identified from each state to be subjects for 15 to 20 minute interviews: (1) the state ombudsmen, (2) the director of the state chapter of the American Health Care Association, (3) the director of the state chapter of the American Association of Homes and Services for the Aging, and (4) the director of nursing home consumer advocacy organization(s). In addition, interviews were conducted with the directors of the state licensure and certification agencies.

Five of the six state ombudsmen participated (New Jersey was the exception), all of the directors of the state chapters of AHCA and the consumer advocate organizations participated (but none were available in New Jersey), five of the six state chapters of AAHSA participated (North Carolina was the exception), and five of the six state survey and certification agencies participated (Maryland was the exception). Overall, 28 stakeholders participated.

FINDINGS

KANSAS

Projects Funded

- Library materials;
- Resident care project to prevent pressure ulcers;
- Study of nursing home characteristics by Kansas University Medical Center;
- LTC ombudsman project;
- Training for direct care staff; and
- Eight grants to educational organizations for training unlicensed direct care staff.

Information on Availability of Funds

Information is provided annually by Kansas' Licensure and Certification office (in the KS Dept. on Aging) using notices in the Kansas Register (government newspaper), letters to all nursing homes and annual RFP announcements.

Stakeholder Involvement

A Nursing Home Advisory Committee to Licensure and Certification (L&C) is operational and includes the following stakeholders: KS Health Care Assn. (KHCA); KS Assn. of Homes and Services (KAHSA); KS Advocates for Better Care (KABC); University of KS; KS Adult Care Executives (KACE); KS Community Colleges; Kansas Dept. of Health and Environment; Kansas Dept. on Aging.

Applicant Eligibility

There are no limitations on who can apply.

Selection Process

A two step process is used: (1) projects are selected by L&C with advice from the NH Advisory Committee at L&C; and (2) selected projects must be approved by the director of state Medicaid agency in the Department of Social and Rehabilitation Services (SRS).

Assessment of the Use of Funds

Industry stakeholders we spoke to support the current use of funds since L&C expanded the types of projects funded such as CNA training and Workforce Enhancement Grants. Consumer advocates reported that they support the current use of CMP funds for projects such as advocacy efforts and the training of direct care staff (e.g., CNAs) by educational organizations.

Suggestions for Future Use of Funds

Industry stakeholders:

- ▶ Culture change projects;
- ▶ Collaboration with quality improvement organizations (QIOs) on employee training; and
- ▶ Promotion of teams, peer mentoring and supervisor training.

Consumer advocates:

- ▶ Initiate 'Silver Hair Legislature' to place 'friendly advocates' in all KS nursing homes;
- ▶ Pilot CNA training to involve CNAs in care planning process;
- ▶ Make available non-office hours complaint intake for the hotline;
- ▶ Distribution of new 'residents rights' booklet to all residents or families in all KS nursing homes;
- ▶ Pilot program for expert training on protocols to mitigate deficient practices in nursing homes with high frequency of deficiencies; and
- ▶ Use funds to reduce state surveyor variations in surveys as identified by a KS Legislative Audit Commission report.

MARYLAND

Projects Funded

- Wellspring project to Beacon Institute;
- NCCNHR family councils;
- Hospice Network handbook project; and
- Pets-on-wheels volunteers.

Information on Availability of Funds

L&C in the Office of Health Care Quality publicizes information on its Website; the ombudsman program announces the availability of annual grants. In 2006, L&C requested proposals ranging from \$5,000-\$10,000 for short-term, one-time projects to improve care.

Stakeholder Involvement

Health Facilities Association of MD (HFAM); MD Association of Non-Profit Homes for the Aging (MANPHA); and the state ombudsman program.

Applicant Eligibility

Eligible applicants include: nursing home facilities; advocacy organizations; nursing home associations; state & local ombudsman; and quality improvement organizations (QIOs).

Selection Process

Decisions are made by L&C (OHCQ) staff using a two step process: (1) the L&C office selects projects and the level of funding for inclusion in its budget; and (2) each project's funding must be approved by the Maryland legislature as part of the L&C budget.

Assessment of the Use of Funds

Industry stakeholders reported that they support funding projects that create learning among nursing homes. Consumer advocates reported support for current procedures and a preference for small grants. They support use of funds for the NCCNHR project on family councils which reached all 257 nursing homes in Maryland. They were skeptical of the Wellspring Project since it reached only 10 nursing homes.

Suggestions for Future Use of Funds

Industry stakeholders:

- ▶ More spending is needed on quality certification and training for nurses, physicians, and NH administrators; and
- ▶ More funding is needed for emergency preparedness.

Consumer advocates:

- ▶ Promote the posting of funding criteria on the state L&C website; and
- ▶ Support funding for assisted living facility projects.

MASSACHUSETTS

Projects Funded

Numerous projects in nursing homes were funded such as: computer classes, travel, therapeutic arts, libraries, gardens, bird aviary, life stories, fish tank, after-hours café, Chinese art, memory garden, neighborhood care, volunteer program and yoga.

Information on Availability of Funds

Since 2001, L&C annually issues RFRs (requests for responses) for projects up to \$30,000 which are mailed to all nursing homes. Trade associations inform their members via newsletter about RFRs; the state ombudsman's office informs family and resident councils.

Stakeholder Involvement

The L&C Advisory Committee operates consisting of seven representatives from the MA Dept. of Public Health, LTC Ombudsman Office, MA Extended Care Federation, and MA Aging Services Association.

Applicant Eligibility

All long-term care facilities in MA.

Selection Process

A two-step process is used: (1) The L&C coordinator at the Center For Quality Assurance and Control screens applications for compliance with RFR guidelines circular; and (2) L&C Advisory Committee ranks applications for final selection.

Assessment of the Use of Funds

Industry stakeholders reported support for greater use of CMP funds to increase the number of programs for improving resident care and support the publicizing of more projects among providers. Consumer advocates reported support of funding for culture change projects and CNA training projects.

Suggestions for Future Use of Funds

Industry stakeholders:

- ▶ Future funding should focus on resident empowerment programs;
- ▶ The inclusion of more facilities in culture change training projects; and
- ▶ The expansion of funding for capital projects that affect quality of life.

Consumer advocates:

- ▶ Expand publicity effort of availability of CMP funds for culture change projects;
- ▶ Use CMPs funds for CNA training especially for scholarships;
- ▶ Promote the use of volunteers in nursing homes to interact with residents; and
- ▶ Promote the direct funding of advocacy organizations with fiscally sound practices.

MICHIGAN

Projects Funded

- Evaluation of dining assistants research project; and
- Project to transition nursing home residents to home and community-based care (related to an *Olmstead* lawsuit against the state).

Information on Availability of Funds

The availability of CMP funds is not publicized. In order to find information, interested stakeholders must inquire with L&C in the MI Department of Community Health.

Stakeholder Involvement

There is little if any stakeholder involvement in the policies or the selection of projects.

Applicant Eligibility

Stakeholders can propose a project idea to the L&C program in the MI Dept. of Community Health.

Selection Process

L&C, in collaboration with the state Medicaid agency (Medical Services Administration), decides what projects to fund. The funds for CMPs/fines are controlled by the Medicaid program, a bureau of the MI Department of Community Health.

Assessment of the Use of Funds

Industry stakeholders said that they believe that past special projects were not shown to be effective. Consumer advocates felt that past special projects were not effective and the selection process was not democratic. They also felt that there is no evidence of improvement in quality of care and fewer citations.

Suggestions for Future Use of Funds

Industry stakeholders:

- ▶ Promote the use of funds for family satisfaction surveys;
- ▶ Use funds for a consumer guide with Michigan nursing home information;
- ▶ Support collaboration with the American Medical Directors Association to produce clinical guidelines to treat various diseases;
- ▶ Use funds for quality improvement projects; and
- ▶ Promote use of funds for capital needs (e.g., fire suppression systems).

Consumer advocates:

- ▶ Use funds for specialized staff training to care for Medicaid populations with specialized-needs (drug and alcohol addiction, dementia);
- ▶ Propose the use of 50 percent of funds to be allocated for home and community-based care alternatives;
- ▶ Hire additional surveyors to improve the quality of surveys and good remediation to avoid nursing home closures; and
- ▶ Promote the use of more receivers to improve resident care and avoid more nursing home closures.

NEW JERSEY

Projects Funded

- Pressure ulcers project;
- Video for CNAs on diabetes;
- Eden Alternative grants;
- Resident satisfaction survey;
- Ventilator bed study; and
- Injury prevention project.

Information on Availability of Funds

Occasionally, providers receive notices from L&C about availability of CMP funds. Otherwise, there is no formal process in place for publicizing funding availability.

Stakeholder Involvement

This varies by project. Typical stakeholders include Rutgers University, NJ Hospital Association, Health Care Association of NJ, and the Association of Non-Profit Homes for the Aging.

Applicant Eligibility

Stakeholders can approach the L&C with their idea, a plan describing how they expect to carry it out, and a statement of potential benefits.

Selection Process

L&C considers projects and makes final decisions internally about project funding. Approved projects are reimbursed after completion by the grantee.

Assessment of the Use of Funds

Industry stakeholders we spoke to reported that they are generally satisfied. They support funding for research and consider the effort as positive, but note varying levels of project success. (No consumer advocacy organizations were available and the ombudsman did not respond to the survey).

Suggestions for Future Use of Funds

Industry stakeholders:

- ▶ A more formal application process is needed;
- ▶ Support resident satisfaction surveys;
- ▶ Support best practices projects;
- ▶ Promote collaborative projects such as pressure ulcer projects; and
- ▶ Promote projects that focus on resident care improvement.

NORTH CAROLINA

Projects Funded

- Quality initiatives projects given to the Medical Review of NC (MRNC) focused on medication errors, falls prevention, and preventing wandering/elopement;
- Cecil G. Sheps Center for Health Services Research at the University of NC;
- Medication error reporting; and
- Culture change projects (Eden Alternative) to providers.

Information on Availability of Funds

Open bidding process for quality initiatives project involving Medical Review of NC (MRNC); self-initiated application by the Sheps Center; RFPs for enhancement grants to all Medicaid facilities (Eden Alternative) sent by L&C, and to general public via the L&C website.

Stakeholder Involvement

Varies by project--MRNC projects involved nursing home industry; Sheps for Health Services Research projects involved providers; cultural change projects involved stakeholders including the nursing home industry (NC Health Care Facilities Association, NC Association of Non-Profit Homes for the Aging), consumers, and providers.

Applicant Eligibility

Individual facilities apply via the RFP process; or projects can be self-initiated.

Selection Process

L&C chief and staff make the decisions about fund use. The Medical Review of NC received some funds from L&C to distribute to providers for improvement projects.

Assessment of the Use of Funds

Industry stakeholders said that they consider CMP-funded projects to be appropriate and effective. Consumer advocates reported that they are favorable about how funds have been used thus far, but are concerned that L&C is too provider-oriented and that the results of culture change projects are not clear.

Suggestions for Future Use of Funds

Industry stakeholders:

- ▶ Use funds for the dissemination of evidence-based practices;
- ▶ Use funds for culture change projects; and
- ▶ Use funds for design and architectural research for building changes to accommodate culture change requirements.

Consumer advocates:

- ▶ Use funds for ombudsman programs to have community advisory committees; and
- ▶ Use funds for "residents rights" activities.

DISCUSSION

Five of the six states focused on in the case studies used funds for culture change projects (all except Michigan). Massachusetts and North Carolina funded many small projects. For example, North Carolina's licensing and certification agency funded health care quality improvement projects in nursing homes. Four of the six states (KS, MA, MD, and NC) had a formal process for informing stakeholders about the availability of funds. In the other two states (Michigan and New Jersey) stakeholders had to inquire about funding availability. Those states with an established process of calling for proposals generally appeared to have had more stakeholder involvement. Three states (KS, MA, NC) had formal involvement of a broad range of provider, consumer, and other stakeholders in their planning and project selection process. Maryland also involved stakeholders in its processes but did not have a formal advisory committee.

In terms of eligibility to apply for projects, five states allowed a broad range of providers, consumers, and other stakeholders to apply for funds. Massachusetts limits availability of funds to long term care facilities. All six states gave the decision-making responsibility for the allocation of funds to the state licensing and certification agency, although Kansas also required approval by the state Medicaid agency and Maryland required approval of spending by the Maryland legislature.

In terms of the stakeholders assessment of how the states had used the funds, most providers and consumer advocates reported that they supported fund allocations in their state. Michigan was the exception: the providers and consumer advocates interviewed did not consider the previously funded projects to be valuable. Stakeholders in the six states had a range of suggestions for the future use of funds from CMPs/fines. Most stakeholders wanted funds to be given for quality improvement projects while a few supported using funds for temporary management and relocation of residents and other such activities. Overall, stakeholders viewed the funds from CMPs/fines as an opportunity for quality improvement and preventing problems in nursing homes.

LESSONS LEARNED: STEPS STATES SHOULD TAKE TO ENCOURAGE NOTEWORTHY PROJECTS/ACTIVITIES

1. Selection Process

- Establish a public process including public notice of fund availability with a clear annual timeline for applications for funding of innovative projects and an objective review process.
- Involve a wide range of knowledgeable stakeholders in setting the criteria for and guidelines for the use of funds including residents and family members, ombudsmen, family council members, members of citizen advocacy groups, providers, and individuals with grant-making experience.
- Encourage programs/projects to be jointly developed with academic organizations, consumers (or their representatives) and established experts.
- Select projects/programs/activities that go beyond regulatory requirements and ordinary budget items to improve residents' quality of care and quality of life, encourage person directed care, promote consumer advocacy and involvement and stimulate and support the spread of "culture change."
- Select projects/programs/activities directly related to nursing home residents.

2. Types of Projects

- Encourage the innovative use of funds to stimulate quality in ways that ultimately can be replicated by other facilities/programs.
- Target consumer focused projects such as work with family councils, resident councils, consumer advocacy organizations, and ombudsman projects.

3. Allocation and Evaluation

- Allocate sufficient funds to ensure a substantial, lasting impact and potentially a widespread impact.
- Allocate funds for programs/projects that are practical and can be sustained and/or replicated by others after the funding has ended.
- Establish a formal evaluation process for all projects using outside evaluation experts.