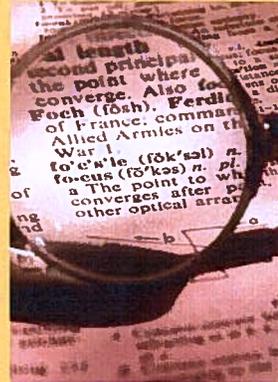
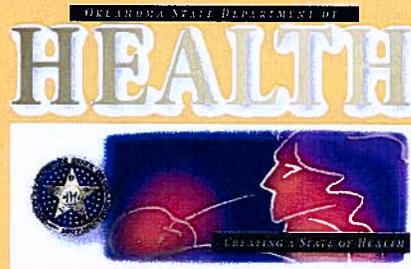


Financial Status Summary

**Long Term Care Advisory Board
Broad Review Ad Hoc Committee**



OKLAHOMA STATE DEPARTMENT OF HEALTH · CREATING A STATE OF HEALTH · WWW.HEALTH.OK.GOV

Causes of Deficits

- **Insurance ↑ 80% in 4 years**
- **Retirement rate paid by employer ↑ 72% in 4 years**
- **No corresponding increases in appropriations: state or federal**
- **Market salary adjustments uncompensated in federal budget**
- **No fee increases**



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Fee Change History

<u>Facility Type (Fee/Cap/Cycle)</u>	<u>Last Changed</u>
NF (\$10/Bed \$1000 Annual)	1994
ICF/MR (\$10/Bed \$1000 Annual)	1994
CCAL (\$10/Bed \$1000 Annual)	1998
RCF (\$50/fac. Bi-annual)	1987
ADC (\$75/fac. Annual)	1989



Fees Changed for Inflation

Facility Type	Fee Year	Fee	In Today's Dollars
Assisted Living	1998	\$10 / Bed	\$13.24 / Bed
Adult Day Care	1989	\$75 / Facility	\$132 / Facility
Residential Care	1987	\$50 / Facility	\$95 / Facility
Nursing Facilities / ICF/MR	1994	\$10 / Bed	\$14.56 / Bed

Using the Consumer Price Index (CPI) to convert a price into today's dollars.

The following formula is then used to calculate the price:

Year's Price x (2009 CPI / Year's CPI) = Year's Price in today's dollars

www.usinflationcalculator.com



Allocation of State Licensure & Inspection Costs to Facility Type

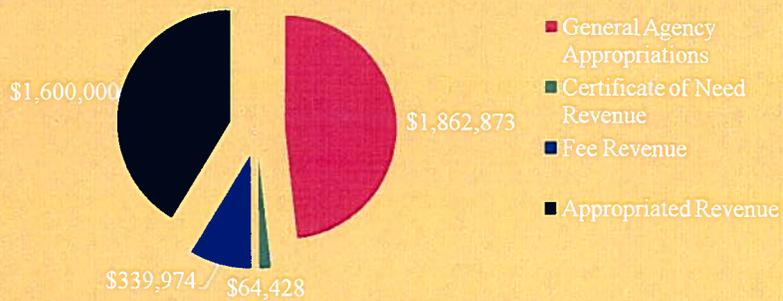
	Inspection Hours	FTE	% of Time	Allocation of Costs
Assisted Living	10,752	7.2	16%	\$ 809,774
Adult Day Care	832	0.6	1%	\$ 62,661
Residential Care	6,233	4.2	9%	\$ 469,431
Nursing Facilities (State Only)	50,081	33.4	72%	\$ 3,771,777
ICF/MR (State Only)	1,268	0.1	2%	\$ 95,498
Totals	69,166	45.4	100%	\$ 5,209,141



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Nursing and Specialized Facilities 2008 Revenues & Expenses

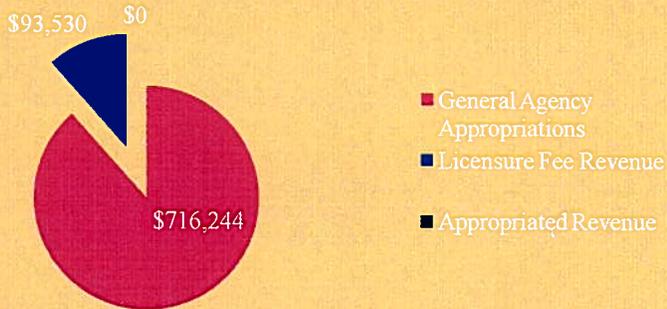
**Cost of Licensure and Inspection Program
\$ 3,867,275**



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Continuum of Care and Assisted Living 2008 Revenues & Expenses

Cost of Licensure and Inspection Program
\$ 809,774



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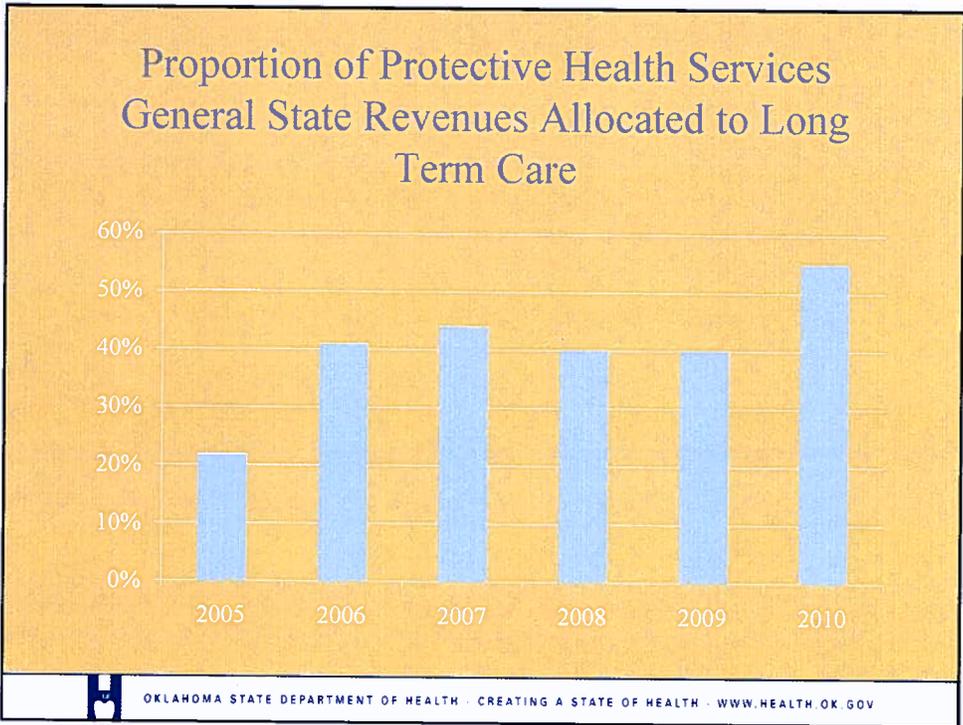
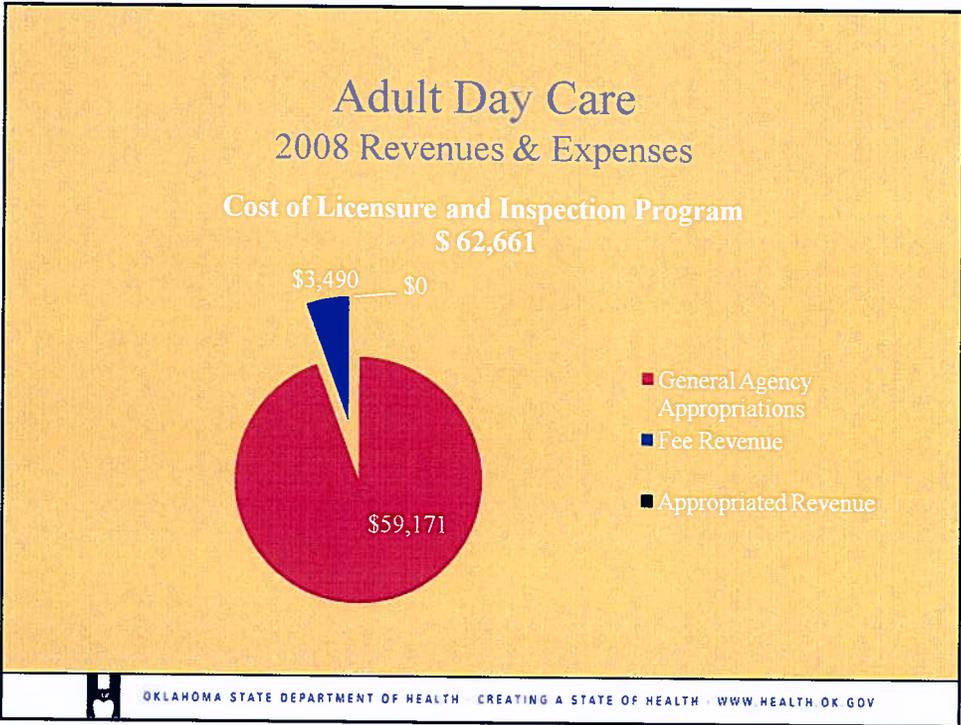
Residential Care

2008 Revenues & Expenses

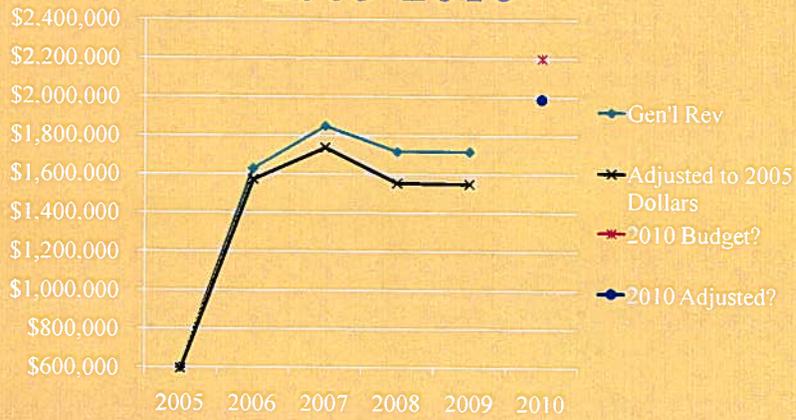
Cost of Licensure and Inspection Program
\$ 469,431



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Long Term Care General State Revenue Adjusted for Inflation 2005-2010



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Oklahoma Budget Analysis Tool (BAT)

STATE SURVEY AGENCY BUDGET/EXPENDITURE REPORT

AGENCY: OKLAHOMA	REGION/STATE CODE: 06/37	BUDGET PERIOD: FY 2009 From: 7/1/08 To: 6/30/09	FY QUARTER ENDING:
---------------------	-----------------------------	--	--------------------

- | | |
|--|--|
| (1) <input type="checkbox"/> TITLE XVIII STATE BUDGET REQUEST
(2) <input type="checkbox"/> TITLE XVIII RO BUDGET APPROVAL
(3) <input type="checkbox"/> TITLE XVIII STATE QUARTERLY EXPENDITURES
(4) <input type="checkbox"/> TITLE XVIII RO APPROVED QUARTERLY EXPENDITURES
(5) <input type="checkbox"/> TITLE XVIII CUMULATIVE EXPENDITURES | (6) <input type="checkbox"/> TITLE XIX STATE FFP ESTIMATED BUDGET
(7) <input type="checkbox"/> TITLE XIX RO APPROVED FFP ESTIMATED BUDGET
(8) <input type="checkbox"/> TITLE XIX STATE QUARTERLY EXPENDITURES
(9) <input type="checkbox"/> TITLE XIX RO APPROVED QUARTERLY EXPEND.
(10) <input type="checkbox"/> SUPPLEMENTAL (CHECK APPROPRIATE BLOCK(S))
(11) <input checked="" type="checkbox"/> OTHER (EXPLAIN) |
|--|--|

COST CENTERS	TITLE XVIII				STATE ONLY			TOTAL LTC
	N/LTC S-Y (A)	N/LTC (B)	LTC S-Y (C)	LTC (D)	LTC S-Y (E)	FFP (F)	STATE (G)	COL. D, F, & G (H)
SALARIES								
1a. Surveyor	0.00	0.00	\$0	0.00	\$0	\$2,600,872	\$2,600,872	\$2,600,872
1b. Non-Surv. Prof	0.00	0.00	\$0	0.00	\$0	\$0	\$0	\$0
2. Clerical	0.00	0.00	\$0	0.00	\$0	\$0	\$0	\$0
3. Total Salaries	0.00	0.00	\$0	0.00	\$0	\$2,600,872	\$2,600,872	\$2,600,872
OTHER DIRECT COSTS		9%		91%		0%		100%
4. Rate %		49.00%		49.00%		49.00%	49.00%	
5. Ret/Fringe Benefits		\$0		\$0		\$1,274,427	\$1,274,427	\$1,274,427
6. Travel		\$0		\$0		\$255,000	\$255,000	\$255,000
7. Communications		\$0		\$0		\$24,000	\$24,000	\$24,000
8. Supplies		\$0		\$0		\$26,500	\$26,500	\$26,500
9. Office Space		\$0		\$0		\$0	\$0	\$0
10. Equipment Purchases		\$0		\$0		\$76,500	\$76,500	\$76,500
11. Training		\$0		\$0		\$26,000	\$26,000	\$26,000
12. Consultants		\$0		\$0		\$0	\$0	\$0
13. Subcontracts		\$0		\$0		\$0	\$0	\$0
14. Miscellaneous		\$0		\$0		\$205,400	\$205,400	\$205,400
A. NAR/NATCEP			0.00	\$0				\$0
B. Motor Pool		\$0		\$0		\$80,200	\$80,200	\$80,200
C. IT Costs		\$0		\$0		\$115,200	\$115,200	\$115,200
D. Misc Other		\$0		\$0		\$10,000	\$10,000	\$10,000
15. Total Other Direct Costs		\$0		\$0		\$1,887,827	\$1,887,827	\$1,887,827
16. TOTAL DIRECT COSTS		\$0		\$0		\$4,488,699	\$4,488,699	\$4,488,699
17. INDIRECT COSTS		\$0		\$0		\$0	\$0	\$720,442
18. Rate %		27.70%		27.70%		27.70%	0.00%	27.70%
19. TOTAL COSTS		\$0		\$0		\$0	\$4,488,699	\$5,209,141
20. UNLIQUIDATED OBLIG.								

\$0

SIGNATURE: _____ TITLE: _____ DATE: _____

Resident Rights 483.10

- F150 - Definition of SNF/NF
- F151 - Exercise of Rights/Free of Coercion - L859
- F152 - Rights exercised by Surrogate
- F153 - Access/Ability to purchase records - L751
- F154 - Inform of health status/Med Condition - L242
- F155 - Right to refuse tx./formulate adv. Directive - L242
- F156 - Inform of rights, Medicaid, charges
L704, L768, L235
- F157 - Inform of Accidents/Sig changes/Transfer - L816
- F158 - Resident manage own Fin. Affairs
- F159 - Facility mgmt. Of Resident Funds - L739
- F160 - Conveyance of Funds at Death
- F161 - Surety Bond or other Assurance
- F162 - Limitation on charges to Personal Funds
- F163 - Free choice of Personal Physician
- F164 - Privacy/Confidentiality of Records - L815
- F165 - Voice grievances w/o reprisal - L713,L715,L737
- F166 - Facility resolves Res. Grievances
- F167 - Survey results readily accessible - L730
- F168 - Receipt of Info/contact client advocates
- F169 - Right to work/refuse to work for facility
- F170 - Send/Receive unopened mail
- F171 - Access to stationery, etc.
- F172 - Access and Visitation
- F173 - Ombudsman access to examine records
- F174 - Telephone w/privacy
Right to use personal property
- F175 - Right to share room/Married couples
- F176 - Self Admin of drugs - L847
- F177 - Refusal of certain transfers

Admission, Transfer, Discharge Rights 483.12

- F201 - Reasons for Transfer/Discharge - L705
- F202 - Document for Transfer/Discharge - L706
- F203 - Proper notice before transfer/discharge - L706
- F204 - Orientation for transfer/discharge
- F205 - Notice of bed hold policy upon transfer
- F206 - Return of res. After bed-hold days expire
- F207 - Equal access to quality care - L735
- F208 - Admission policies - Medicare/Medicaid

Resident Behavior 483.13

- F221 - Free from physical restraints - L832,L833,and - L835
- F222 - Free from chemical restraints - L832,L834,and - L835
- F223 - Right to be Free from Abuse - L244
- F224 - Mistreatment, Neglect, Misappropriation - L244
- F225 - Not Employ Persons Guilty of Abuse Report &
Investigate - L719,L371,L889,L710,L717
- F226 - P&P Abuse/Neglect - L710,L717, L719,L371,L889

Quality of - Life 483.15

- F240 - Facility Promotes/Enhances Quality of - Life
- F241 - Dignity - L859
- F242 - Self Determination - Resident makes Choice
- F243 - Resident participation in Res/Family Groups -
L720,L722
- F244 - Fac. - Listens/Responds to Res/Family Groups

- F245 - Resident participation in Activities - L855
- F246 - Accommodate Needs/Preferences - L734
- F247 - Notice prior to Room/Roommate Δ - L707
- F248 - Activity meets Individual Needs - L852,L855
- F249 - Qualifications of Activity Director - L853, L916
- F250 - Med. Related Social Services - L856, L859
- F251 - Qualification of Social Worker - L857, L917
- F252 - Safe, Clean, Homelike Environment - L799
- F253 - Housekeeping Services - L799, L811
Maintenance Program - L786
- F254 - Clean - Linens in Good Condition - L329
- F256 - Adequate & Comfortable - Lighting - Levels - L554
- F257 - Comfortable & Safe Temperature - Levels - L544
- F258 - Comfortable Sound - Levels

Resident Assessment 483.20

- F271 - Physicians Orders at Admission - L761
- F272 - Comprehensive Assessment (RAI) - L360, L829
- F273 - Initial Assess. w/in 14 days of admit - L360
- F274 - Assess. After Significant Change - L816
- F275 - Assess every 12 Months - L360
- F276 - Quarterly Review Assessment - L830
- F278 - Accuracy of assess/Coordinate w/Prof - L360
- F279 - Develop comp. Care Plan - L829, L362
- F280 - Develop/Prepare/Revise comp. C/P
L830, L831
- F281 - Services provided meet Prof. Standard - L242
- F282 - Qualified Services in accordance with C/P
- F283 - Discharge Summary - L769
- F284 - Requirement for post D/C Plan of Care - L769
- F285 - PASRR Requirements for MI & MR screening
- F286 - 15 months assessments on medical records
- F287 - Encoding Data & Transmission of Info

Quality of Care 483.25

- F309 - Necessary Care for Highest Practical
L816, L361
- F310 - ADL's do not \downarrow unless unavoidable
- F311 - Resident tx. To improve/maintain ADL's
- F312 - ADL care for dependent residents - L816
- F313 - Resident tx. To maintain vision/hearing - L823
- F314 - Tx. To prevent/heal pressure sores - L816
- F315 - Urinary Incontinence - L816
- F317 - No \downarrow in ROM unless unavoidable - L826
- F318 - Tx for ROM - L826
- F319 - Tx for Mental/Psychological - L825
- F320 - No development of mental problems
- F321 - No naso-gastric tube unless unavoidable
- F322 - Proper care & services - NGT - L816
- F323 - Facility free of Accident Hazard - L323, L803
Hot Water - L950
- F325 - Maintain Nutritional Status - L862
- F327 - Hydration - L816
- F328 - Tx/care for Special care needs - L816
- F329 - Free from Unnecessary Drugs
- F332 - Medication Error rates of 5% or more
- F333 - Residents free of significant medication errors
- F334 - Influenza & Pneumonia - L886, L887, L888

Nursing Services 483.30

F353 - Sufficient nursing staff; 24 hr. basis - L900, L904
F354 - Use of charge nurse and RN - L906
F355 - Nursing Waivers
F356 - Nurse staffing info

Dietary Services 483.35

F360 - Facility provide res. w/appropriate diet - L860
F361 - Employee qualified dietician - L860, L913
F362 - Sufficient support staff - L915
F363 - Menu needs met & followed - L863, L866
F364 - Food properly prepared, palatable - L863
F365 - Food meets individual needs - L863
F366 - Substitutes of similar nutritive value - L863
F367 - Therapeutic diets - L863
F368 - Frequency of /intervals between meals - L863
F369 - Special Eating Equip/Utensils
F371 - Sanitary Conditions - L865, L870, L868
F372 - Disposal of garbage & refuse - L320, L321
F373 - Paid Feeding Assistants - L930, L931, L932

Physician Services 483.40

F385 - Res. Care supervised by physician - L742, L836
F386 - Physician visits
F387 - Frequency of Physician visits
F388 - Visits by Physician/phys. Assist. / etc.
F389 - Physicians for emergency care - L742
F390 - Physician delegation of tasks in SNF/NF

Specialized Rehab Services 483.45

F406 - Provide special rehab services - L825
F407 - Svcs provided by qualified rehab staff - L825

Dental Services 483.55

F411 - Dental services in SNF
F412 - Dental services in NF - L820, L822

Pharmacy Services 483.60

F425 - Pharmacy Services - L771 - L850
F428 - Drug Regimen Review (MRR) monthly - L849
F431 - Pharmacist - Drug - Labeling and storage -
L844, L846, L847 - L848, L850

Infection Control 483.65

F441 - Fac. Establishes infection control program -
L810, L812
F442 - Facility isolates residents when appropriate - L811
F443 - Spread of communicable disease by staff - L746
F444 - Hand washing when indicated - L810
F445 - Handling linens - L327, L328, L334

Physical Environment 483.70

F454 - Fac. Designed to protect health/safety
F455 - Emergency Power - L557
F456 - equipment in safe operating condition - - L786
F457 - No more than 4 residents/room - L503
F458 - Rooms at least 80 sq. foot/resident - L504
F459 - Have direct access to exit corridor

F460 - Full visual privacy - - L508
F461 - Rooms one window, ground level - L507
F462 - Rooms equipped with or near toilet/bath - L462
F463 - Resident call system - L519
F464 - Dining and Resident activities - L520
F465 - Other environmental conditions - L797
F466 - Ensure water availability
F467 - Adequate outside ventilation
F468 - Corridors firmly secured handrails
F469 - Maintains eff. Pest control program - L792

Administration 483.75

F490 - facility administered effectively
F491 - Licensure under State/local laws - L101
F492 - Fed/State/local laws - L101
F493 - Governing body - L701
F494 - Nurse aide training/competency - L910
F495 Nurse Aide worked < 4months - L910
F496 - Nurse Aide Registry verification - L910
F497 - Reg. Performance review/in-service educ. - L912
F498 - Proficiency of Nurse Aides
F499 - Facility to employ qualified prof. Staff -
L905, L907, L908
F500 - Use of outside prof. Resources - L817
F501 - Medical Director - L703
F502 - facility provides/obtains lab services - L837
F503 - Lab meets requirements - L838, L839
F504 - Lab svcs only when ordered by phys. - L840
F505 - Phys. promptly notified of lab results - L841
F506 - Facility assists transportation to lab - L842
F507 - lab reports filed in clinical record - L843
F508 - Fac. Provides/obtains radiology svcs. - L817
F509 - Radiology svcs. Meet requirements
F510 - Rad./diagnostic svcs when ordered - L817
F511 - Prompt. Notify phys. of rad./diag. results
F512 - Assist res. In transport for radiology - L817
F513 - Reports of x-rays/diagnostic results filed in CR
F514 - Clinical records meet prof. Standards - L749
F515 - Clinical record retention - L750
F516 - Facility safeguards clinical records -
L727,L729,L752,and - L753
F517 - Written disaster/Emergency prepared plan - L730
F518 - Train staff in Emergency Proc/drills
F519 - Transfer agreement w/hospital - L730
F520 - Facility maintains QA committee - L807,808,
L809, L337, L338, L339
F522 - Disclosure of Ownership requirements

Proposal for Consideration of the Broad Review Ad Hoc Committee
to the Long Term Care Advisory Board

The current budget status for the State of Oklahoma presents great challenges for prioritization of funding for the State. The committee provides the following statement of intent for the Boards consideration:

- ❖ The inspection of long term care facilities should be maintained and funding provided to support the mandates specified in statute and rule.
- ❖ Long term funding of the licensure and inspection program should migrate to a fee structure consistent with the cost of program operations as established in the Department's budget analysis tool.
- ❖ Revolving funds should be created for each long term care facility type with dedicated appropriations in the budget for each. For example:

There is hereby created in the State Treasury a revolving fund for the State Department of Health, to be designated the "Adult Day Care Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Department pursuant to the Adult Day Care Act. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Department for the purpose of implementing the Adult Day Care Act. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

In addition to Adult Day Care, revolving funds should be created for Residential Care, Continuum of Care and Assisted Living, and Nursing and Specialized facilities.

- ❖ Change all facilities to bi-annual licensure with corresponding adjustments to fees.
- ❖ To more accurately reflect the cost of inspection, amend the Residential Care Act to reflect per bed licensure fees, and the Adult Day Care Act to reflect a per participant licensure fees.
- ❖ To facilitate workload planning and distribution, amend the Nursing Home Care and Adult Day Care Acts to allow year round nursing home and adult day care license renewal vs. expiration of all licenses on one day.
- ❖ The Department should continue to work to identify efficiencies in licensure and survey as embodied in:
 - Online application renewal procedures
 - Electronic forms processing and distribution
 - Inspection QA programs to identify and train for efficiencies and consistency
- ❖ **Fee Proposal**
 - Fees would be increased by a rate per year over ten years at which time fees are expected to be equal to the costs of the facility licensure and inspection program. Ten years is proposed because of the increases required to cover the program costs are very large.
 - With the phase in approach, fees will remain lower than the actual cost of providing the services until the increases are fully implemented in the tenth year.

Proposal for Consideration of the Broad Review Ad Hoc Committee
to the Long Term Care Advisory Board

- To prevent the need for future large fee increases, the fee language in law and rule would include an automatic fee escalator that is tied to the Consumer Price Index. The fee escalator will not go into effect until after the tenth year of increases.
- The Board of Health may waive collection of an automatic increase in a given year if it determines other revenues, including appropriated state general revenue funds, have increased sufficiently to make the funds generated by the automatic adjustment unnecessary in that year.
- In conjunction with adoption of the fee increase schedule and with supporting appropriations to cover program costs, the following standards will apply to the Department:
 - All immediate jeopardy complaints will be investigated within 2 days, complaints alleging actual harm within 10 days and all others within 30 days;
 - All revisits will be conducted within sixty days;
 - Initial surveys will be conducted within 30 days of request;
 - Annual surveys will be conducted on the mandated statutory schedule;
 - Initial and renewal licenses will be issued within 30 days of submission of a complete application.



Draft