

Ensuring Adequate Quality and Regulation of LTSS

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Ensuring Quality and Regulation of Long Term Services & Services

▶ Quality in LTSS

- ▶ Nursing homes (skilled nursing)
- ▶ Residential care/assisted living (24 hour non-skilled)
- ▶ Home health care (professional services & aide care)
- ▶ Home care or personal care (help with bathing, dressing, and other activities)

▶ Causes of Poor Quality

- ▶ Lack of funding and support for regulatory enforcement
- ▶ Inadequate staffing requirements
- ▶ Lack of financial accountability

US Nursing Home Industry

- ▶ **16,500 facilities - 1.4 million residents**
- ▶ **67% for-profit companies**
- ▶ **54% chains**
- ▶ **Many private equity companies**

- ▶ **\$143 billion for NHs in 2010**
- ▶ **63% paid by Medicare and Medicaid**

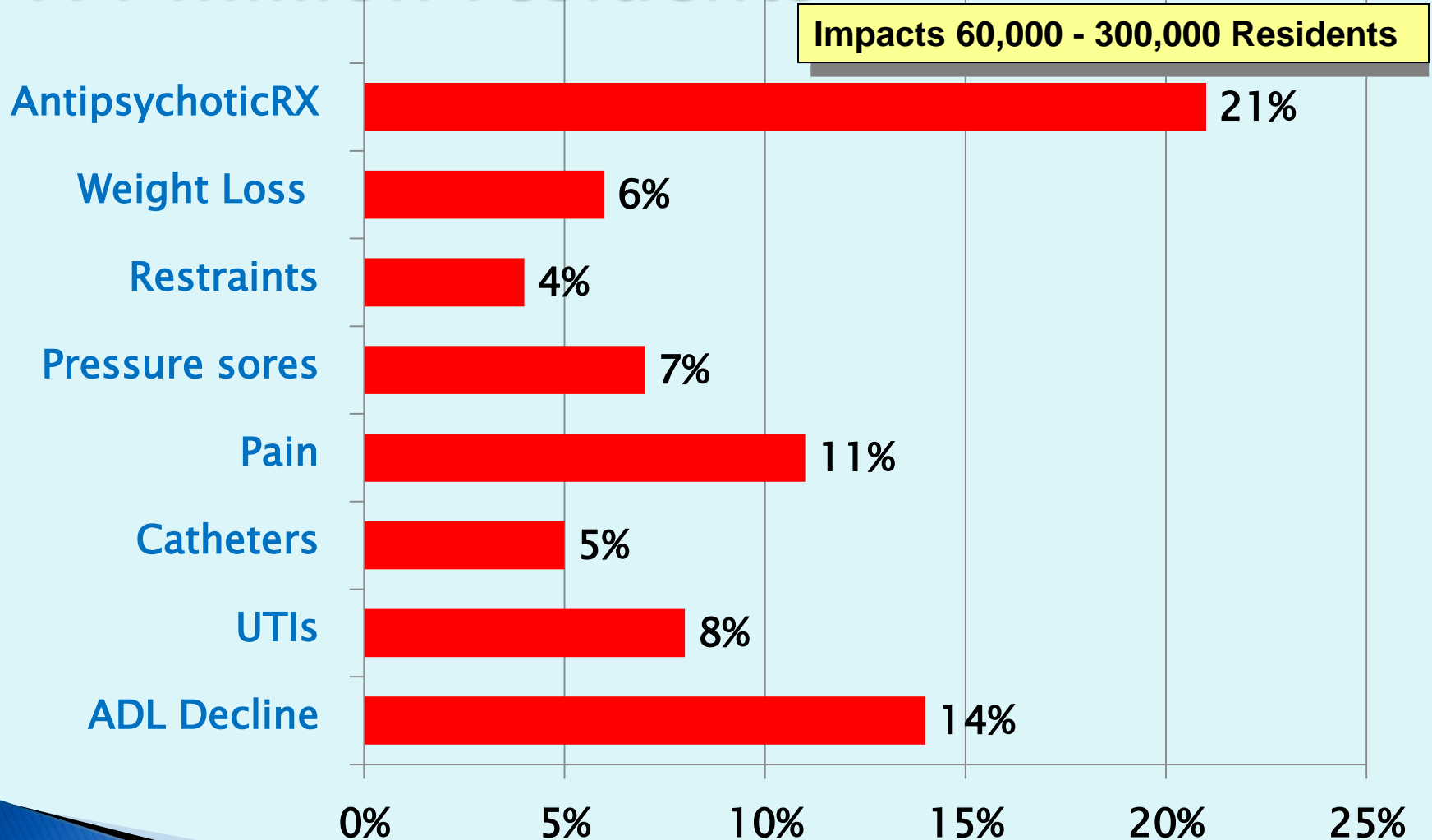
NURSING HOME REFORM ACT -- OBRA 1987

- ▶ **Quality of Life & Residents' Rights**
- ▶ **Quality of Care**
- ▶ **Comprehensive Resident Assessments**
- ▶ **Improved Survey Process**
- ▶ **Tough Enforcement With Monetary Penalties**

Federal Quality Survey System

- ▶ Annual on-site unannounced inspections by state agencies for compliance with federal regulations
- ▶ Complaint investigations
- ▶ Deficiencies issued for violations rated by scope and severity
- ▶ Monetary penalties / fines – only 2% of facilities receive fines
- ▶ Decertification from Medicare & Medicaid is extremely rare
- ▶ Inadequate number of surveyors and resources

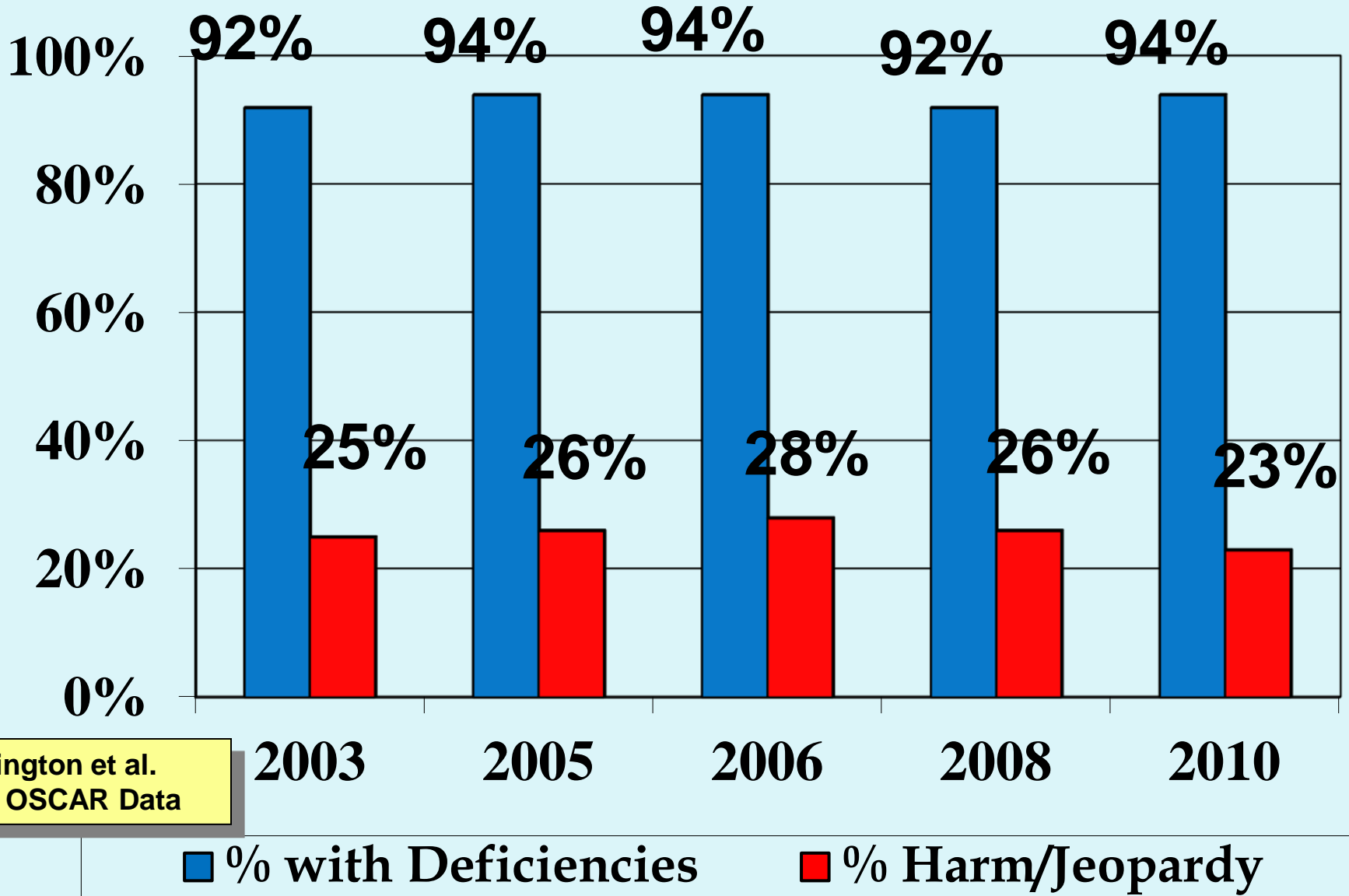
U.S. Nursing Home Quality, 2012 – 1.4 million residents



Source: MDS 3.0 data for all nursing homes in 2012 from CMS

Facilities with Deficiencies & With Harm/Jeopardy, 2003-10

140,000 deficiencies



Harrington et al.
2011 OSCAR Data

Regulation is Essential to Ensure Quality

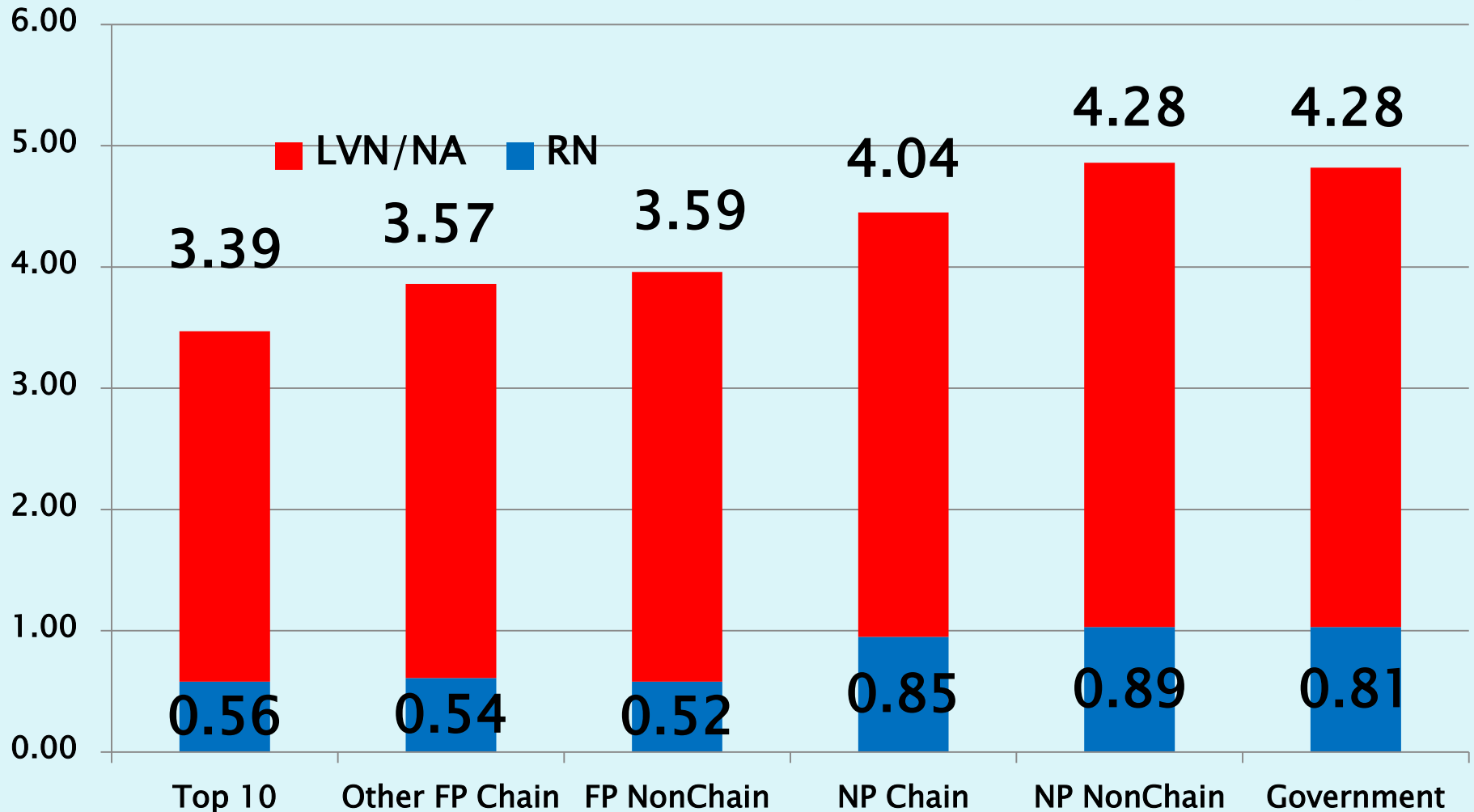
- ▶ Increased regulatory funding results in stronger state enforcement for NHs
 - Harrington et al. 2008. Gerontologist. 48, No. 5, 679–691.
- ▶ Higher state regulatory stringency results in
 - Higher CNA and LPN staffing
 - Improved resident outcomes
 - Cost effective
 - Mukamel, Weimer, Harrington, et al, 2012, Health Services Research.47(5):1791–813.
- ▶ Funding needs to keep pace with inflation – and tied to a percent of government expenditures for each type of LTSS provider

NURSING HOME RESEARCH STUDIES: POSITIVE RELATIONSHIP BETWEEN NURSES & QUALITY -- Over 100 Studies

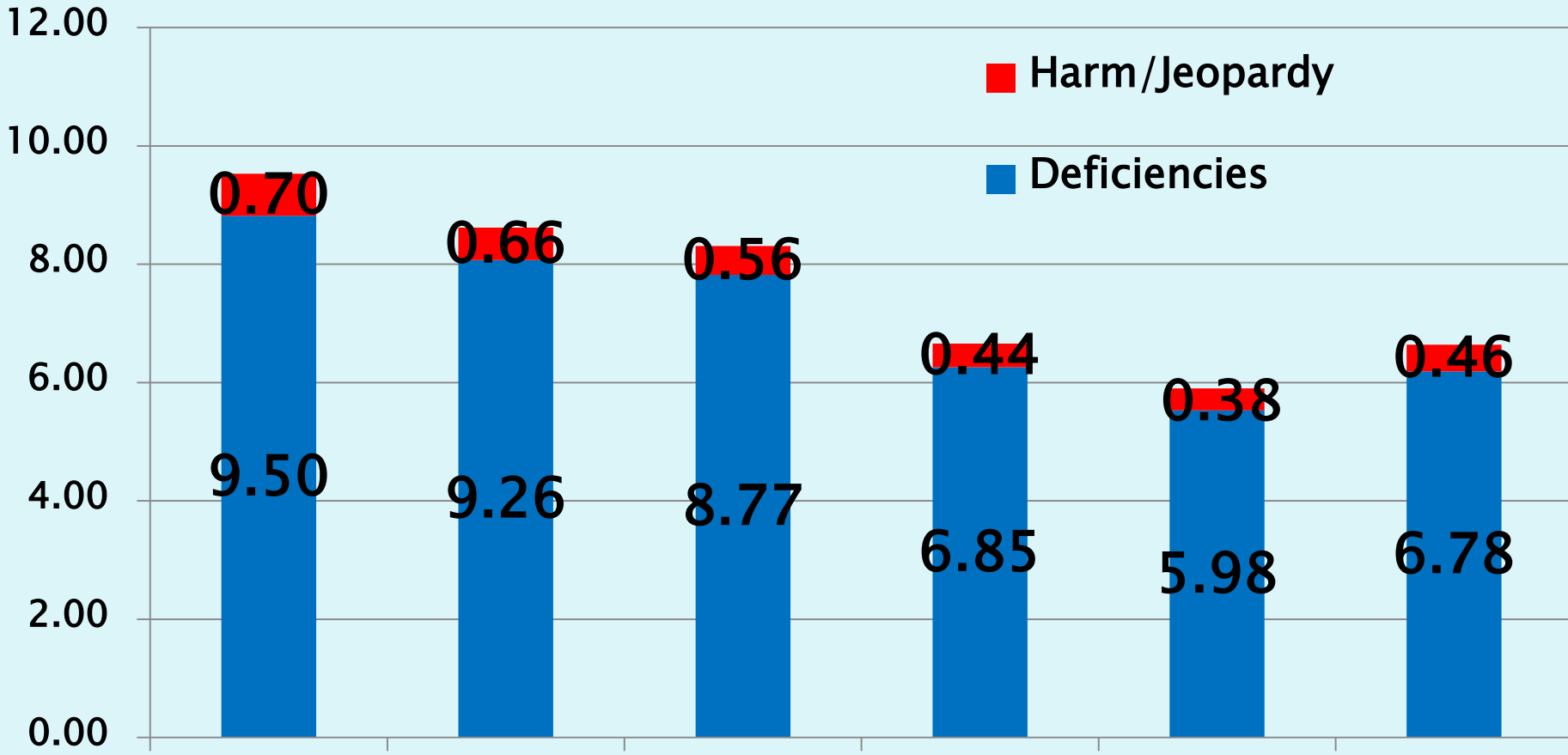
- ▶ Linn et al. 1977
- ▶ Fottler et al. 1981
- ▶ Nyman 1988
- ▶ Kayser-Jones 1989
- ▶ Monroe 1990
- ▶ Gustafson et al 1990
- ▶ Spector/Takada 1991
- ▶ Cherry 1999
- ▶ Braun 1991
- ▶ Johnson-Pawlson 1993
- ▶ Cohen/Spector 1994
- ▶ Kayser-Jones 1997
- ▶ Bliesmer, Smayling et al, 1998
- ▶ Kayser-Jones, 1999
- ▶ Harrington et al 1999
- ▶ Harrington et al 2001
- ▶ Carter & Porell, 2003
- ▶ Weech-Maldonado, Meret-Hanke, Neff, 2004
- ▶ Zhang & Grabowski, 2004
- ▶ Carter & Porell, 2005
- ▶ Horn, et al, 2005
- ▶ Dorr, Horn & Smout 2005
- ▶ Kim et al 2009

Includes RNs, LVNs, and Nursing Assistants

Nurse Staffing Levels by Ownership Type in US 2003–08 (Hours Per Resident Day)



Deficiencies & Serious Deficiencies By Ownership Type in US Nursing Homes 2003-08



Top 10 Other FP Chain FP NonChain NP Chain NP NonChain Government

Direct Care Workers

- ▶ **Low wages (about \$10 per hour)**
 - below poverty level
 - work more than one job
- ▶ **High worker annual turnover – 50%**
- ▶ **Often lack health insurance**
- ▶ **High injury rates**
- ▶ **Inadequate training requirements**
 - Nursing assistants and HH aids required to have 75 hours training
 - Hair stylists have 1500 hours

Nursing Home Staffing

Inadequate nurse staffing standards - Only 1 RN on duty on day shift required and no direct care staffing standards

Inadequate actual staffing levels:

- 1 NA -- 2.4 hprd
- LVN – .8 hprd
- RN – .7 hprd

Standards need to be increased to at least the level recommended in 2001 CMS study:

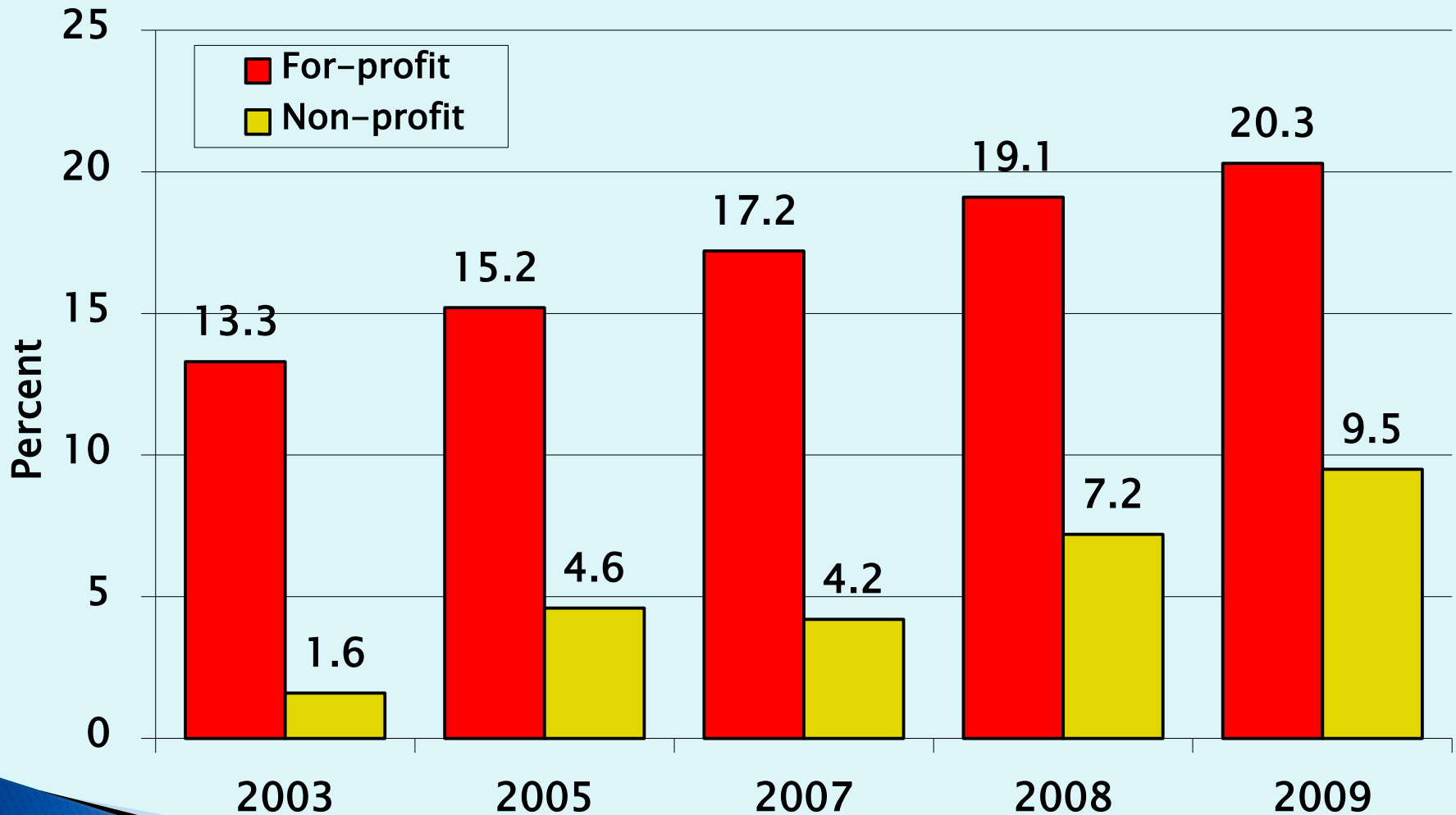
- 1 NA - 2.8 hprd
- LVN - .55 hprd
- RN - .75 hprd
- Total 4.1 to 4.55
- Adjusted upward for higher casemix

Abt Study 2001 for CMS

1997 - Medicare Prospective Payment System for SNFs

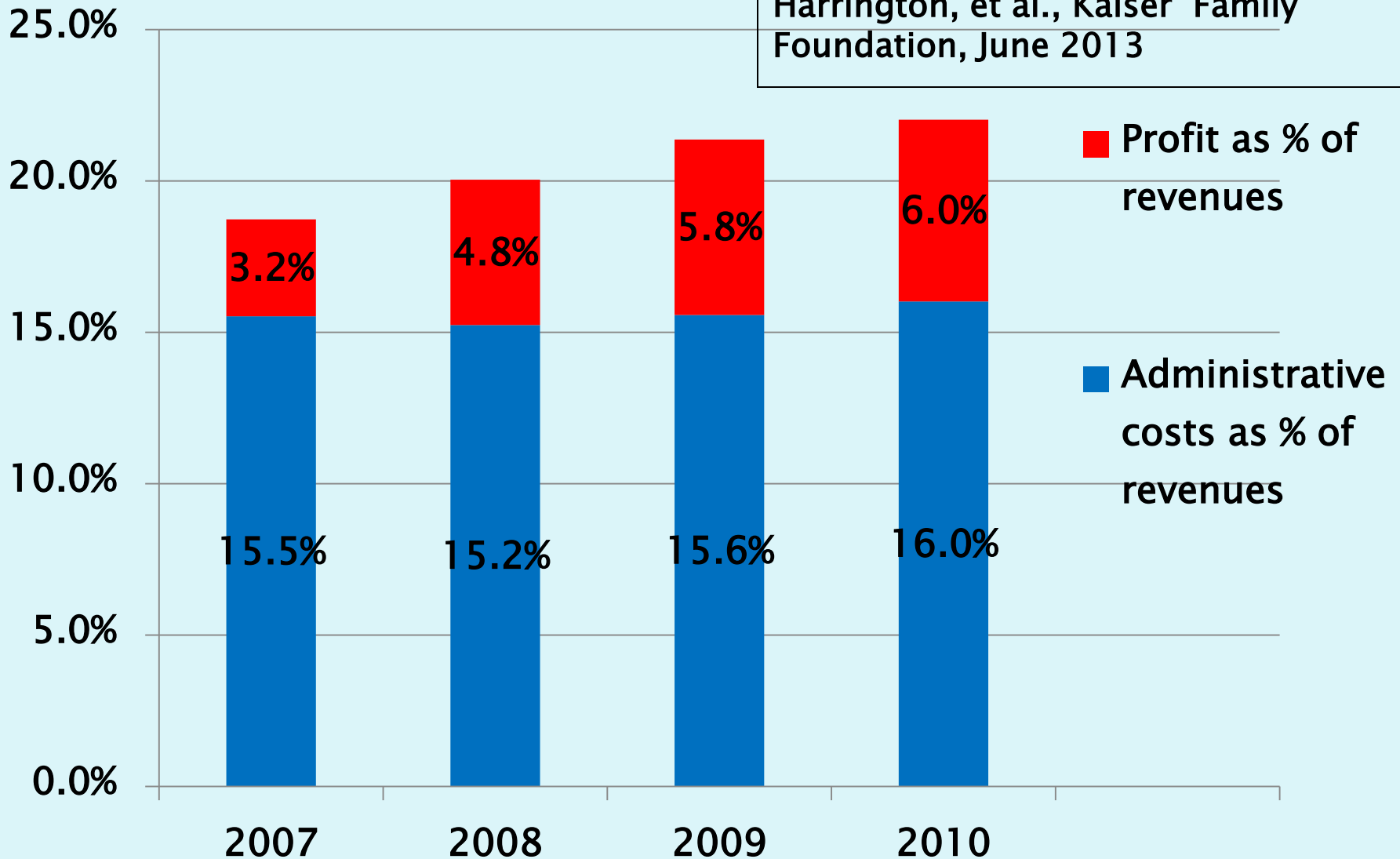
- ▶ Established a prospective payment system
- ▶ Pays higher rates based on self-reported casemix/ acuity (need for nursing and therapy services)
- ▶ Encourages inflation of casemix/ acuity
- ▶ Administratively complex
- ▶ No audits of casemix data
- ▶ **NHs do not have to spend the payments on care – can shift to profits and administration**

Percent Freestanding SNF Medicare Profits 2003-09 in US



California Nursing Home Profits and Administrative Costs as % of Revenues, 2007–2010

Harrington, et al., Kaiser Family Foundation, June 2013



Poor Quality in For-Profit Nursing Homes

▶ For-Profits have:

- More pressure ulcers, physical restraints, deficiencies, urinary track infections, higher mortality rates, higher antipsychotic drug use, higher hospital admission rates, poorer overall quality, less staff and less training

- Comondore et al, BMJ 2009

▶ Excess profit-taking results in poorer quality of care

O'Neil, Harrington, et al., Medical Care 2003

▶ Recommend setting ceilings on profits and administrative costs to no more than 20% of revenues – potential for large savings and redirecting funds improve quality

- Harrington, et al., Kaiser Family Foundation, June 2013

Residential Care/ Assisted Living

- **Beds have doubled in past decade**
- **Regulated by states - few standards**
- **Almost no nursing staff**
- **No data reporting on quality**
- **No financial accountability**
- **Services are expensive so residents often spend down and must move**
- **No Medicare and little Medicaid funding**
- **No federal funds for regulation**

Home Health Care

- **Large growth in agencies and services**
- **Infrequent surveys of agencies**
- **Medicare has 20 quality measures posted**
- **Medicare does not post information on deficiencies and complaints**
- **No standards for number and type of staff and number of visits**
- **No limits on profits or administration or financial accountability**
- **Inadequate funds for oversight**

Home and Personal Care Services Have Quality Problems

- ▶ **Unstable workforce with low pay/benefits & high turnover**
- ▶ **Shortages of workers and difficulty recruiting**
- ▶ **Lack of professional oversight**
- ▶ **Minimum state oversight**
- ▶ **Problems with**
 - **timeliness and dependability**
 - **quality of care**
 - **negative attitudes &**
 - **lack of consumer directed care**
 - **theft**
 - **abuse**

Market-Based Approaches Do Not Ensure LTSS Quality

- ▶ **Quality measures are self reported and not audited**
- ▶ **High quality providers often target private individuals and are expensive – little choice for Medicaid**
- ▶ **Information on quality is not available for assisted living and many LTSS providers**
- ▶ **Private insurers and managed care companies generally contract on the basis of price not quality**
- ▶ **This approach places a heavy burden on individuals to obtain information and decide where to get care**

Policy Strategies

- ▶ **Shift the focus from controlling costs to improving quality and accountability**
- ▶ **Increase funding to improve regulatory oversight for all LTSS**
- ▶ **Establish higher staffing standards for nursing homes, assisted living, and home health**
- ▶ **Increase financial accountability for funds with limits on administrative costs and profits and audits**