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Staffing Plan + Cost Impact Analysis for the Alaska Pioneer Homes

Part 1: Division-level Report

Prepared for the Alaska Mental Health Trust Authority and the Division of Alaska Pioneer Homes

by Agnew::Beck Consulting

November 29, 2018

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Part 1: Executive Summary and Division Level Report

This document is the first of a three-part report that offers guidance to optimally staff the Alaska Pioneer Homes for full occupancy and maximize community benefit for long-term care for elders. This first document includes an Executive Summary and the Division-level Report which includes the following topics:

The second part, the Home-level reports, is available as a separate document and includes an overview of each Pioneer Home's resident mix, facility layout and staffing approach, community need and market data, recommendations and a cost impact analysis.

The third part of the report, also available as a separate document, includes the appendices for the complete report.

Acknowledgments

Thank you to all Pioneer Home staff and residents who contributed to the Pioneer Homes Staffing Plan and Cost Impact Analysis through interviews, surveys, focus groups, discussions, and draft reviews. We appreciate your openness and collaboration as we visited your homes and offered our observations and recommendations. In particular, we would like to thank,

Rich Saville | Anchorage Pioneer Home Administrator

Josh Shaver | Alaska Veterans and Pioneers Home Administrator

Angie Howard | Fairbanks Pioneer Home Administrator

Gina Del Rosario | Juneau Pioneer Home Administrator

Julie Sande | Ketchikan Pioneer Home Administrator

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Acronyms and Abbreviations

Acronym	What It Stands For
ADLs	Activities of Daily Living
ALA	Assisted Living Aide
ADRD	Alzheimer's disease and related dementias
ALH	Assisted Living Home
ALI waiver	Adults Living Independently Medicaid waiver
APH	Anchorage Pioneer Home
API	Alaska Psychiatric Institute
AVPH	Alaska Veterans and Pioneers Home
CMS	Centers for Medicare & Medicaid Services
CNA	Certified Nursing Assistant
CON	Certificate of Need
DHSS	Department of Health and Social Services
FPH	Fairbanks Pioneer Home
FTE	Full-time equivalent
IADLs	Instrumental Activities of Daily Living
IHS	Indian Health Service
JPH	Juneau Pioneer Home
KPH	Ketchikan Pioneer Home
LPN	Licensed Practical Nurse
LOC	Level of Care
NFLOC	Nursing Facility Level of Care
NMS	NANA Management Services
PCA	Personal Care Assistance/Personal Care Attendant
PCC	Point, Click, Care
PSS	Protective Services Specialist
PT	Physical Therapy
QA/QI	Quality Assurance/Quality Improvement
RN	Registered Nurse
RSL	Residential Supported Living
SPH	Sitka Pioneer Home
SNF	Skilled Nursing Facility
VA	Veterans Affairs

Executive Summary

The Alaska Pioneer Homes

The Alaska Pioneer Homes provide assisted living care for elder Alaskans in six locations across the state. Homes range in size from 46 beds in Ketchikan to 168 beds in Anchorage. The 79-bed Alaska Veterans and Pioneers Home in Palmer is also a Veterans Affairs (VA) certified veterans home. Individuals ages sixty-five and older who have lived in Alaska more than one year are eligible to receive care at the Alaska Pioneer Homes.

The Pioneer Homes offer three levels of care in each facility, ranging from independent housing to high level assisted living care for those with advanced dementia and/or significant medical care needs. Level 1 residents are mostly independent and receive housing, meals and access to recreational activities. Level 2 residents receive help during the day with activities such as bathing and medication management. Level 3 residents require 24/7 support with activities of daily living and medication management. Fifty-six percent of Pioneer Home residents require level 3 services and 75 percent of the active waitlist are people anticipating level 3 services.[1] Sixty-four percent of the 554 Pioneer Homes' permanent employees provide direct care such as nursing services and assistance with activities of daily living.[2]

There are currently 201 eligible applicants on the active waitlist ready to move into a Pioneer Home within 30 days.[3] Another 5,000 are on the inactive waitlist, which means they are interested in the Pioneer Home but are not yet ready to move in. Eligible applicants on the active waitlist who are ready to move in are triaged based on the date they initially signed up for the waitlist, the level of care they need, and the type of bed available at each home.

Residents are accepted to the Pioneer Home regardless of income and a payment assistance program provides a sliding fee scale for residents. Twenty-five percent of residents are enrolled, or pending enrollment, in the Alaskans Living Independently 1915c Medicaid Waiver, which pays a flat daily rate for services. Around 50 percent of residents pay the published rates for the Pioneer Home without any Payment Assistance or support from Medicaid or Veterans Affairs (VA). However, the published rates do not cover the full cost of

Figure 2: Percent of Pioneer Home Residents by Payor Source

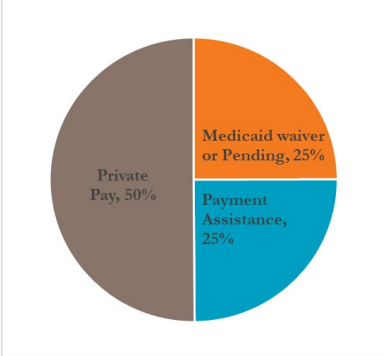
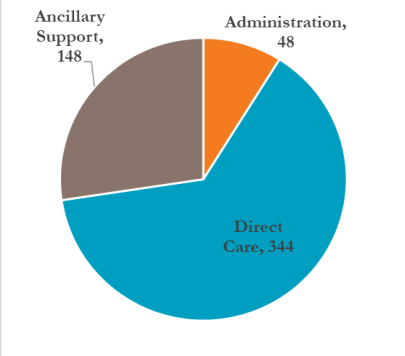


Figure 2: Permanent Full-time Equivalent Employees by Category



[1] Alaska Pioneer Homes June 2018

[2] This include both part-time and full-time employees for a total of 539 full-time equivalent employees. In addition, there are 91 nonpermanent employees, most of whom provide on-call services in direct care.

[3] Alaska Pioneer Homes June 2018

care at the Pioneer Homes. A VA per diem is also a payment source for residents at the Alaska Veterans and Pioneers Home in Palmer. Earned revenue to the Pioneer Home from private and public payers is not sufficient to cover the full cost to operate the Pioneer Homes in Alaska. State General Fund revenues cover the difference between earned revenue and the full operations cost, with an average annual subsidy of $67,000 per bed.

Unique Role of the Pioneer Home

The Alaska Pioneer Homes occupy a unique position in Alaska's long-term continuum of care for seniors.

- **Aging in Place Care Setting.** In communities throughout Alaska, through public workshops and surveys, elders resoundingly state that they would prefer to stay in their own homes and communities as they age. Elders also share that when they must leave their homes and communities, they prefer to move only once and are eager for opportunities to age in place in settings where they can receive additional care as they need it. The Pioneer Homes, which offer the Eden Alternative Model of Care©,[4] provide a valuable opportunity for Alaska's elders to age in place. By accepting level 1, 2 and 3 residents, the homes create a community of residents who help each other and benefit from integrated living. At the Juneau Pioneer Home, level 1 residents interviewed for this study expressed a commitment to assist residents with higher needs who are living with dementia. By continuing to be a place for seniors who can live independently, the homes retain a sense of vibrancy. However, the aging in place care model makes it challenging to predict staffing needs and levels. The ever-changing mix of care levels in neighborhoods and throughout the Homes causes staffing intensity to fluctuate based on resident needs. This is a difficult business model to develop in the private sector. Many assisted living homes prefer to define their clientele more narrowly to fit a more predictable staffing model. By operating with a commitment to three levels of care, the Pioneer Homes offer the benefits of aging in place to Alaska's seniors.

- **Higher Acuity Assisted Living**. While the Pioneer Homes continue to accept level 1 clients, most residents are level 2 and level 3 (86%). Additionally, 52 percent of residents are diagnosed with dementia. Medical and functional acuity levels for the Pioneer Home residents fall just below acuity levels typical for skilled nursing facilities. For example, four percent of Pioneer Home residents use catheters, while this can be as high as 22 percent for residents in a typical skilled nursing facility; less than one percent of Pioneer home residents require ostomy or tracheostomy care, whereas the rates are higher in skilled nursing. Functionally, 53 percent of Pioneer Home residents need an assist of one or two staff for at least one of the activities of daily living and about half of residents are in their chair all or most of the time. The data indicates that level 2 and 3 residents at the Pioneer Homes are higher acuity clients who require assisted living care and likely do not require skilled nursing care. The Pioneer Homes meets a critical care need for this higher acuity assisted living clientele, which is nearly impossible to meet in the private sector.

[4] Division of Alaska Pioneer Homes, About our Homes, http://dhss.alaska.gov/daph/Documents/docs/onlineAboutOurHomes.pdf accessed October 2018.

Our work testing financial feasibility for private and nonprofit senior service providers interested in developing higher acuity and dementia-focused assisted living facilities indicates that the Medicaid Waiver reimbursement rates are not sufficient to cover the staffing and operational costs. A daily rate of closer to $400 per day is necessary to cover the costs of higher acuity assisted living, including dementia care. The FY 2019 estimated cost to provide care at the Pioneer Homes is $363 per day for this higher level of care. While the State is investing heavily in the Pioneer Homes, the homes are meeting an unmet need for elder care that is not financially viable in the private sector given the current rate structure. Higher acuity assisted living is a critical need for seniors in our communities; it reduces the need to serve elders in higher cost care settings that are also in very short supply, such as skilled nursing beds.

- **More Opportunities to Maximize Community Benefit.** While the homes are currently meeting a critical care need for seniors in Alaska communities, this analysis identified additional opportunities for the Pioneer Homes to maximize community benefit by increasing to full occupancy and filling specific gaps in Alaska's elder care continuum.
- **Prioritizing Full Occupancy.** In response to lower oil revenues and State mandated budget cuts, in recent years, the Alaska Pioneer Home began to cut staff positions. As direct care positions decreased, the Homes held some beds open because there was not adequate staff to provide care for additional residents. This, in turn, decreased the earned revenue potential and further complicated the budget picture. As a result, in 2017, the Pioneer Homes had an average monthly occupancy of 423 residents for 497 available beds, or an average occupancy rate of 85 percent. However, the occupancy rates have been steadily increasing at the direction of Division leadership and, as of June 2018, 90 percent of the beds were filled. This tremendous community resource is not fully occupied in a time of increasing need for higher level assisted living care.
- **Serving Challenging Clients.** The 2015 Feasibility Study of the Privatization of the Alaska Psychiatric Institute study identified that, "Alaska Psychiatric Institute (API) frequently takes in long-term dementia consumers because they are not only the catch-all acute care psychiatric hospital but have become the safety net for difficult to place sub-acute consumers." Some of the Pioneer Homes are well-positioned to begin to offer specialized care for elders with complex behaviors who cannot be served in other assisted living facilities. By looking for opportunities to designate neighborhoods for higher acuity care, and continuing to focus on dementia care, the investment Alaskans make in the Pioneer Homes can help to meet the needs of higher acuity elders, which is a niche the private market is unable to fill.

Study Purpose

Until now, there has been no systematic analysis for Pioneer Homes leadership, legislators, and administrators to use to understand or adjust the level of staffing intensity or approach. This staffing plan offers guidance for how to optimally staff the Pioneer Homes for full occupancy and maximize community benefit for long-term care for elders. This report includes recommendations that help the Pioneer Homes meet the following goals:

- Operate homes at full occupancy;
- Implement the Alaska Pioneer Homes Strategic Plan, 2017-2020;
- Maximize community benefit; and,
- Be cost efficient.

Methodology

The Alaska Mental Health Trust Authority contracted with Agnew::Beck Consulting, Inc. to conduct a Staffing Plan and Cost Impact Analysis for the Alaska Pioneer Homes including the six homes in Anchorage, Palmer, Fairbanks, Juneau, Ketchikan and Sitka, the central office and pharmacy. Agnew::Beck Consulting worked closely with Pioneer Homes' leadership in the central office and the six homes.

The Staffing Plan and Cost Impact Analysis includes four information gathering and analytical steps, detailed below:

- Conduct site visits (six) and interviews (176) and focus groups at each of the six homes, central office and pharmacy, and conduct an online survey to solicit input from all Pioneer Home employees in a confidential format;
- Compare staffing intensity externally across the industry, and internally between homes and neighborhoods;
- Adjust staffing and organizational structure to support strategic plan priorities;
- Model the staffing and financial impact of three scenarios:
    1. Operational status quo;
    2. Adjust staffing model to operate at full capacity; and
    3. Increase number of higher acuity residents served to maximize community benefit.

Terminology

Employee: a person employed by the State of Alaska who has a position number.

Shift target: the number of staff needed on the floor at a given time to serve elders. Targets are typically set by neighborhood to match the mix of care levels required.

Staffing ratio: the number of residents served per staff type on each shift. In this report, staffing ratios are mostly calculated at the home level to compare overall intensity of staffing to residents.

Full-time equivalent (FTES): the number of employees equal to full-time employees needed to staff a department; in this report, two part-time employees equal one full-time equivalent.

Staffing Intensity Key Findings

We compared the staffing intensity in each home to other facilities in Alaska. The Pioneer Homes provide a level of care in between regular assisted living and skilled nursing at a scale unmatched in Alaska. Staffing ratios reflect this reality. Current Pioneer Home staffing ratios are more similar to nursing facilities than to other assisted living homes. On average, the Pioneer Homes are staffed at a ratio of four residents for each direct care worker on the day shift, five residents for each direct care worker in the evening and 12 residents for each worker at night. The Alaska Pioneer Homes average staffing intensity is closest to Providence Horizon House assisted living dementia cottages. We also compared the staffing intensity across the Pioneer Homes and neighborhoods within each home to benchmark and align the level of care within the system.

Figure 3: Residents per Direct Care Staff by Shift

Facilities	Day Shift	Evening Shift	Night Shift
Pioneer Home Average (all 6 homes)	4.0	5.1	11.6
Alaska Nursing Facility Average*	3.4	3.4	6.1
Prestige Care & Rehabilitation Center	4.5	4.5	8.2
Wildflower Court	3.7	3.7	5.6
Denali Center	2.2	2.2	4.5

Facilities	Day Shift	Evening Shift	Night Shift
Providence Extended Care	3.2	3.2	6.0
Providence Horizon House (main apartments) Assisted Living	7.3	9.7	19.3
Providence Horizon House (dementia cottages) Assisted Living	4.0	4.0	12.0
Other states' Assisted Living Facility Average**	13.0	13.7	18.9

*Includes Prestige Care & Rehabilitation Center (Anchorage), Wildflower Court (Juneau), Denali Center (Fairbanks) and Providence Extended Care (Anchorage).

**Includes information from Colorado, Missouri, New Mexico, Georgia, Mississippi.[5]

Recommendations

Recommendations are drawn from the site visits to the individual homes, discussions with administrators and division leaders following the visits, and from the staffing and financial impact analysis, and are framed within the Pioneer Homes Strategic Plan Priority Areas. See Chapter 5 and 7 for additional detail and Part 2: Home-level Reports for how these recommendations are implemented in each Home.

Changes to Staffing Approach, Intensity and Positions

Adopt an organizational structure that reflects a more appropriate balance of the social and medical services of assisted living.

Each Home's chapter includes a recommended structure to implement this recommendation. Examples of this type of change include adding medical oversight in the form of a nurse practitioner or medical doctor to each Home; shifting the care planning and delegable medications away from floor nurses to CNAs; and, better integrating the activities department with the direct care staff. Many of these changes can be implemented through normal attrition. Adopting the organizational chart as a five to ten-year goal will help focus and track changes that can be made over the next several years. The financial impact of these changes was modeled in both Scenarios 2 and 3 (see the following section).

Increase staffing and acuity levels to maximize community benefit and earned revenue.

This includes increasing the total number of licensed beds by 19 from 497 to 516. A priority objective for the Pioneer Homes should be to maximize community benefit by serving the highest level assisted living clients possible to utilize scarce public resources as effectively as possible, while maintaining the mixed levels of care and aging in place philosophy that characterize the Pioneer Homes.

This model is the best use of State resources for meeting community need. Increasing access to higher level assisted living for people with advanced dementia and complex behaviors who cannot easily be served by the private sector avoids costs associated with housing elders in less appropriate and costlier care settings, such as cycling through emergency rooms or remaining in acute care or skilled nursing beds because there is no safe place to discharge them. Currently, some elders with these care needs are housed at the Alaska Psychiatric Institute (API), where beds are in critically high demand.

The financial impact of this recommendation was modeled in Scenario 3. Scenario 3 includes all the staffing changes modeled in Scenario 2 with additional recommendations that will maximize the Pioneer Homes'

[5] https://www.argentum.org/wp-content/uploads/2017/07/State-comparison-of-Staffing-levels.pdf (2017).

ability to meet community need and earned revenue by increasing the number and proportion of elders served at higher levels of care.

Figure 4: Alaska Division of Pioneer Homes Recommendations Dashboard

Item	Operational Status Quo (Scenario 1)	Recommended Model (Scenario 3)
Permanent, Full-Time Equivalent Employees	539	637
Licensed Beds	497	516
Residents	448	516 (Revenue modeled with 3 percent vacancy to accommodate turnover)
Level 3 Beds	253	360
Complex Behavior Beds	0	27 (in three neighborhoods)

Division-wide Recommendations

Chapter 7 includes the detail of approximately 20 recommendations for changes to overall processes at the division-level. The following are highlighted here:

- Develop and implement a consistent Quality Assurance/ Quality Improvement (QA/QI) program across all homes.
- Pioneer Homes should represent the diversity of Alaska communities and people. Change the name of the Pioneer Homes to 'Elder Alaskans Homes' or a similarly inclusive name that ensures older Alaskans of all cultural and racial groups feel equally welcomed to the homes.[6] Standardize outreach activities across homes to include regular outreach to tribal, non-profit and other senior providers.
- Revise eligibility process and criteria to ensure all eligible Alaskans have equal opportunity to join the inactive waitlist as soon as they become eligible; and, to ensure eligibility criteria reflects the goals of the Pioneer Homes and to maximize community benefit. Work with local social service workers and hospital discharge staff to ensure all Alaskans 65 and older have access to the Pioneer Homes. Consider using the annual Permanent Fund Dividend application to identify Alaskans who are 65 and older and to proactively add them to the inactive waitlist.
- Maximize administrators' ability to manage budgets for each home, both revenues and expenses, for maximal efficiency and optimizing resources.
- Standardize orientation, supervision, and performance management for employees.
- Define and implement consistent process across homes for managing medication orders.
- Pilot an increased Medicaid waiver rate for increased level of care for the Pioneer Homes.

[6] One of the definitions of the word 'Pioneer' is "people who leave their own country or the place where they were living and go and live in a place that has not been lived in before."[6] This excludes people who were already living in a place, Alaska Native people, and those who came to Alaska more recently, from being described as 'pioneers'. Collins English Dictionary, https://www.collinsdictionary.com/us/dictionary/english/pioneer, accessed September 2018.

Cost Impact Key Findings

Net Financial Impact at the Division-level

Net financial impact refers to the incremental change in costs or revenues associated with a change from Scenario 1, the operational status quo, to either Scenario 2 or Scenario 3. In all scenarios it is important to note that the revenues will never cover the cost of staff or the total cost of care and operations of the homes.[7] This analysis focuses on whether changes to the status quo will result in additional operational costs or revenue opportunities. The three scenarios include:

- Scenario 1: Operational status quo.
- Scenario 2: Balance the social and medical services of assisted living and operate at full capacity.
- Scenario 3: In addition to the assumptions in Scenario 2, increase number of higher acuity residents served to maximize community benefit.

Figure 5 identifies the net financial impact of the study recommendations by comparing the increase in costs with the increase in revenues across the three scenarios. Moving to Scenario 2 from Scenario 1 results in almost $2 million more in revenues than in staff costs. Moving to Scenario 3 from Scenario 1 results $400,000 more in costs than revenues. However, in Scenario 3, 68 more beds can be filled, and 107 more level 3 beds can be filled than in Scenario 1. These 107 beds are a great asset to Alaska in a time when there is limited capital funding available for new facilities and the population age 65 and older is expected to nearly double in the next fifteen years. The net financial cost of these additional 107 high acuity beds is just $3,800 over the status quo per bed per year, assuming earned revenue is collected and federal contributions continue. For comparison, in the FY2019 budget, each bed costs the state around $67,000 after earned revenue.

Figure 5: Financial Impact of Scenario 2 and Scenario 3 in Comparison to Scenario 1 Operational Status Quo

Item	Scenario 2 from Scenario 1	Scenario 3 from Scenario 1
Staff Costs	$893,959	$6,512,272
Earned Revenue	$2,787,486	$6,106,421
Financial Impact	$1,893,527	$(405,851)
Permanent FTEs	19	98
Occupied Beds	49	68
Net Financial Impact per Occupied Bed	38,643	(5,968)
Level 3 Beds	32	107
Net Financial Impact per Level 3 Bed	59,173	(3,793)

Net Financial Impact by Home

For five homes, a change from the status quo operational staffing model (Scenario 1) to Scenario 2 results in a greater increase in revenues than an increase in costs. For four homes, a change from the status quo operational staffing model (Scenario 1) to Scenario 3 results in a greater increase in revenues than an increase

[7] These estimates do not consider the capital funds needed to make changes or any additional equipment needed. These items should be estimated as part of a capital plan for the Division of Alaska Pioneer Homes as described in Chapter 7.

in costs. Scenario 3 models an increase in resident acuity in many of the homes to meet community demand for higher acuity care, in addition to the changes in Scenario 2. An increase in staff is needed to support caring for more residents with increased acuity. However, the rate structure of the Pioneer Homes does not currently reflect the actual cost of this higher level of care, so the increased revenue does not cover the increased costs. This is most pronounced when staffing up for a complex behavior neighborhood at a higher staffing intensity of one direct care aide (such as a CNA) for every three residents, 24 hours per day, seven days per week. Under the current rate structure, these residents would be charged for level 3 services. However, other neighborhoods with level 3 residents require fewer staff. A ratio of five residents to one direct care aide during the day and 10 residents to one direct care aide at night is more typical.

Figure 6: Net Financial Impact by Home, Scenario 3 from Scenario 1

Item	Change in Staff Costs	Change in Earned Revenues	Net Financial Impact	Increase in Level 3 Beds	Net Financial Impact per Level 3 Bed
Anchorage	$1,167,459	$2,413,882	$1,246,424	42	$29,677
(AVPH) Palmer	$674,127	$1,353,984	$679,857	11	$61,805
Fairbanks	$2,010,662	$732,992	$(1,277,670)	23	$(55,551)
Juneau	$163,689	$188,955	$25,267	3	$8,422
Ketchikan	$(93,874)	$436,836	$530,710	10	$53,071
Sitka	$2,458,315	$979,772	$(1,478,543)	18	$(82,141)

Note: For Juneau and Ketchikan, Scenario 2 and 3 are the same

Implementing the recommendations of this study to maximize community benefit will result in either a net increase in revenues or costs for each home because of differences in current operations and recommended changes to staffing, as described below. Additional detail is included in Part 2 Home-level Reports.

- The Anchorage Pioneer Home would serve more level 3 residents and add a complex behavior neighborhood, and still realize a net positive financial impact of $1.25 million. The addition of more beds to the 4th floor to serve formerly homeless elders assumes General Relief funding, which also adds revenue. Anchorage should implement the recommendations modeled in Scenario 3.
- The Palmer Pioneer Home would realize a net positive financial impact from increased revenue from the VA skilled nursing per diem. Palmer should implement the recommendations modeled in Scenario 3.
- In Fairbanks, the increase in costs associated with each scenario is not offset by an increase in revenue. A move to Scenario 3 results in $1.3 million more costs than Scenario 1 net of new revenues. This is because current operations are not staffed at a high enough intensity to serve more higher acuity residents and Scenario 3 includes the addition of a complex behavior neighborhood and an expanded memory care neighborhood. Scenario 3 could be implemented in stages, starting with the lower cost of expanding the memory care neighborhood.
- Scenario 2 and 3 are the same for Juneau. The slight net positive financial impact in Juneau reflects Scenario 2 at full occupancy, which is typical for Juneau, but was not captured in Scenario 1 baseline.
- Scenario 2 and 3 are the same for Ketchikan. The net positive financial impact at the Ketchikan Home reflects revenues associated with full occupancy, filling beds with proportionately more level 3 residents, and a move away from harder to recruit and more costly nursing positions.
- The Sitka Pioneer Home Scenario 3 results in $1.5 million more in costs than new revenue, due to the increase in staffing needed to create a complex behavior neighborhood for southeast Alaska and

expand the current memory care unit.[8] Scenario 3 could be implemented in stages, starting with the lower cost of expanding the memory care neighborhood.

Even though implementing the recommendations modeled in Scenario 3 would result in a higher cost impact compared to the status quo, we recommend proceeding with these recommendations because the Pioneer Homes offer a financially efficient way to serve Alaska elders with higher acuity care needs. In the two homes where additional costs associated with increased staffing and acuity levels exceed additional revenues, the per bed cost of providing care to a level 3 resident is $56,000 in Fairbanks and $82,000 in Sitka.

Medicaid Waiver Acuity Rate Add-on

The Medicaid waiver includes a special rate for residential supported living facilities to provide one-on-one care 24-hours per day (AAC 130.267). While we have heard anecdotally that this rate is difficult to obtain, the Pioneer Homes that add a complex behavior neighborhood staffed at a ratio of three residents per one direct care aide might be well positioned to obtain this rate when residents require one-on-one care. As part of the site visits, we heard that this level of care is already provided occasionally. This rate could provide additional revenue to offset the costs associated with providing this level of care. If we assume that at least one of the three on-duty direct care neighborhood staff are always providing one-on-one care in each of the three, nine-person complex behavior neighborhoods, an additional $394,000 could be billed to Medicaid per year.

A Choice for Alaskans

Most Alaskans want to and will be able to stay in their homes as they age. Some will move into assisted living or skilled nursing facilities as their care needs increase and exceed what can be provided in the home. Some will be able to pay out of pocket for the $75,000 average annual cost of assisted living; others will rely on relatives or the Medicaid waiver to pay for the cost of care; others will move away from Alaska to access more affordable long-term care.

The Alaska Pioneer Homes are designated in Alaska statutes as a resource for any Alaskan age 65 or older who "…is in need of residence at a home because of physical disability or other reason…".[9] The number of Alaskans making these choices is increasing and will continue to increase for the next two decades, with an additional 18,000 Alaskans age 85 and older by 2040.[10] Forty-four percent of Alaskans age 85 and older are anticipated to have some form of memory loss.[11] Some of these elders will develop combative behaviors that are difficult to manage in any environment; some will not have family or friends who are able to care for them, or homes of their own.

[8] These estimates do not consider the capital funds needed to make changes or any additional equipment needed. These items should be estimated as part of a capital plan for the Division of Alaska Pioneer Homes as described in Chapter 7.

[9] AS 47.55.020

[10] Alaska Department of Labor and Workforce Development Population Projections 2017-2045, Agnew::Beck Analysis

[11] Alzheimer's Association, Alzheimer's Disease Facts and Figures 2018, Agnew::Beck Analysis.

So, how will Alaskans respond to this need?

The private assisted living market is less able respond to the need for care for elders with complex behaviors because the Medicaid waiver rate structure does not reimburse at a rate sufficient to cover the staffing intensity needed for this type of care.

The Pioneer Homes could expand to new buildings or communities, but there is limited capital funding available for new facilities and the current per bed net cost to the State is around $67,000 annually.

This study recommends that we increase the number of elders served and the acuity level at the current Homes, fill them to capacity, and provide the staff necessary to care for elders with a range of care needs. Though there are costs associated with this change (as modeled in Scenario 3), these costs are lower than the per bed cost of care in FY2019.

At the system level, the net financial impact of moving from Scenario 1, the status quo, to Scenario 3 to maximize community benefit is just $405,000 in additional costs or $3,800 per level 3 bed per year. This is by far the most efficient and cost-effective way to serve more Alaskan seniors with memory care or complex behavior needs.[12]

In contrast, the annual cost of a skilled nursing bed in Alaska is $331,000, a hospital bed is $541,000 and an API bed is $555,000 per year.[13] **In situations where these care settings are paid for by Medicaid, which is half funded by the State, there could be substantial and measurable savings associated with serving these individuals in the Pioneer Homes.**

The Alaska Pioneer Homes are a valuable State resource filled with life-affirming residents and engaged, quality staff members. We hope this study provides guidance to support legislators and Pioneer Homes leadership to chart the course of the Pioneer Homes over the next ten years.

[12] This assumes all revenue modeled is achieved and Medicaid waiver programs are sustained. These estimates do not consider the capital funds needed to make changes or any additional equipment needed. These items should be estimated as part of a capital plan for the Division of Alaska Pioneer Homes as described in Chapter 7. The Anchorage Pioneer Home has already secured the capital funds for the nine-bed complex behavior neighborhood.

[13] Skilled nursing annual cost based on private room, Genworth Cost of Care 2018; Hospital in-patient based on an average daily rate of $1,485, Becker's Hospital Review; API cost per patient-day in FY2014 of $1,521, Feasibility Study of the Privatization of the Alaska Psychiatric Institute

Part 1: Division-level Report

Chapter 1: Overview of The Alaska Pioneer Homes

Introduction

"To provide elder Alaskans a home and community, to celebrate life through its final breath."[14]

In the Anchorage Pioneer Home, the Java Music Club gathers in the fourth-floor dining room as part of a pilot program to support seniors experiencing memory loss. In the Alaska Veterans and Pioneer Home in Palmer, a veteran sits in his wheelchair just outside of his memory care neighborhood soaking up the mid-summer sun. In the Juneau Pioneer Home, the smell of freshly baked bread wafts through the neighborhoods at 3 p.m. each day. In the Fairbanks Pioneer Home, the two newest residents, a pair of terriers, greet visitors and staff at the memory care neighborhood, while an aide curls a resident's hair in the common area. In the Sitka Pioneer Home, the residents gather in the center living room of the 100-year-old building to hear a presentation by a young sailor recently returned home from an adventure. In the Ketchikan Pioneer Home, two aides assist an elderly resident for her bath in the tub room as homemade lentil soup and freshly baked cinnamon rolls are prepared by the chef of more than 30 years. These are just a few of the sights and sounds of Alaska's Pioneer Homes that are providing a home and community for nearly 500 elder Alaskans. In the words of the nurse practitioner who has overseen direct care in Juneau for eight years, "We want people to move into our home not asking about the rules and schedules, but instead by telling us at what time they'd like to eat breakfast."

"I'm trying to think of something to complain about, but I can't."
Pioneer Home Resident

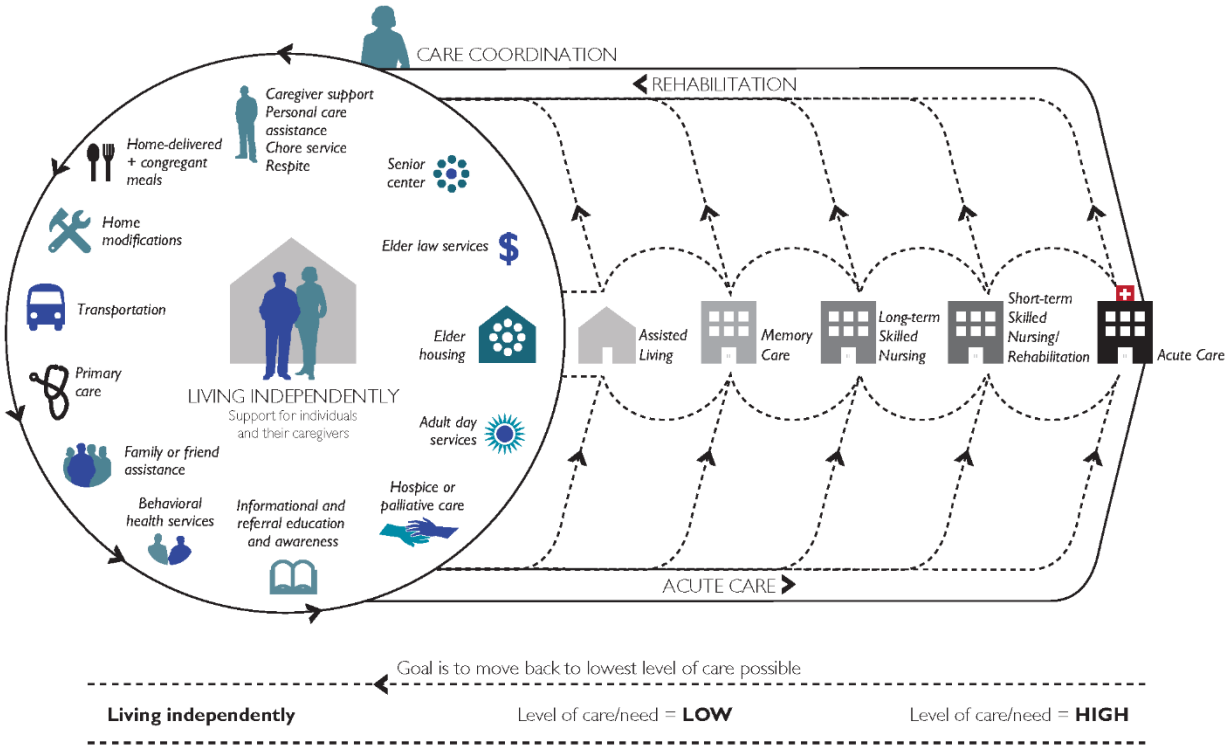
Alaska Pioneer Homes in the Long-term Continuum of Care

The Alaska Pioneer Homes provide assisted living for elder Alaskans in six locations across the state. Homes range in size from 46 beds in Ketchikan, to 186 beds in Anchorage. The 79-bed Palmer Home is also a certified veterans home. In 2017, the Pioneer Homes had an average monthly occupancy of 423 residents for 498 available beds, or an average occupancy rate of 85 percent. The occupancy rates have been steadily increasing due to changes in management and as of June 2018, 90 percent of the beds were filled.

[14] Alaska Pioneer Homes mission statement. http://dhss.alaska.gov/daph/Documents/docs/onlineAboutOurHomes.pdf accessed October 2018.

To help seniors maintain their independence for as long as possible, housing, services and supports for seniors are typically provided along a continuum of care from services provided to seniors in their homes and communities to more intensive services provided in assisted living and, at the highest level of care, in acute medical facilities and skilled nursing facilities. Assistance at lower levels of care (shown in the circle wrapping around the senior living independently below) can prevent or delay seniors from requiring costlier institutional settings like hospitals and nursing homes. Care coordinators and case managers help individuals and caregivers access necessary services to maintain independence at the right level of care. Matching seniors to the right level of care is good for seniors, their caregivers, families, communities and the state as a whole. When pieces of the continuum are missing, elders often end up in care settings that are not appropriate or desired, often at a higher cost than would be necessary if the right care setting was available.

Figure 7: Continuum of Care



The 2018 AARP Home and Community Preferences Survey identified that nationally, 77 percent of people over age 50 would like to remain in their community for as long as possible and 76 percent would like to remain in their current residence.[15] When independent living services are not available for seniors to remain in their homes, this creates a bottleneck of seniors trying to obtain placement in assisted living and other facilities. Ensuring that the system of care has the appropriate number of services at each level of care is one way to improve the flow of seniors to appropriate services.

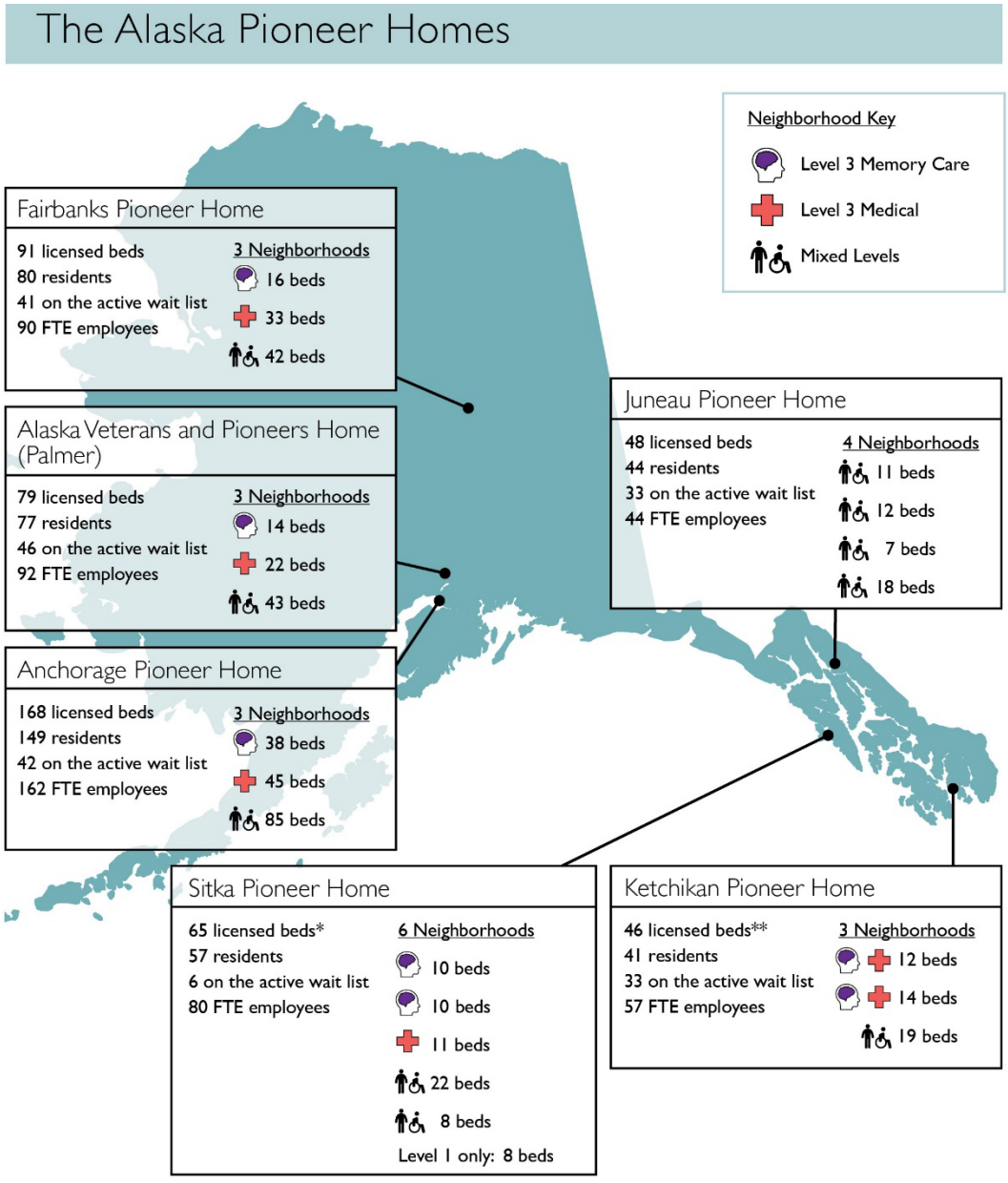
The Alaska Pioneer Homes occupy a unique position in Alaska's long-term continuum of care for seniors. The Pioneer Homes offer three levels of care in each facility, ranging from independent housing to high level care for those with advanced dementia and/or significant medical care needs. Level 1 residents are mostly independent and receive housing, meals and access to recreational activities. Level 2 residents receive help

[15] LeaMond, Nancy. *Where We Live: Communities for All Ages*. AARP, 2018.

during the day with activities such as bathing and medication management. Level 3 residents require 24/7 support with activities of daily living. Fifty-six percent of residents required Level 3 services and 75 percent of the waitlist is for people anticipating level 3 services.[16]

Pioneer Home residents can "age in place" and are able to remain in the home as their care needs increase except for conditions that require acute medical care or ongoing skilled nursing care that exceeds what can be provided in the homes.

Figure 8: Alaska Pioneer Homes System at a Glance



Source: Alaska Pioneer Homes. June 2018.
Does not include non-permanent employees.
The active waitlist number for each home in this graphic includes just the people who listed the home as their first choice. Because some homes have longer waitlists than others, people will sign up on more than one list to increase their changes of accessing care, especially if their need for assistance is urgent.
**Sitka has more beds than they are licensed for; the occupancy of each neighborhood varies based on resident need.*
***Ketchikan has one respite bed that is not included in a neighborhood total.*

[16] Alaska Pioneer Homes June 2018

Eden Model of Care

The Alaska Pioneer Homes follow the Eden Model of Care. "The Eden Alternative ® focuses on moving away from the institutional hierarchical (medical) model of care into a constructive culture of "home" where Elders direct their own lives. The Eden Alternative ® philosophy is focused on the care of the human spirit as well as the care of the human body."[17] As the montage in the opening of the report depicts, staff are deeply committed to promoting high quality of life and providing person-centered care for residents. Residents' recognize and appreciate this commitment.

> "You don't want to move in, you never think about it, but when you do, this is where you want to go."
> Pioneer Home Resident

The reputation of the Pioneer Homes reflects a model of assisted living that is far from the popular notion of what it means to "be put in a home" when one can no longer live independently. The three southeast homes have on-site preschools. Informal and formal opportunities for intergenerational activities and sharing further the home and community feel of the Alaska Pioneer Homes.

Alaska Pioneer Homes Strategic Plan

In the fall of 2017, the division director and administrators worked together to develop a strategic plan for the division to guide its development from 2017 to 2020. We used this plan as the framework for the division-wide recommendations and the specific staffing recommendations for each home. Recommendations are grouped by the priority areas identified in the strategic plan.

In the strategic plan document, there is a set of three-year priorities and near-term priorities. Many of these same priorities were identified during the staffing analysis. A copy of the strategic plan is included as an appendix to this report. The following are the mission statement, long-term goals, and 3-year priorities for the Pioneer Homes:

Mission of Pioneer Homes

Provide elder Alaskans a home and community, celebrating life through its final breath.

Long-term Goals

1. Provide the highest quality assisted living, specialized dementia care, and palliative care to residents in a consistent manner across all Pioneer Homes.
2. Maximize the use of our facilities and resources to best meet the needs of Alaskans.
3. Be financially viable to sustain operations of the Pioneer Homes into the future.
4. Be a leader and model for elder and dementia care.
5. Invest in our staff and develop their skills and capacities to provide excellent care to Pioneer Home residents.
6. Engage with Alaska communities and statewide residents and leaders to sustain strong public support for Pioneer Homes.

[17] www.edenalt.org

3-year Targets

The purpose of these three-year targets is to monitor progress by 2020 on the goals and priorities identified in the strategic plan.

- Maintain occupancy rate.
- Track and increase transitions from Payment Assistance to 1915c Medicaid waivers for Level 3 residents.
- Increase revenue from the VA, Medicare, Medicaid, and other non-General Fund sources.
- Reduce number of medication errors.
- Increase utilization of Point, Click, Care to 75 percent.
- Increase ratio of elders served at higher levels of service.

Waitlist Process

Individuals who are Alaska residents and are at least 65 years old may apply for admission to an Alaska Pioneer Home. The Pioneer Homes maintain two waitlists, which are described in Alaska Statute (7 AAC 74.060). The inactive waitlist is comprised of all applicants who wish to enter a Pioneer Home at some point in the future, but do not want to move in immediately. The active waitlist is comprised of all applicants who are prepared to enter a Home within 30 days after an admission invitation is received. The date and time of initial application submission determines the order of admission into a Pioneer Home. Applicants may select a first-choice home as well as alternative choices; thus, one individual may be on the waitlist for more than one home. Factors that determine an individual's admission to a Home include: Home choice, bed availability for the level of service needed, and the date and time of an individual's initial application.[18] The Alaska Veterans and Pioneer Home in Palmer requires a 75 percent veteran occupancy, and as such, this home admits a higher ratio of veterans.[19]

Pros + Cons of Current Waitlist System

Social workers and staff managing admissions at each of the homes were interviewed to better understand the waitlist process. Overall, staff believe the waitlist process is a good one because they believe that basing admissions offers on date and time of the applicant's first application submission is a fair and objective way to limit the chance for a resident to be moved ahead on the waitlist because of family connections or more subjective reasons.

Limitations of the current system were also noted. Outreach and education about the application process and the active and inactive waitlists is limited statewide, and particularly limited in rural communities and to tribal organizations. Without coordinated outreach, the availability of the Pioneer Home as a resource is limited to those who know about the process many years in advance of when they need care. To remain on the inactive waitlist an applicant must respond to regular letters that are mailed to the person to determine if they still meet the Alaska residency requirement and if they want to continue to be on the list. This also limits the potential pool of applicants because they must have and maintain a physical address and be able to respond to requests through the mail.

The current process still allows Homes to triage by the applicant's level of care needs and the Home's capacity to provide necessary care. For example, if the Home has a level 3 bed available, they will triage the

[18] Division of Alaska Pioneer Homes. *Pioneer Homes Waitlist*. http://dhss.alaska.gov/daph/Documents/docs/waitlist.pdf
[19] Division of Alaska Pioneer Homes. *Policy + Procedure Number 03.02: Pre-Admission and Determination of Level of Service*. Effective September 25, 2017.

list for the highest applicant who requires Level 3 care. Each Home does this differently based on the physical layout of the building and the Home's staffing model. For example, in Juneau all neighborhoods accept levels 1, 2 and 3 and so the next person on the waitlist based on date of application is able to move in regardless of the applicant's level of care need. Other Homes have physical layouts that do not allow for fully integrated neighborhoods and instead have neighborhoods that serve different levels of care needs. This means that if a level 1 bed is available, they need to find a level 1 resident on the wait list because a higher care needs resident cannot be located in that particular neighborhood due to staffing levels or room layout. Additionally, level 1 residents might not choose to live in a level 3 memory care neighborhood if that is the bed that is open. As one admissions worker noted, if a level 1 bed is available, she must bypass 40 seniors needing level 2 or 3 care to offer the level 1 bed to the eligible senior. Overall, the current system does not prioritize individuals on the waitlist by the intensity or urgency of their need for the services that the Pioneer Homes provide. For example, if there are five individuals on the waitlist for one level 3 bed, the person with the oldest date of application will be offered the bed even if another individual has a higher acuity level or fewer housing options currently.

One admission worker noted that there are times when seniors must be discharged after a hospitalization but are faced with a three to five year wait for discharge to the Pioneer Home. This limits the availability of the Pioneer Home beds to meet community needs for the services it provides.

Admission Process

The Pioneer Homes' admission process is laid out in Policy and Procedure Number 03.03: Admission and Elder Care. A Pioneer Home staff member, usually the protective services specialist, notifies an eligible applicant on the active waitlist when a bed is available. The applicant has five business days to accept an offered bed. If an offer is accepted, the applicant must move into the Home within 30 days of the date of the offer. By Alaska statute, if an applicant declines the offer, the applicant's name is transferred to the inactive wait list and must remain on the inactive list for at least 90 days before submitting a request for transfer to the active waitlist. Exceptions to the 90-day rule may be granted after a written appeal process.[20] The Pioneer Homes Policies and Procedures manual dictate at least 180 days.[21]

Once accepted into a Home, Pioneer Home staff use the information on the admissions assessments and forms to appropriately place and provide care for the elder. Staff provide new residents and their families with orientation to the home during the admission process and work with them to develop an initial plan of care. Staff assign rooms and define services in plans of care based on the assessment of medical, physical, and behavioral needs as well as the gender of the elder.[22]

Financial Accessibility

Residents at the Pioneer Home are grouped into one of three categories to reflect their payor source.

1. **Private Pay**: Private pay residents pay the published Pioneer Home rate for the Level of Care they receive from their private means or long-term care insurance. The published rate does not cover the full cost of care provided at the Pioneer Homes, which means that residents who pay privately for care still receive partially subsidized care.

[20] Division of Alaska Pioneer Homes. *Policy + Procedure Number 03.03: Admission and Elder Care*. Effective September 25, 2017.

[21] The Alaska Pioneer Homes are currently preparing a regulation packet to address changing the 90 rule to 180 days.

[22] Division of Alaska Pioneer Homes. *Policy + Procedure Number 03.03: Admission and Elder Care*. Effective September 25, 2017.

2. **Alaskans Living Independently 1915c Medicaid Waiver:** Residents who meet income requirements and whose medical needs qualify them to receive Nursing Facility Level of Care are eligible for the 1915c Medicaid waiver, which covers cost of care in home and community-based settings as identified in a plan of care for the individual. The Pioneer Homes recently initiated targeted efforts to enroll qualified residents for the 1915c waiver. Most of these residents receive level 3 care. Because Medicaid is a partnership between the state and federal governments, approximately 50 percent of the Medicaid waiver cost is borne by the state and the remainder is reimbursed by the federal government.[23]

3. **Alaska Pioneer Homes Payment Assistance Program:** Payment assistance is available to residents who have applied for the Medicaid Waiver and have been denied and are unable to pay the monthly rate for Pioneer Home services.[25] Payment Assistance is essentially a sliding scale, where the resident pays a portion of the rate according to their income, and Payment Assistance pays the remainder. A resident applying for Payment Assistance must also apply for Medicaid and any other state or federal programs for which they may be eligible to cover the cost of Pioneer Home services. The resource limit for an individual is $10,000 if there is no spouse or if the spouse also lives in a care facility. The annual household income for a couple, where the spouse lives in the community, cannot exceed $98,000. A complete disclosure of the applicant's resources and income is required for the 36 months preceding the date of application, including all property owned by the applicant or the applicant's spouse. A house or property must be sold at fair market value if it is not occupied by a spouse or a dependent or if it causes the resident to exceed the resource limit ($10,000/individual). Residents who receive Payment Assistance are indebted to the State of Alaska. When a resident dies or leaves the Home, a claim for Payment Assistance debt will be filed against the

Medicaid Waiver

The Medicaid Waiver program, Alaskans Living Independently (ALI) is most applicable for waiver-eligible services for seniors and is often used for care in assisted living homes. To be eligible for the ALI waiver, the senior must be under a specified income level and meet Nursing Facility Level of Care (NFLOC) requirements. An individual applying for a Medicaid waiver receives an assessment by the State of Alaska and if it is determined that the individual experiences significant limitations in bed mobility, eating, locomotion (moving around), transfer (getting from one surface to another), dressing, and toileting they may meet NFLOC requirements and may qualify for the Medicaid waiver. If both income and NFLOC conditions are met, the individual may receive care through the Medicaid waiver either in their home or in an assisted living home. Medicaid Waiver rates are adjusted based on the region where services are provided.

Figure 9: Published Pioneer Home Rates, effective April 1, 2017[24]

Level of Care	Monthly Rate
Level I	$2,588
Level II	$4,692
Level III	$6,795

[23] For more information on Alaska's 1915c waivers see https://www.cms.gov/Outreach-and-Education/American-Indian-Alaska-Native/AIAN/LTSS-TA-Center/info/1915-c-waivers-by-state.html#alaska

[24] http://dhss.alaska.gov/daph/Pages/default.aspx

[25] Alaska Pioneer Homes. Payment Assistance Program. Accessed online at http://dhss.alaska.gov/daph/Pages/paymentassistance/default.aspx

individual's estate on behalf of the State.[26] The Pioneer Homes will not turn anyone away based on an inability to pay.

Figure 10: Residential Supported Living Medicaid Waiver Service Rates, Effective July 1, 2018[27]

Region	Adjustment	Adjusted Daily Service Rate	Annualized Amount
Anchorage	N/A	$162.70	$59,386
Fairbanks	1.03	$167.58	$61,167
Juneau	1.09	$177.34	$64,730
Ketchikan	1.09	$177.34	$64,730
Palmer	N/A	$162.70	$59,386
Sitka	1.09	$177.34	$64,730

The State of Alaska subsidizes the Alaska Pioneer Homes in two ways. At the resident level, the Alaska Pioneer Homes offer payment assistance to anyone who is unable to pay for the level of care they require.

The price paid by residents, even with the payment assistance received by many, is not sufficient to cover the cost of operating the Alaska Pioneer Homes. The average cost per occupied bed is around $132,000 per year.[28] The balance in expenses compared to revenues is made up by the General Fund, which subsidizes each occupied bed at around $67,000 per year through administrative overhead and the payment assistance program.

Figure 11: Earned Revenue Potential per Bed by Level of Care

Item	Monthly Price	Potential Annual Revenue Per Bed	Estimated Annual Cost Per Bed[29]
Level 1	$2,588	$31,056	$85,164
Level 2	$4,692	$56,304	$113,316
Level 3	$6,795	$81,540	$170,280
Medicaid Waiver (Anchorage)		$57,936 (for level 3 residents)	

The total Pioneer Home's annual budget of $59 million is subsidized by the State's General Fund at around $30 million per year.[30] Revenue is also earned from private pay, Medicaid, the Veterans' Administration, some long-term care insurance and pharmacy receipts. While some residents pay privately, others qualify for the

[26] http://dhss.alaska.gov/daph/Pages/default.aspx

[27] DHSS Chart of Personal Care Attendant and Waiver Service Rates, 2018.

[28] Based on FY2019 annual budget of approximately $59 million and 448 occupied beds. For comparison, the Genworth Cost of Care Study estimated an annual average cost (to the consumer) of assisted living of $76,000 in 2018.

[29] 2015 Legislative Audit

[30] The 2015 Legislative Audit showed a subsidy of $191 million over the five years from FY10 through FY2014.

Medicaid waiver if they meet the income and level of care requirements, although the waiver only pays for services at around $58,000 per year.[31]

The Alaska Pioneer Homes are a critical State-supported resource. One of the goals of this analysis is to optimize the State's investment in this system and to identify recommendations to maximize benefit to Alaskan families and communities from the Pioneer Homes.

Current Staffing Model

Categories of Employees

Staffing costs account for 81 percent of the annual Alaska Pioneer Homes budget. Optimizing the level and type of staffing for the homes ensures that the majority of the State's investment in the homes is well spent. Employees of the Pioneer Homes fall into four categories:

- Direct care
- Administrative
- Ancillary Services
- Non-permanent

Sixty-four percent of Pioneer Home employees provide direct care. Direct care includes positions such as nurses, care coordinators, certified nursing assistants (CNAs), assisted living aides (ALAs) and activities staff.

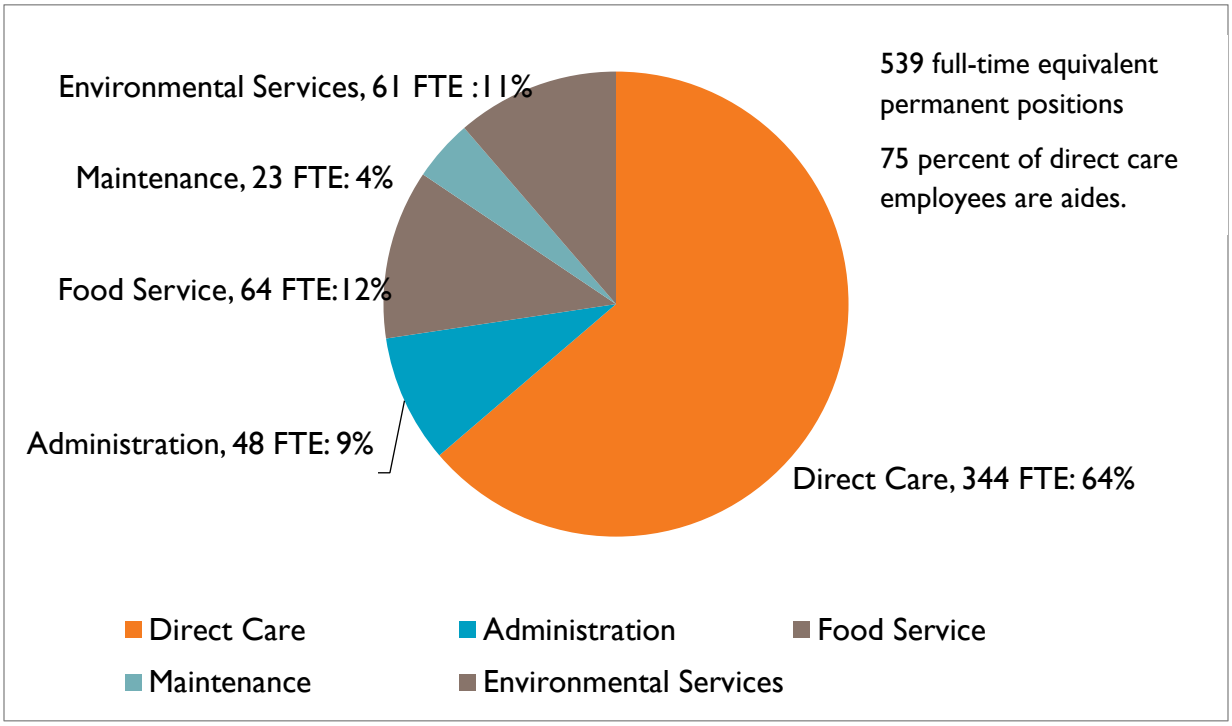
Nine percent of Pioneer Home employees provide administrative support. Many of the administrative functions, such as admissions, waitlist management, transportation, record keeping, and payroll are similar across the six homes, so recommendations in this area generally are related to ensuring these duties are standardized, if not always staffed by the same position level.

Ancillary staff, such as those maintaining the facilities, cooking and serving food, cleaning rooms and doing laundry, make up 27 percent of staff. In general, these departments are staffed similarly across the homes. Staffing levels vary proportionately to the size and age of each facility.

"Non-permanent" employees are on-call to fill in when permanent staff are on vacation or call in sick. Occasionally if full-time positions are not filled, non-permanent employees will become "long-term," and function much like a full-time employee. Homes receive a single budget for a non-permanent position, but multiple people can fill this role. Because of this, the number of non-permanent employees is less relevant to understand staffing intensity; however, the budget for the non-permanent positions is included in the analysis to understand the cost impact of recommended changes. There are 91 non-permanent employees in the Pioneer Homes system.

[31] There is a cost adjustment for assisted living outside of Anchorage. The waiver does not reimburse for costs for housing and meals.

Figure 12: Pioneer Home Full-Time Equivalent Permanent Employees by Department



Pioneer Homes are Residential Care Facilities

Figure 13: Newly remodeled tub room in Juneau

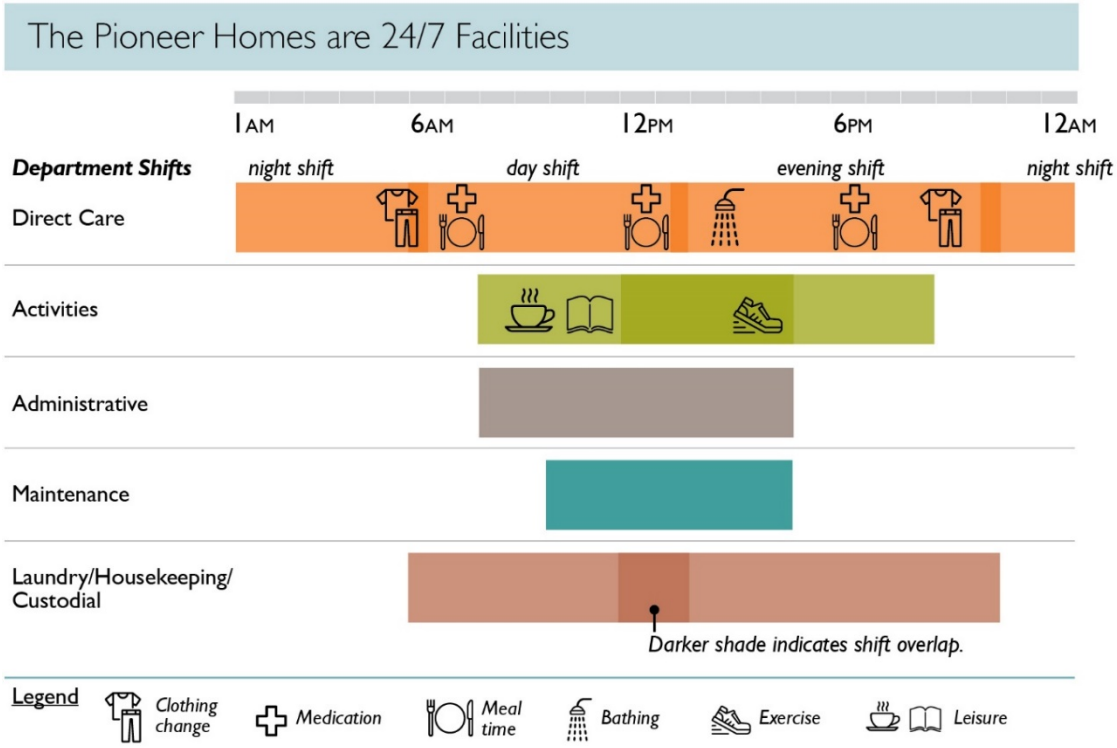
The Pioneer Homes operate and employ staff 24 hours per day, seven days per week, 365 days per year. The day begins for many staff members around 6 am when the day shifts starts. Between 6 and 9 am, direct care staff help residents get dressed, take medications, go to the dining room (or neighborhood eating area), and eat breakfast. The kitchen staff typically serve a fixed menu during a set time, but residents can order any item they wish and can eat outside of meal times. Kitchen staff typically work with residents to understand their food preferences and requirements. After breakfast, some homes host social meet ups or exercise groups. This is also a time when residents can go to medical appointments or to other outings in the community. Appointments are arranged by administrative and direct care staff. With the exception of Juneau, where rides are provided by Care-a-Van, Pioneer Home staff provide transportation to and from appointments. Residents also have access to at least one bath per week. Between meals, these are offered in an accessible tub room with the support of one or two direct care staff. Many neighborhoods are staffed by two direct care workers, who must also respond to call lights during these periods.

Lunch is served in shifts depending on the size of the home. In the evening, there is another period of concentrated activity for direct care workers as they support residents to eat dinner, get ready for bed, and

take evening medications. Some residents with Alzheimer's disease or dementia experience "sun downing," and can become anxious or upset during this time. They can require one-on-one support from direct care staff during this time of day.

Environmental services staff typically work two shifts that overlap between 6 am and 6 pm to support the ongoing room cleaning, laundry and janitorial needs of a 24-hour home. Activities staff also stagger to provide coverage from around 9 am in the morning to after dinner and the weekends. Administrative and maintenance staff work a more typical 9 am to 5 pm schedule to coordinate with people outside the home who are only available during work hours. This report includes recommendations for distributing some of these staff across the weekend or during later hours to ensure better support for direct care staff and residents.

Figure 14: The Pioneer Homes are 24/7 Facilities



*In some homes, nurses work 10 hour shifts.

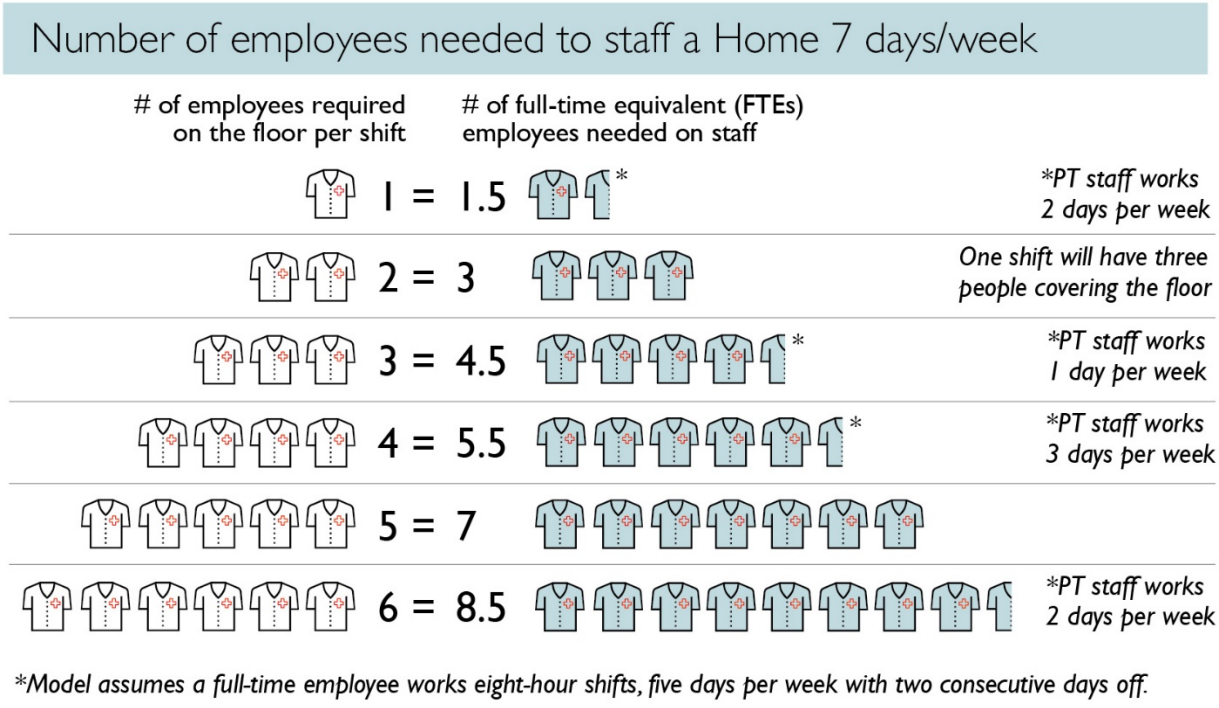
Staffing Targets

Assisted living home administrators at the Pioneer Homes manage direct care staffing using staffing minimums and target ratios by neighborhood and by shift. In higher acuity neighborhoods, there are usually at least two direct care staff members caring for residents at any given time; this is necessary because some of the residents require two-person assists to move from bed to chair. Beyond that, a ratio is used to estimate staffing needs. For example, one direct care staff member is needed for every four to six residents with moderate to severe memory loss. In a neighborhood of 18 residents, three direct care staff are needed during most daytime hours, seven days of the week; fewer staff are needed during the night shifts.

The graphic below illustrates how many staff must be employed to optimally meet a staffing target for each floor shift. For example, if two direct care staff members are needed during the day shift, three employees must be employed for that shift. However, this also means that one day per week, three people will be working during that shift because each staff member is a full-time employee. Using part-time staff can reduce

the cost of providing coverage seven days per week, to avoid "over staffing" on days when the employees overlap. However, it can sometimes be harder to fill part-time positions in tight labor markets typical in many Alaska communities. The model below assumes a full-time employee works eight-hour shifts, five days per week, with two consecutive days off.

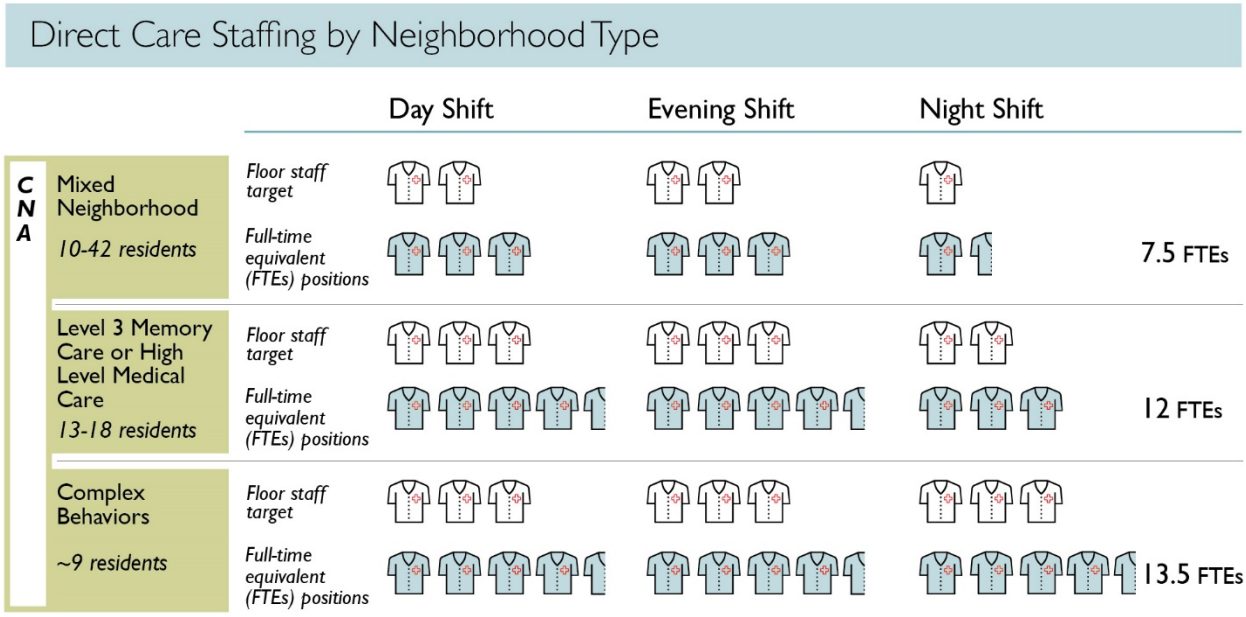
Figure 15: How to Staff a Neighborhood Shift Seven Days Per Week



Role of Neighborhoods

Alaska Pioneer Homes are internally organized into neighborhoods. These are physically proximate groups of rooms and common areas that are usually staffed by the same staff members to care for a group of residents. The neighborhood concept helps to group residents with similar care needs and provides smaller community settings for residents within a larger facility. Residents often attend meals and activities in their neighborhood, allowing friendships and familiarity to develop with fellow residents and staff. In most homes, but not all, employees are hired to a specific shift and neighborhood. The Eden Model of Care promotes person-centered care, which means that the preferences of each elder direct his or her care, and that the elder is as primary as possible in decision-making about his or her care. To provide this type of care requires that staff get to know residents and often form strong bonds of friendship and support. The neighborhood model that the Alaska Pioneer Homes employs supports this model of care. The graphic below illustrates the staffing targets and corresponding number of employees needed to staff a neighborhood 24/7 for three types of neighborhoods.

Figure 16: Sample Direct Care Staffing by Neighborhood Type



State of Alaska Employment Structure

The State of Alaska employment structure limits the flexibility of staffing approaches in some ways while enhancing the quality of care in others. Pioneer Homes' employees are represented by three bargaining units: the Supervisory Bargaining Unit includes department managers who oversee more than one employee;[32] the General Government Bargaining Unit includes certified nursing assistants, assisted living aides, floor nurses, and administrative staff other than administrators; and the Labor, Trades and Crafts Bargaining Unit includes food service workers and environmental services.[33]

Compensation and benefit packages make the Pioneer Homes a competitive workplace for many positions, especially direct care aides, food service, and environmental services. Many employees have worked for the Pioneer Homes for long tenures providing consistency for the home that is unprecedented in the private market. However, for some positions, particularly nurses, hourly rates are less competitive. A simple wage analysis can be found in the Appendix. Currently, the Department of Health and Social Services is conducting a study to adjust pay rates to improve recruitment and retention of nurses.

Personal leave, sick leave, and Family Medical Leave Act-approved absences are all part of the benefit packages available to Pioneer Homes employees, with amounts determined each year by position and tenure. To provide coverage for full-time employees who are out on leave, Pioneer Home administrators use non-permanent employees, referred to as 'on-calls', voluntary and mandatory overtime, other staff during the shift, or temporarily reduce neighborhood staff targets for that day, for example, there will be two CNAs on the floor for that day, rather than the target of three CNAs. If there are longer term staffing shortages, administrators will reduce the number of beds that can be occupied if there is not adequate staffing to provide care. This reduces the number of beds available to serve elders in each community.

[32] The State of Alaska has been consolidating and removing supervisors if they are not supervising five staff in some occasions.

[33] Alaska Department of Administration, Bargaining Unit Profiles, http://doa.alaska.gov/dop/LaborRelations/bgUnitProfiles/ accessed October 2018.

Full-time employees are guaranteed a certain number of hours per week, which makes it difficult to flex schedules as the number of residents and types of care needs changes on a monthly, if not daily, basis.

Each Bargaining Unit defines the parameters of each position description, which can make it difficult to share the work of caring for residents amongst a team of employees. For example, if an environmental services employee assists a resident with eating or getting a drink of water, they are technically working outside of their position description.

The Pioneer Homes contract with NANA Management Services (NMS) to provide food and meal planning and management for the Pioneer Homes. The Contractor is required to employ one food service manager in each home. Except in Juneau, State employees work for these contracted positions but are not directly supervised by them. This works in some homes better than others. Some homes have hired a food service lead position to work with the contractor to make oversight easier. Other homes do not report any challenges with managing State employees. The Juneau Pioneer Home contracts out all food service and environmental services. These positions are included in the staffing analysis when comparing staffing intensity totals across homes, but not in the budgets by scenario. It is assumed these positions would continue to be contracted out in the future.

Medication Management + Alaska Pioneer Homes Pharmacy

The average Pioneer Home resident uses 11 to 14 medications per day. The typical morning medication "pass" includes five to eight medications. At dinner time, most elders take an additional two to five medications. At noon and before bed, the average resident also takes between one and four medications.

All Level 2 and Level 3 residents are required to use the Alaska Pioneer Homes Pharmacy (Pharmacy), except if an elder is eligible and would like to use either the Indian Health Service (IHS) or Veterans Affairs (VA) pharmacy. Currently, half of Level 1 residents use the Pharmacy. When Level 1 residents are ready to move to Level 2, they are automatically switched over to the Pharmacy if they are not already using it. The Pharmacy orders medications in bulk, reviews the orders for possible mixes, and uses a machine to portion them by resident, time of day, and date. Medications arrive daily in these portions. See the Appendix for an overview of the difference between a long-term care pharmacy, such as the one that is run by the Alaska Pioneer Homes and a retail pharmacy, such as a Walgreens.

The Pioneer Homes vary in their policy regarding which staff members pass medications; in some homes only nurses pass medications, in others, CNAs also pass medications. Legally, both CNAs and ALAs can pass delegable medications.[34] Staff must manage medications to avoid medication errors and nurses communicate with medical providers and the pharmacist about any issues and for refills. Nurses can spend several hours per week on this task.

All homes use both paper charts and Point Click Care (PCC), an electronic health record, for documenting resident care. The Pharmacy uses ProScript Pharmacy Script for pharmacy management. PointClickCare can interface with ProScript, however, this is not yet fully implemented across all homes. Homes are currently working on shifting to an electronic order system for refill requests. All orders are good for six months to a year. Currently, the Pharmacy cannot receive electronic prescriptions.

There are five people on staff in the Pharmacy and one part-time contract employee. The Pharmacy team processes 80,000 medications per year and manages billing for pharmaceuticals to private insurance and Medicare. The Pharmacy team includes two pharmacists, two pharmacy technicians, and one accounting

[34] Medications that CNAs and ALAs cannot pass include injections and narcotics.

technician who splits the position between pharmacy technician and account technician. Each pharmacy technician is dedicated to one or two homes. One pharmacy technician position is currently vacant and authorized for recruitment.

Central Office

The Pioneer Homes Central Office (central office) is in Juneau and employs 10 people. The central office supports the six homes by managing the division budget; supporting hiring, recruitment, and supporting performance management; providing information technology support; and, facilitating inter-home meetings. The central office also manages the waitlist; conducts billing; manages accounts receivable and payable; and, manages the payment assistance program. The central office communicates with legislators and supports and educates administrators to maintain compliance with regulations.

The central office consists of a Division Director who oversees the Pharmacist, the Home Administrators, and the Administrative Operations Manager II. The Administrative Operations Manager II oversees the Administrative Officer I, Social Services Program Coordinator, Senior Services Technician, Accounting Technicians, Accounting Clerk, and an Administrative Assistant I. The Central Office convenes meetings with various teams across the Homes. Figure 17 identifies who is involved and the frequency of each meeting.

Figure 17: Central Office Inter-Home Meetings

Meeting	Frequency
Central Office + Homes	Quarterly
Budget	Monthly
Social Work	Monthly
Continuous Quality Improvement	Monthly
Safety (Lead Nurse, Pharmacy, Home Administrators)	Quarterly
Central Office Team	Weekly
Division Leadership (Home Administrators, Pharmacy, Central Office, Human Resources)	Weekly (Mondays); Human Resources attend once per month
Home Administrators	Bi-weekly

Currently, a common perception among staff in the Homes is that central office focuses only on billing residents and payers for Pioneer Homes services. However, the staff at central office see their role as the backbone of Pioneer Homes operations that can improve efficiency by centralizing processes, help staff in the homes to ensure high quality care, provide support and training to staff, and to bring administrators and staff together across the homes for shared learning and team building. The central office is currently conducting coordination projects to improve current system functioning. Some of these projects include:

- Social workers documenting first contact with potential residents and level of care assessments in Point Click Care (PCC);
- Converting Level 2 Payment Assistance residents to the Medicaid waiver, as applicable;
- Social workers conducting first contact with residents about past due billing prior to central office following up with collections, if necessary;
- Creating consistent standards and forms so that all Homes submit consistent information to central office;
- Increasing and improving consistent implementation and use of PCC amongst the Homes, central office, and the Pharmacy.

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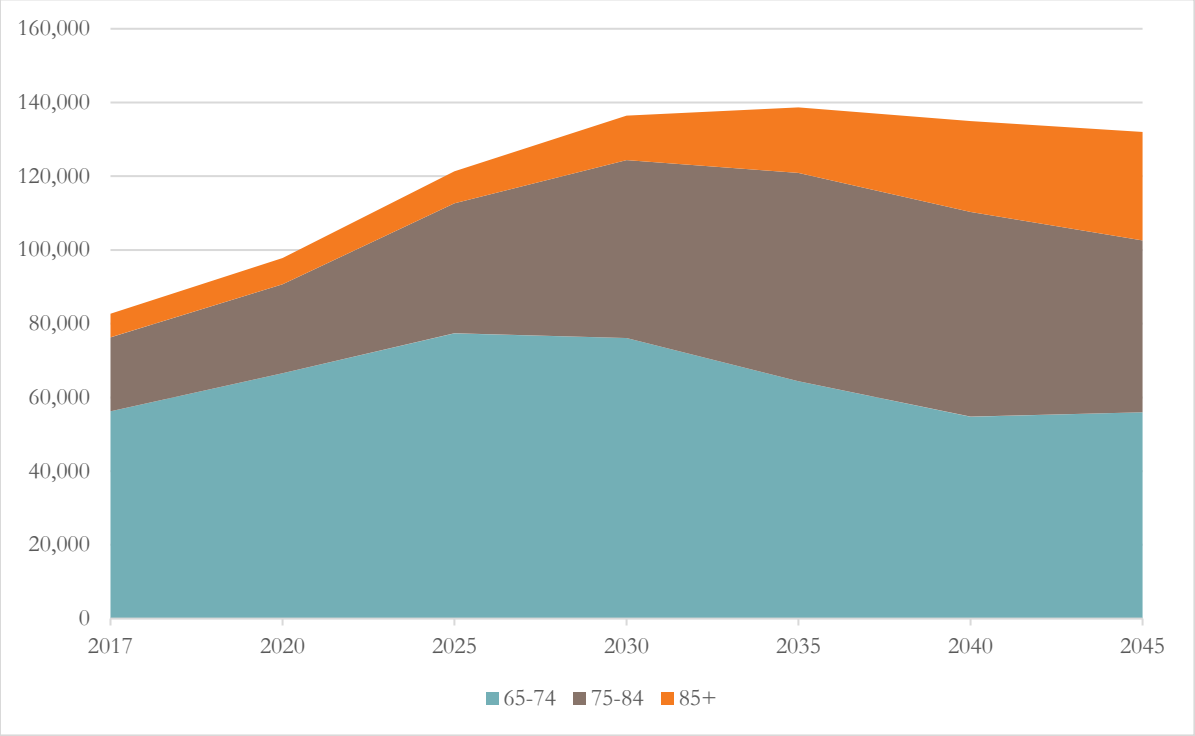
Chapter 2: Community Need + Market Demand

Senior Population

Alaska's senior population, defined as individuals 65 and older, is growing. From 2010 to 2017 Alaska's senior population increased by 27,748 individuals.[35] The State of Alaska Department of Labor publishes population forecasts through 2045 by age group at the state and borough or census area levels. By 2030, Alaska's senior population is expected to increase by an additional 53,729 individuals.[36] The 65 and older population currently makes up 11 percent of the state's population; by 2045, seniors are estimated to make up 16 percent of the state's population.[37] The figure below shows how the senior population will grow through 2035. The number of the oldest seniors, those who are 85 years and older, increases through 2045.

Figure 18: Statewide Population Projections 65+, 2017-2045[38]



Senior population growth is expected in all Pioneer Home communities. While growth is expected to peak in most regions in 2035, the 85 and older population, which is the age group of seniors that most often needs support, especially assisted living, continues to grow through 2045. By 2040, this population will reach 25,000, an increase of 18,000 above today. Unlike other regions of the state, senior population growth in the Matanuska-Susitna Borough is not expected to peak in 2035 indicating longer-term growth in the number of seniors in that region, compared to other parts of the state.

[35] Alaska Department of Labor and Workforce Development Population Projections 2017-2045, Agnew::Beck Analysis
[36] Alaska Department of Labor and Workforce Development Population Projections 2017-2045, Agnew::Beck Analysis
[37] Alaska Department of Labor and Workforce Development Population Projections 2017-2045, Agnew::Beck Analysis
[38] Alaska Department of Labor and Workforce Development Population Projections 2017-2045, Agnew::Beck Analysis

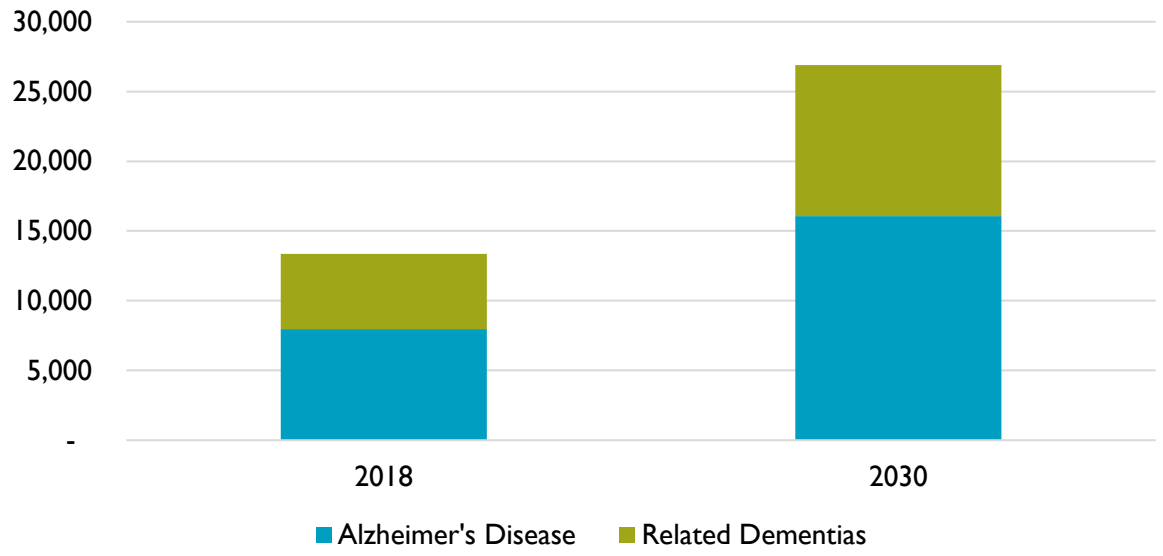
Figure 19: 65+ Population Growth by Census Area[39]

Census Area	2017	2025	2035	2045
Mat-Su Borough	11,740	18,187	23,038	24,961
Municipality of Anchorage	31,272	45,718	51,915	50,290
Fairbanks North Star Borough	10,170	15,260	17,122	16,334
Juneau City & Borough	4,018	5,881	6,555	5,885
Ketchikan Gateway Borough	2,040	2,809	3,063	2,691
Sitka City & Borough	1,304	1,779	1,837	1,739

Alzheimer's Disease and Related Dementias

According to the Alzheimer's Association, an estimated 44 percent of Alaskans 85 and older experience Alzheimer's Disease and 4 percent of the population with Alzheimer's are under the age of 65.[40] Between 60 and 80 percent of Alzheimer's Disease and Related Dementia (ADRD) diagnosis are Alzheimer's so we estimated the balance of the related dementias population at 40 percent of the total ADRD population.[41] We then applied these calculation to the projected population growth using the State of Alaska Population Projections. The figure below shows the current and projected population of all ages with ADRD.

Figure 20: Alaskans with ADRD



[39] Alaska Department of Labor and Workforce Development Population Estimates

[40] This percent is calculated based on the Alzheimer's Association Facts and Figures for Alaska estimate of number of people by age group with an Alzheimer's diagnosis divided by the number of people by age group in 2017 according to the State of Alaska Department of Labor and Workforce Development Population Estimates.

[41] www.aging.com In the Pioneer Homes, the percent of people with an ADRD diagnoses who have Alzheimer's disease is lower and more variable – from seven percent in Sitka to 57 percent in Anchorage. This variability is likely due to the difficulty in getting accurate diagnoses in smaller communities in Alaska. The percent of people by home with any ADRD diagnoses is much closer to the statewide average. Source: Alaska Pioneer Homes data transmittal, June and October, 2018.

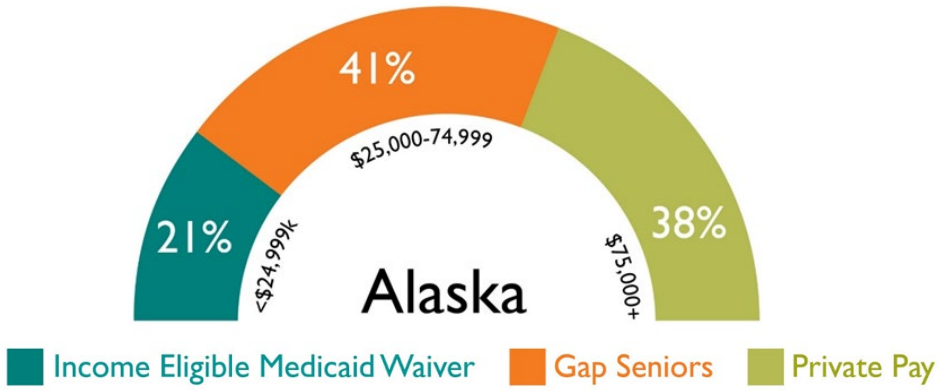
Senior Household Income

The American Community Survey provides household income estimates by age group. These estimates were used to identify the percentage of Alaska seniors who fall within one of three possible payer categories:

4. Income eligible Medicaid Waiver, those with annual household incomes less than $24,999;
5. Gap seniors, those with annual household incomes between $25,000 and $74,999: and,
6. Private pay, those with annual household incomes of more than $75,000.

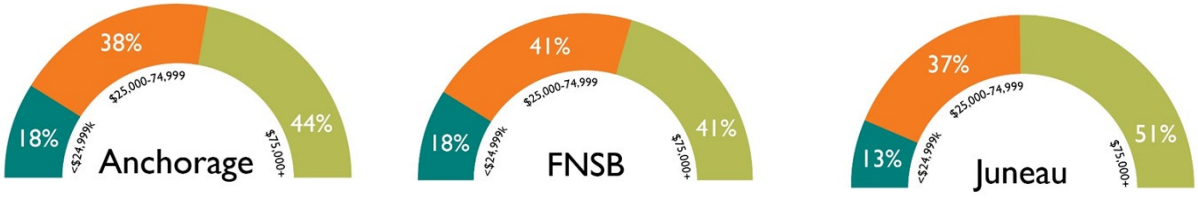
Gap seniors are those with incomes that likely exceed the Medicaid Waiver income limit but are not sufficient to pay privately for assisted living. While some assisted living homes cost less than $75,000 per year, the private pay rate for residents at the Pioneer Homes who require level 3 services is $74,052. In Alaska, gap seniors are estimated to make up the largest proportion of the senior population.[42]

Figure 21: Income Levels, Alaska[43]



Senior household income data were also analyzed by census area for each community with a Pioneer Home. Anchorage and Juneau have higher proportions of seniors with incomes that enable them to privately pay for assisted living care, with 44 percent and 51 percent respectively. Ketchikan has the lowest estimated proportion of private pay seniors at only 26 percent.[44]

Figure 22: Senior Income, by Borough/Census Area[45]

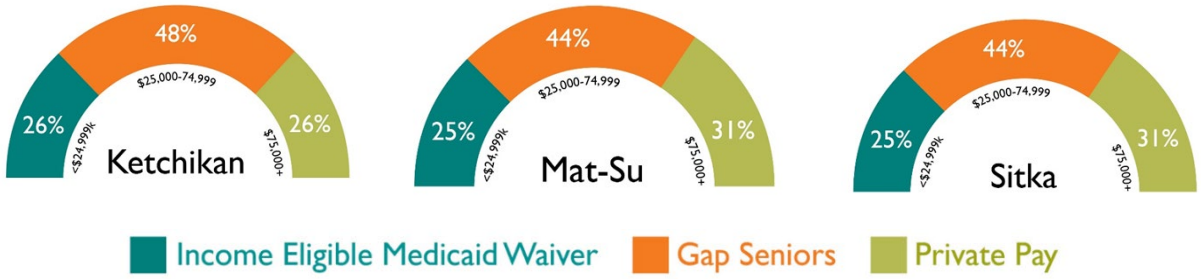


[42] American Community Survey 2012-2016 5 Year Estimates

[43] American Community Survey 2012-2016 5 Year Estimates

[44] American Community Survey 2012-2016 5 Year Estimates

[45] American Community Survey 2012-2016 5 Year Estimates



Senior Housing + Supports Supply

There are 497 licensed Pioneer Home beds in Alaska, or one bed for every 166 seniors. As seen in the figure below, the state's largest communities have the highest number of seniors per Pioneer Home bed, while the southeast communities of Juneau, Ketchikan and Sitka have the lowest ratios of seniors to beds.

Figure 23: Pioneer Home Bed Supply, by Region and Statewide[46]

Item	Anchorage	Fairbanks	Juneau	Ketchikan	Mat-Su	Sitka	Statewide
65+ Population	31,272	10,170	4,018	2,040	11,740	1,304	82,686
Licensed Pioneer Home Beds	168	91	48	46	79	65	497
Ratio 65+: Beds	186:1	112:1	84:1	44:1	149:1	20:1	166:1

The available supply of assisted living, independent living, and skilled nursing facilities varies by community. Anchorage has a relatively low ratio of seniors to assisted living beds, with 26 seniors for each bed available. The ratio is highest in Juneau where there are 84 seniors for every assisted living bed.

Independent living for seniors is most available in the Matanuska-Susitna Borough, with 21 seniors for each available spot and is least available in Fairbanks with 39 seniors for each independent living unit for seniors.

Skilled nursing is entirely unavailable in the Palmer area currently but a Certificate of Need for two facilities, one in Palmer and one in Wasilla, was approved in August 2017. Each facility is expected to have 60 units, bringing the number of skilled nursing beds to 120. Juneau has the lowest ratio of seniors to skilled nursing beds out of all the Pioneer Home communities, with 66 seniors for each available bed.

Figure 24: Senior Housing Supply, by Region[47]

Facility Type	Ratio of Population 65+ to beds, 2017					
	Anchorage	Fairbanks	Juneau	Ketchikan	Mat-Su	Sitka
Population 65+	31,272	10,170	4,018	2,040	11,740	1,304
Assisted Living Home	26:1	54:1	84:1	44:1	39:1	20:1
Independent	25:1	39:1	26:1	35:1	21:1	30:1
Skilled Nursing Facility	126:1	113:1	66:1	70:1	-	87:1

[46] Alaska Pioneer Homes, Alaska Department of Labor and Workforce Development Population Estimates, 2017; Agnew::Beck, Analysis

[47] Alaska Pioneer Homes, Alaska Department of Labor and Workforce Development Population Estimates, 2017; Agnew::Beck, Analysis

Chapter 3: Who Lives at the Pioneer Homes?

Bed and Occupancy Levels

Occupancy levels at the Pioneer Homes range from 88 percent at the Sitka and Fairbanks homes to 97 percent at the Alaska Veterans and Pioneers Home in Palmer.[48] The average occupancy across all homes is 90 percent. The beds by level and occupancy rate for each home reflect the Pioneer Home census as of June 30, 2018.

Figure 25: Bed Occupancy Summary, June 2018[49]

Pioneer Homes	Licensed Beds	Residents			Total	Occupancy Rate
		Level 1	Level 2	Level 3		
AVPH, Palmer	79	10	20	47	77	97%
Anchorage	168	30	47	72	149	89%
Fairbanks	91	7	23	50	80	88%
Ketchikan	46	1	12	28	41	89%
Juneau	48	5	11	28	44	92%
Sitka	65	7	22	28	57	88%
Total All Homes	**497**	**60**	**135**	**253**	**448**	**90%**

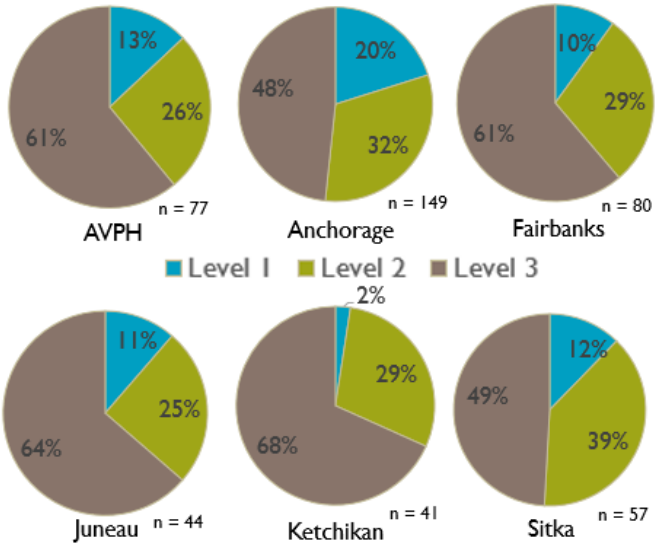
Systemwide, 56 percent of Pioneer Home residents require level 3 care, 30 percent are level 2 and the remaining 14 percent are level 1. Anchorage and Sitka are the only Pioneer Homes where less than half of their residents are level 3. Anchorage has the highest percentage of level 1 residents at 20 percent, while Ketchikan has the lowest, with only two percent of residents receiving level 1 care.[50] Figure 26 identifies the progression of services offered at each level of care.

Figure 26: Services Offered by Level of Care

Service	Level 1	Level 2	Level 3
Housing	X	X	X
Meals	X	X	X
Emergency Assistance	X	X	X
Recreation + activities	X	X	X
Medication administration		X	X
Assistance with activities of daily living during the day and evening[51]		X	X
24-hour assistance with activities of daily living			X

[48] Alaska Pioneer Homes Level of Care by Neighborhood, June 2018
[49] Alaska Pioneer Homes Level of Care by Neighborhood, June 2018
[50] Alaska Pioneer Homes Level of Care by Neighborhood, June 2018
[51] Some homes have slightly different criteria for a level 3 resident. For example, in Sitka if a resident needs help with more than 50 percent of ADLs, they are considered a level 3.

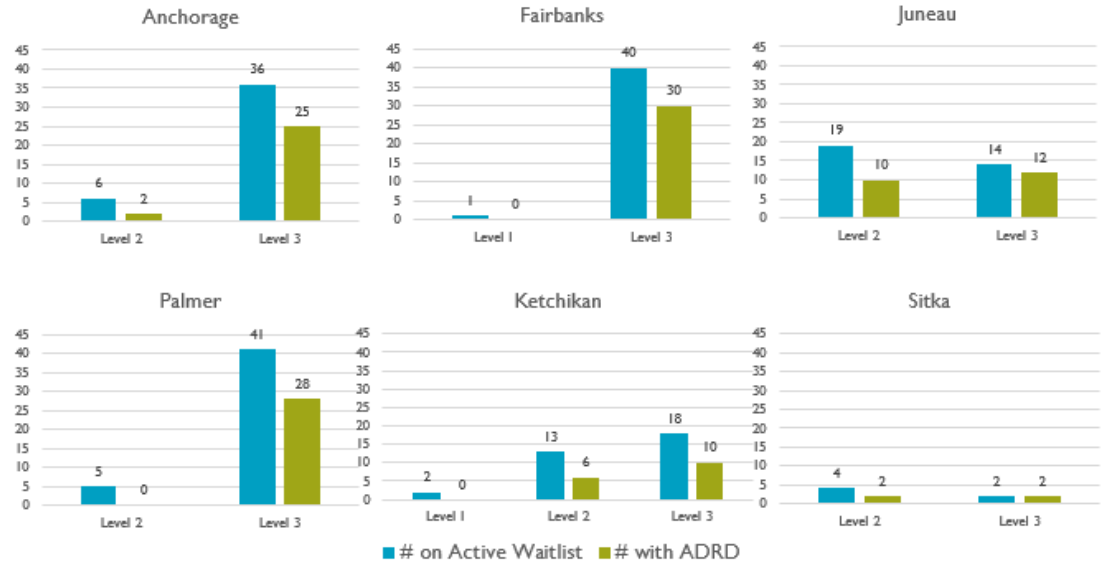
Figure 27: Level of Care, by Pioneer Home[52]



Pioneer Homes Waitlist Status

As of June 2018, 201 seniors are on the unduplicated active waitlist. Of these, 75 percent of seniors are seeking level 3 care, 24 percent require level 2, and only 1 percent require level 1 care.[53] Fairbanks and Ketchikan are the only homes with level 1 eligible residents on their active waitlists. Most seniors on the active waitlist also have an Alzheimer's Disease and Related Dementias (ADRD) diagnosis. The number of individuals on the active waitlist by home is illustrated in Figure 28.

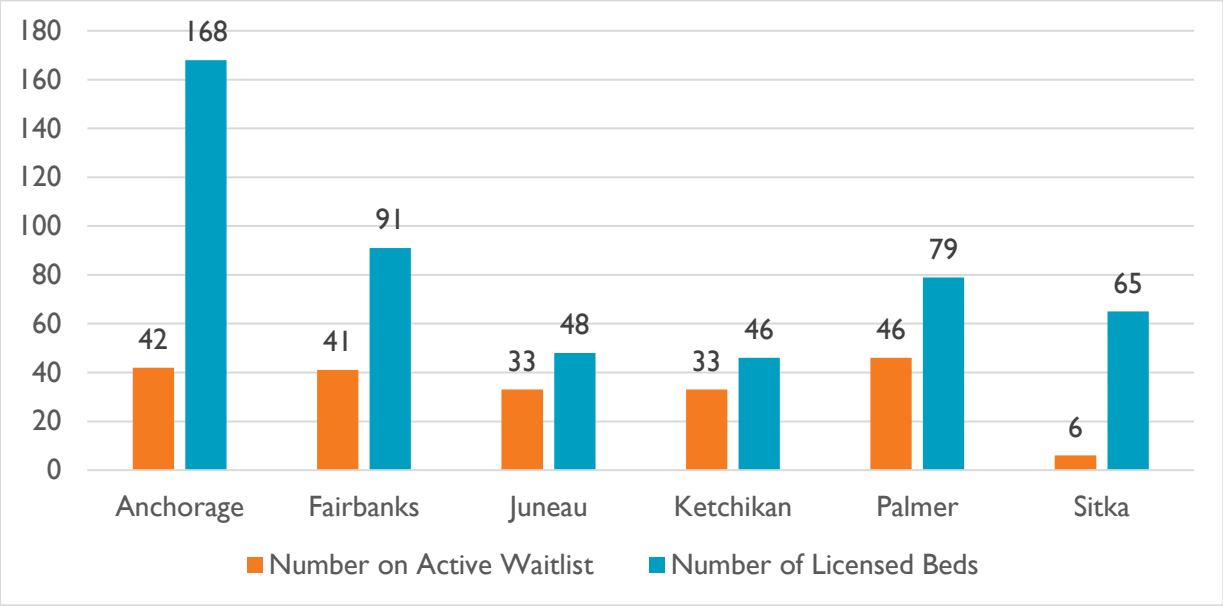
Figure 28: Unduplicated Active Waitlist by Home[54]



[52] Alaska Pioneer Homes Level of Care by Neighborhood, June 2018
[53] Pioneer Home Active Waitlist Data Report, June 2018.
[54] Pioneer Home Active Waitlist Data Report, June 2018

The unduplicated active waitlist can be analyzed by looking at the number of seniors on the active waitlist by home compared to the total number of licensed beds at each home, as shown in Figure 29. This provides an indication of the length of time a senior must wait before a bed becomes available at the Pioneer Homes. For comparison, most assisted living homes in the private sector do not maintain waitlists because generally when a person requires this level of care, they cannot wait an extended period to receive it. Current demand for Pioneer Home beds varies considerably by location. In Sitka, the number of seniors on the active waitlist would require 9 percent of that home's licensed beds to meet current demand; while in Ketchikan, it would require 72 percent of that home's beds to meet current demand on the active waitlist.

Figure 29: Unduplicated Active Waitlist Compared to Total Licensed Beds by Pioneer Home[55]



[55] Pioneer Home Active Waitlist Data Report, June 2018

Payor Sources

The frequency of payor source for Pioneer Home residents varies significantly by the level of care they receive. While most level 1 residents are private pay, level 2 residents tend to use private pay and payment assistance at similar rates. Level 3 residents are predominately enrolled in the Medicaid Waiver or pay privately. Additionally, per diem from the Veterans Administration (VA) is available for qualifies veterans at the Alaska Veterans and Pioneer Home in Palmer. Across all levels of care 70 to 75 percent of residents at the Alaska Veterans and Pioneer Home receive veteran per diem.

Figure 30: Payor Source by Level of Care, All Homes[56]

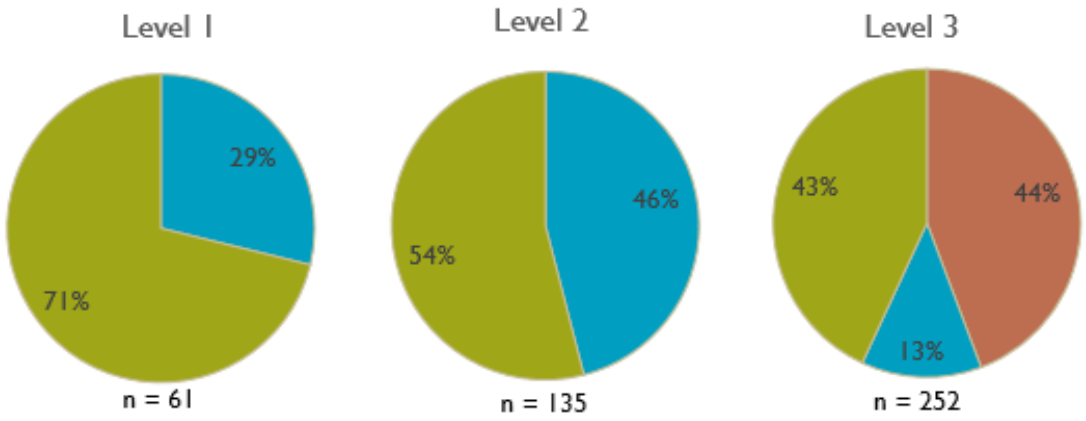
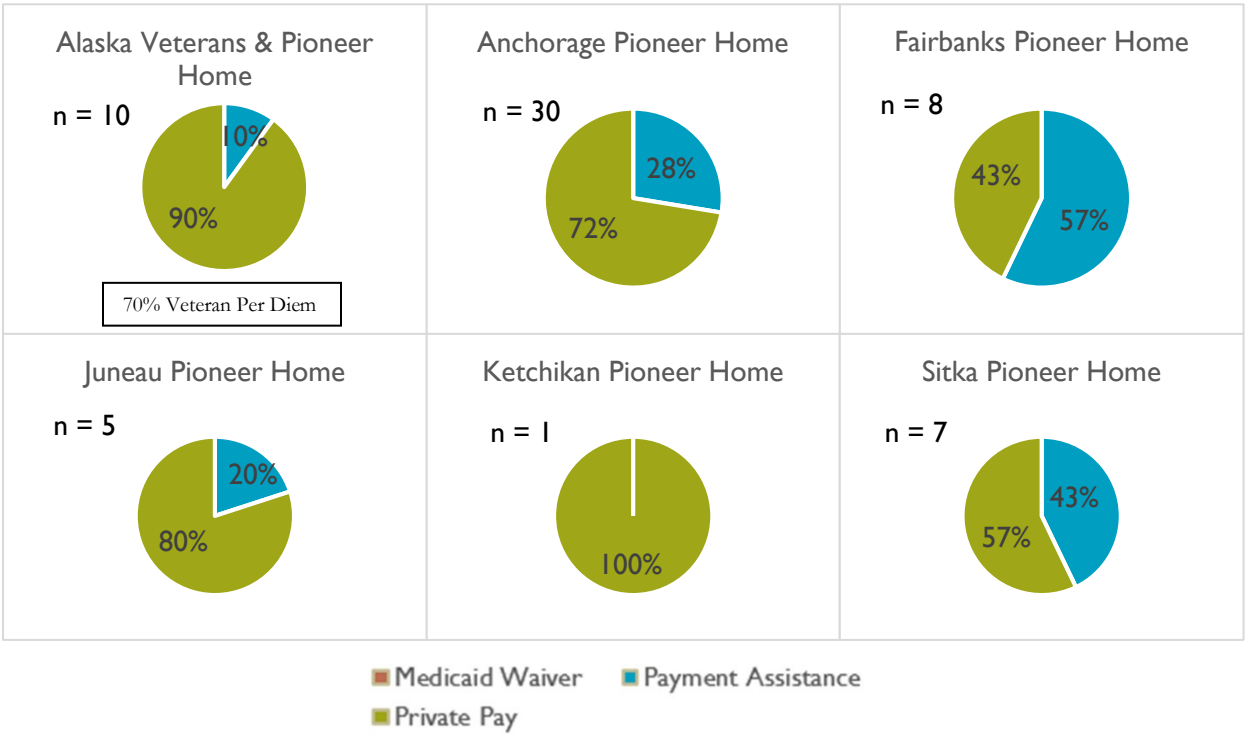


Figure 31: Payor Source by Home, Level I[57]



[56] Pioneer Home Resident Revenue, July 2018
[57] Pioneer Home Resident Revenue, July 2018

Figure 32: Payor Source by Home, Level 2[58]

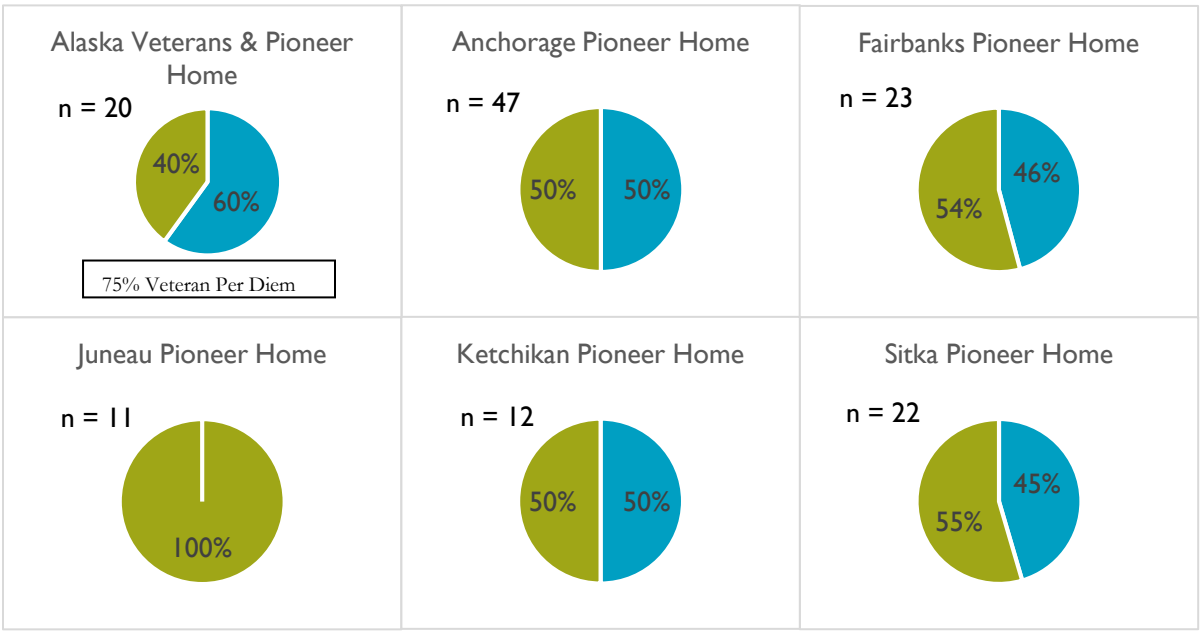
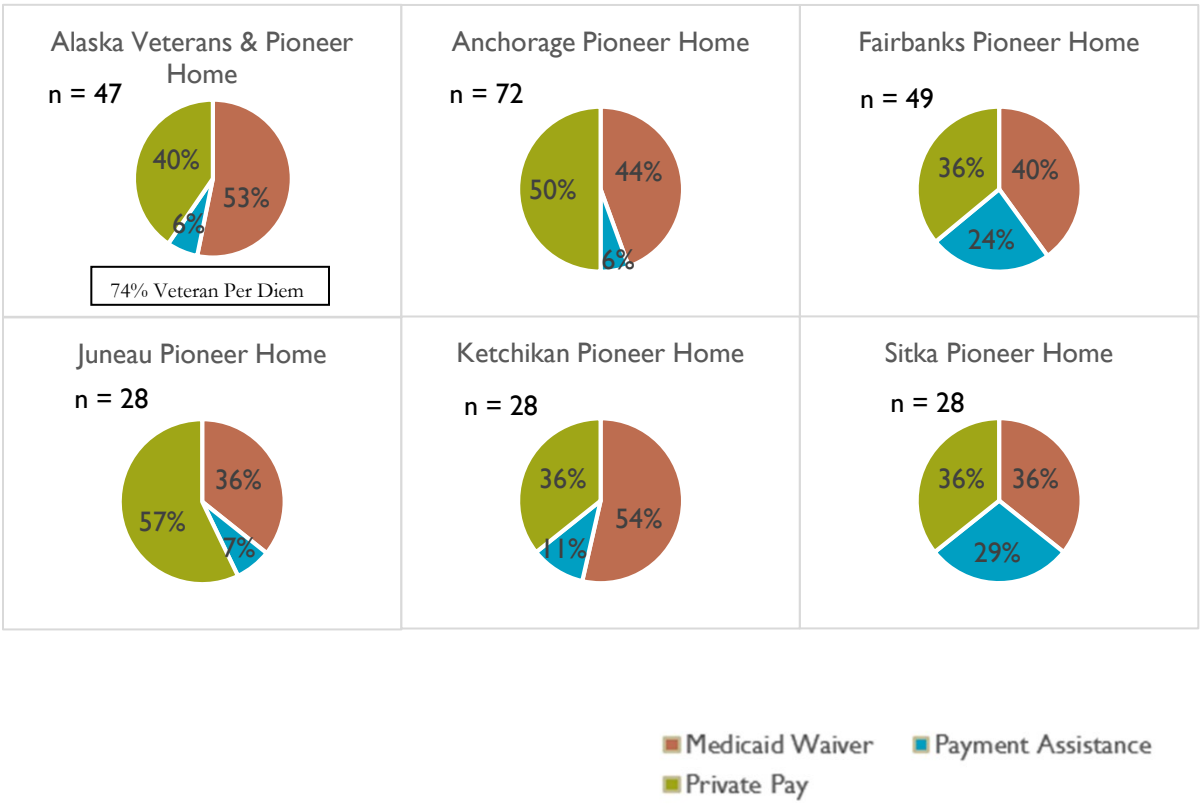


Figure 33: Payor Source by Home, Level 3[59]

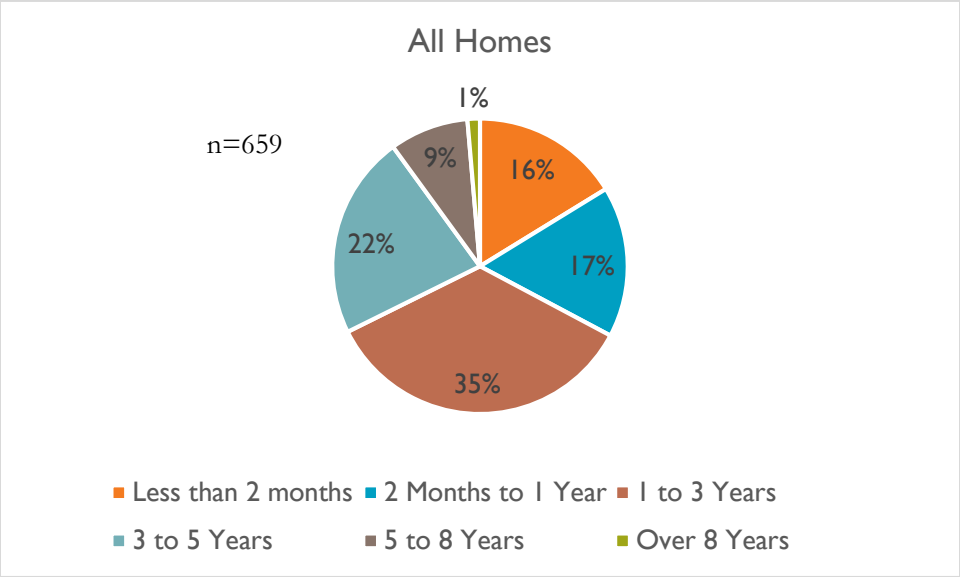


[58] Pioneer Home Resident Revenue, July 2018
[59] Pioneer Home Resident Revenue, July 2018

Length of Stay

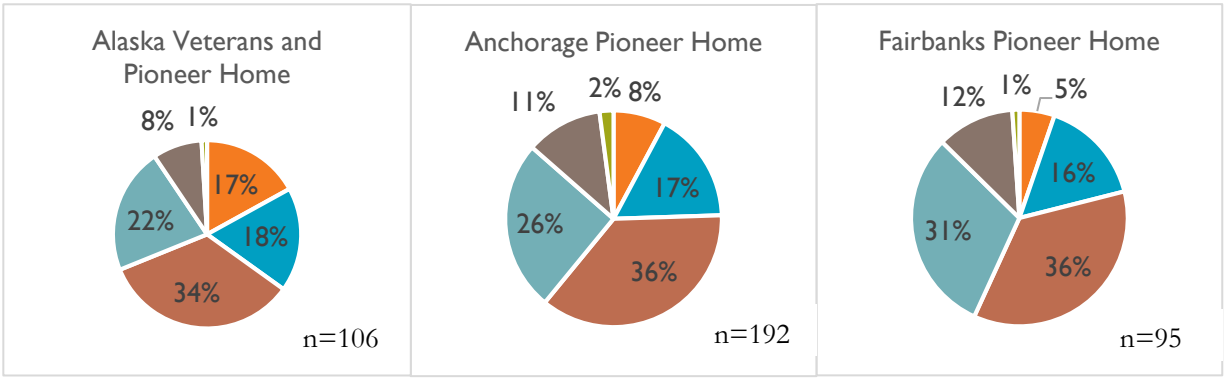
Historical data for residents who completed a Pioneer Home stay between 2004 and 2018 shows that roughly one-third of residents stay less than one year, with 16 percent staying less than two months; another third of residents stay between one and three years; and, roughly another third stay more than three years. Only one percent of residents live in the Homes for over eight years.[60]

Figure 34: Length of completed stays, 2004-2018[61]

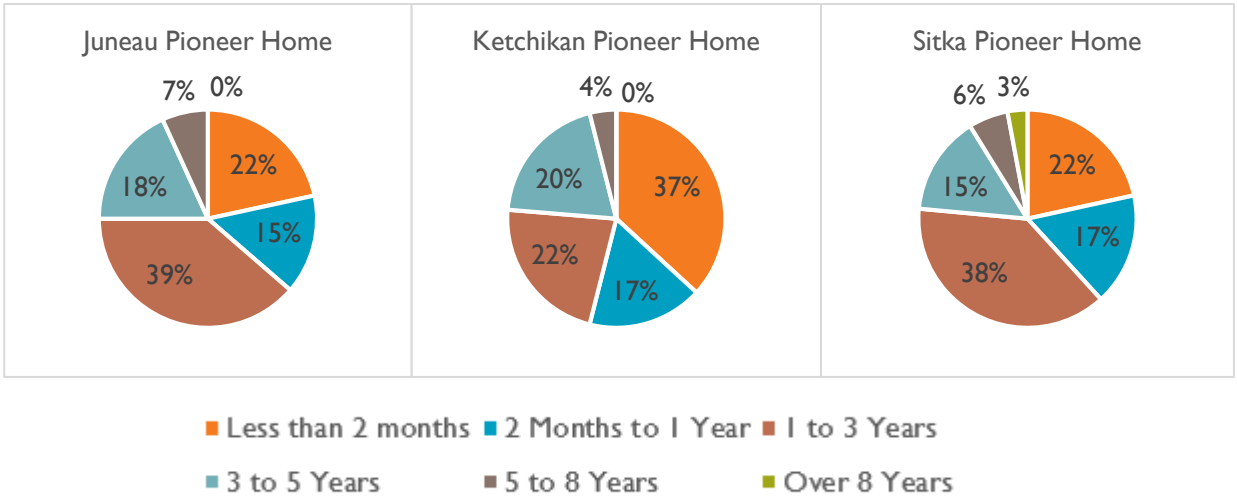


The Ketchikan Pioneer Home has the highest percentage of residents with completed stays of less than two months (37 percent) while the Sitka Pioneer Home has the highest percentage of residents with stays over eight years (three percent). The Anchorage and Fairbanks Homes have lower percentages of short stays (less than two months) and higher percentages of longer stays (three to eight years) when compared with other homes.[62]

Figure 35: Length of completed stays by Home 2004-2018[63]

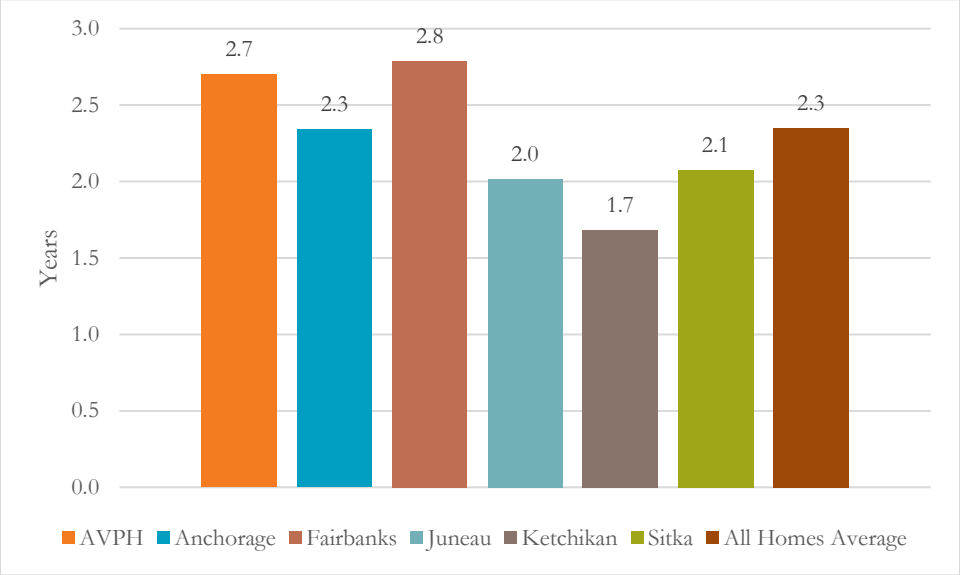


[60] Alaska Pioneer Homes Completed Stays, 2004-2018
[61] Alaska Pioneer Homes Completed Stays, 2004-2018
[62] Alaska Pioneer Homes Completed Stays, 2004-2018
[63] Alaska Pioneer Homes Completed Stays, 2004-2018



Current Pioneer Home residents have lived in the homes for 2.3 years, on average. The Fairbanks Pioneer Home and the Alaska Veterans and Pioneer Home in Palmer have the longest average lengths of stay for current residents, with 2.8 and 2.7 years respectively. Current stays at the Ketchikan Pioneer Home are the shortest, with an average of 1.7 years.[64]

Figure 36: Current Resident Average Length of Stay by Home[65]

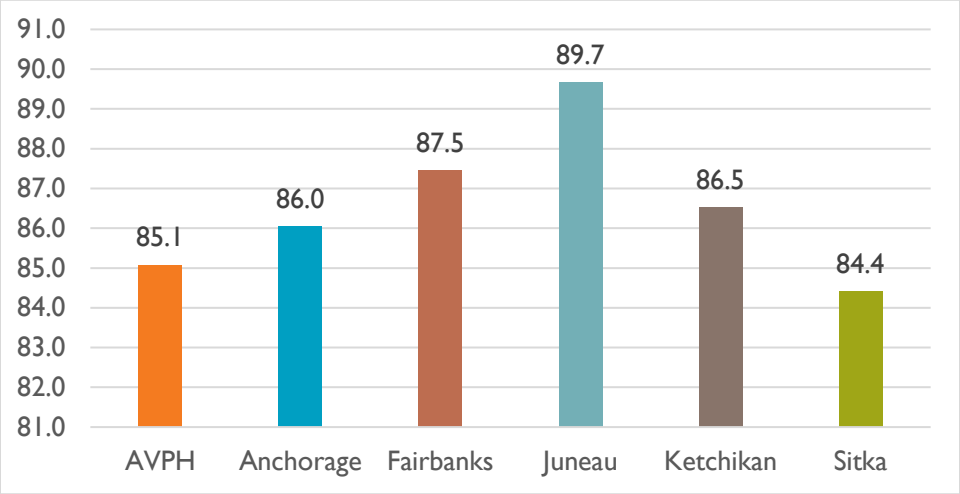


Resident Age

Across all the homes, the average age of Pioneer Home residents is 87. The oldest resident is 102 and the youngest is 66. The Juneau Pioneer Home has the oldest population, with an average age of 89.7, while the Sitka Pioneer Home has the youngest population, with an average age of 84.4.[66]

[64] Alaska Pioneer Homes Length of Stay Report, 2018
[65] Alaska Pioneer Homes Length of Stay Report, 2018
[66] Alaska Pioneer Homes Resident Report, June 2018.

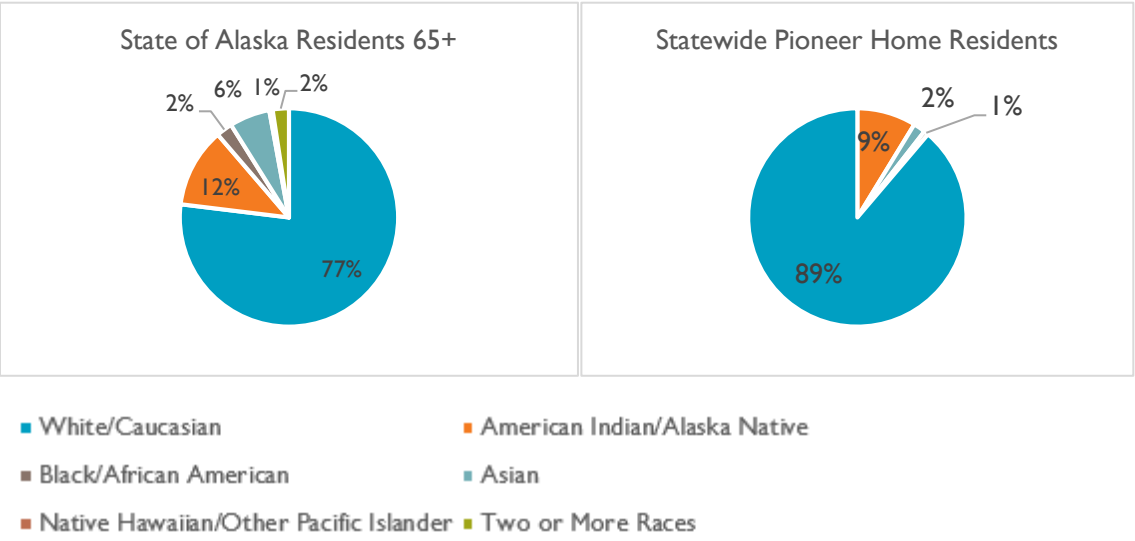
Figure 37: Average Age of Residents, by Home[67]



Resident Race

Pioneer Homes residents statewide do not reflect the racial diversity of the communities in which they are located. Whites comprise 77 percent of the state's population but 89 percent of Pioneer Home residents. Alaska Native people are underrepresented among Pioneer Home residents. Alaska Native/American Indian people comprise 12 percent of the state population and 9 percent of the Pioneer Homes population.

Figure 38: Residents of Alaska and Pioneer Homes by Race[68]



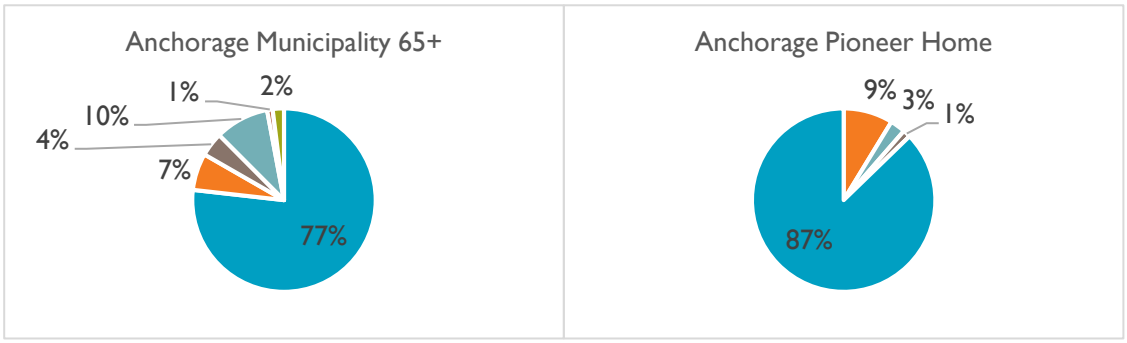
The Alaska Veterans and Pioneers Home in Palmer is predominately white (97 percent), over-representing the area's white population as only 91 percent of Mat-Su Borough Residents are white.[69]

[67] Alaska Pioneer Homes Resident Report, June 2018.
[68] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.
[69] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.

Figure 39: Mat-Su Borough and Alaska Veterans and Pioneer Home by Race[70]

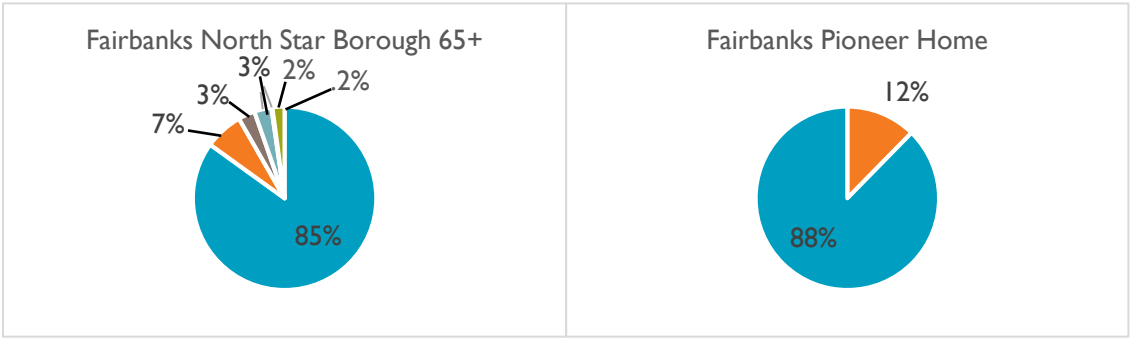
In the Anchorage Pioneer Home, white seniors are overrepresented, and the share of American Indian/Alaska Natives is slightly higher than the proportion in Anchorage as a whole. All other racial groups are under-represented at the Anchorage Pioneer Home compared to the total senior population of the Municipality of Anchorage.

Figure 40: Municipality of Anchorage and Anchorage Pioneer Home Residents by Race[71]



Similarly, in the Fairbanks Pioneer Home, white and American Indian/Alaska Native elders are slightly overrepresented while other racial groups are underrepresented. Alaska Natives from the region surrounding make up seven percent of the senior population.

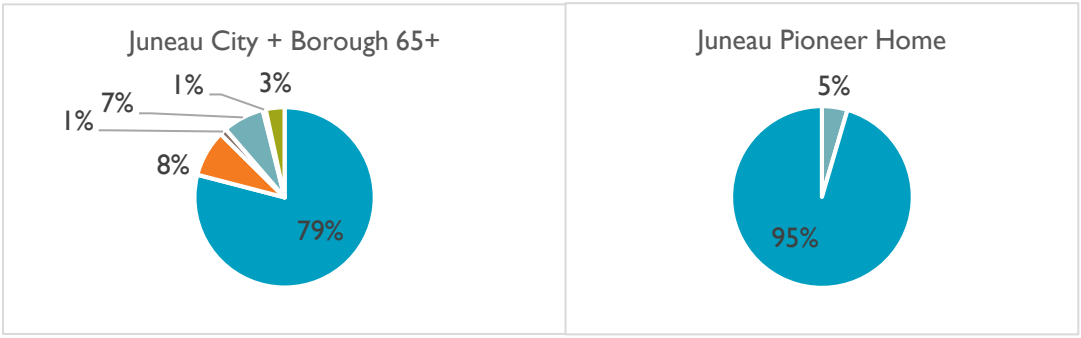
Figure 41: Fairbanks North Star Borough and Fairbanks Pioneer Home Residents by Race[72]



[70] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.
[71] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.
[72] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.

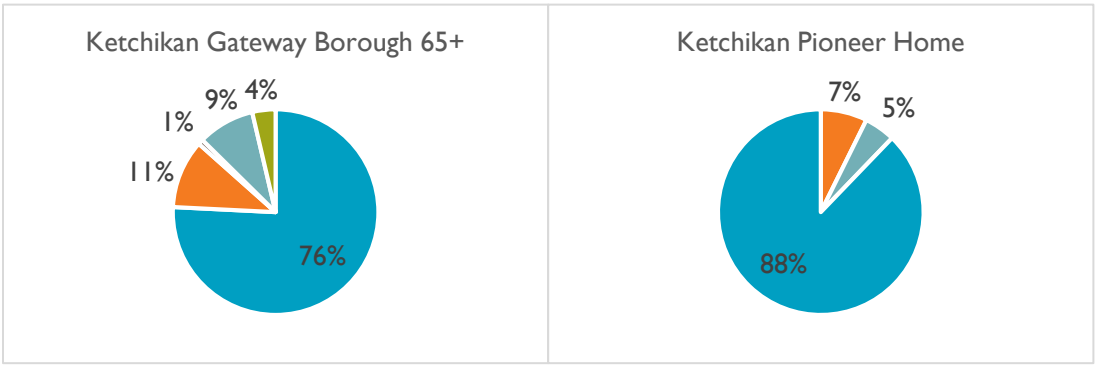
The Juneau Pioneer Home is predominately white (95 percent) while approximately 20 percent of the population of the City and Borough of Juneau is non-white.[73]

Figure 42: Juneau City and Borough and Juneau Pioneer Home Residents by Race[74]



White seniors are overrepresented in the Ketchikan Pioneer Home. Approximately 24 percent of the population of the Ketchikan Gateway Borough is nonwhite but only 12 percent of the Pioneer Home's population is nonwhite.[75]

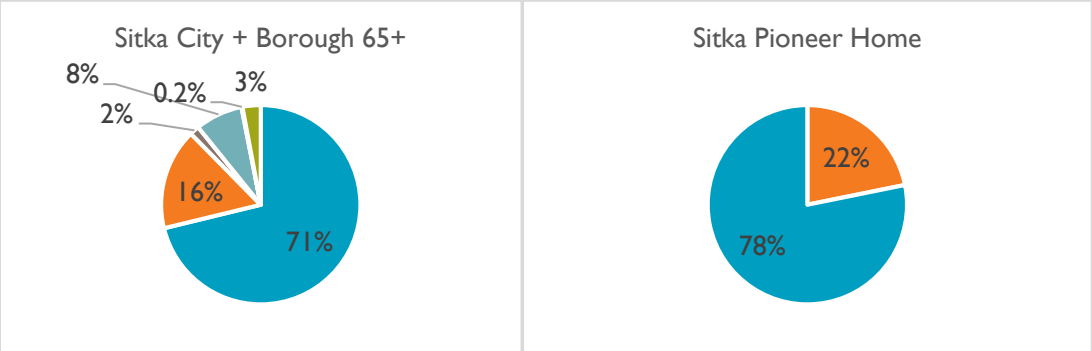
Figure 43: Ketchikan Gateway Borough and Ketchikan Pioneer Home Residents by Race[76]



White seniors and American Indian/Alaska Native elders are overrepresented in the Sitka Pioneer Home, while other racial groups are not represented at all in the home. However, Sitka serves as a hub community for many outlying, predominately Alaska Native communities in the region.

[73] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.
[74] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.
[75] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.
[76] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.

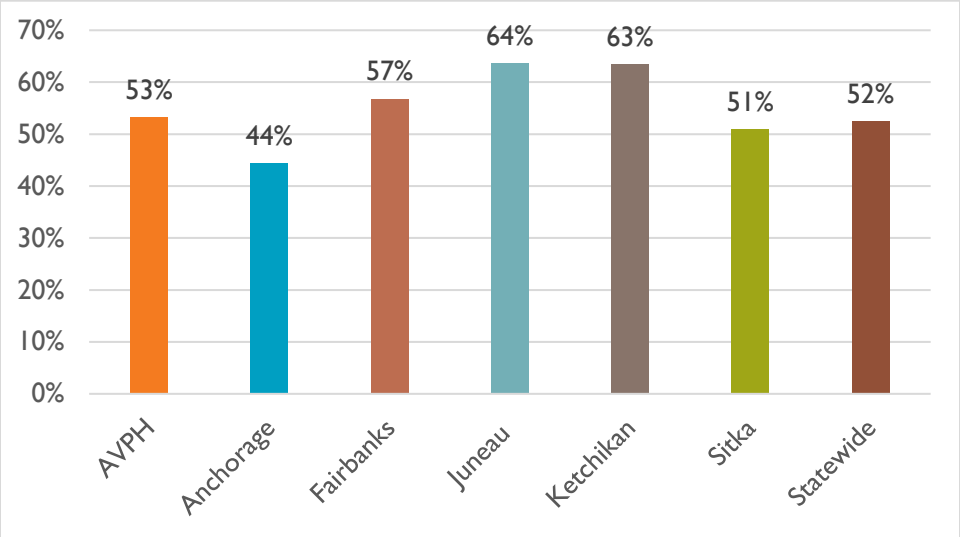
Figure 44: Sitka City and Borough and Sitka Pioneer Home Residents by Race[77]



Resident Rates of Alzheimer's Disease and Related Dementias (ADRD)

Statewide, over half of Pioneer Home residents have an ADRD diagnosis.[78] The percentage of residents with ADRD varies by home, from a low of 44 percent in Anchorage to a high of 64 percent in Juneau. It should be noted that ADRD is often underdiagnosed and underreported.[79] The Alzheimer's Association estimates that between 2018 and 2025 the number of people over 65 in Alaska with Alzheimer's will increase 46.7 percent.[80]

Figure 45: Percentage of Pioneer Home Residents with ADRD[81]



Acuity Levels

The recent Census and Conditions of Residents report for residents at the Pioneer Home identifies the medical acuity of residents across a range of medical conditions, functions, and levels of acuity, which helps to understand the requirements for medical care and functional supports for assistance with the activities of daily living (ADL).

[77] Alaska Department of Labor and Workforce Development, Alaska Population by Age, Race, Sex + Borough/Census Area, July 2016 + Pioneer Home Resident Reports, June 2018.

[78] Pioneer Home Alzheimer's Disease and Related Dementia reports, June 2018.
[79] Alzheimer's Association Facts and Figures, 2018.
[80] Alzheimer's Association. Alaska Alzheimer's Statistics, 2018.
[81] Pioneer Home Alzheimer's Disease and Related Dementia reports, June 2018.

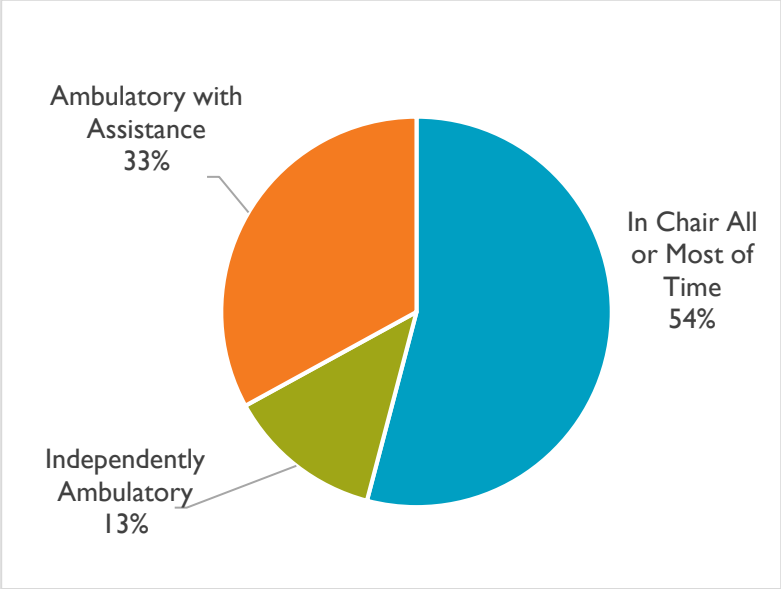
Medical Acuity

Levels of medical acuity among residents at the Pioneer Homes can be analyzed by looking at the utilization of various medical and nursing services. The following describes the current rate of use for different medical services and/or therapies compared to the rate for use for the same medical service and/or therapy in a sample skilled nursing facility (SNF), shown in parentheses.

- Four percent use catheters (sample SNF 22 percent)
- Zero or one percent use hospice, radiation/chemotherapy, ostomy care, tracheostomy care and/or suctioning (sample SNF ranges from 2 to 7 percent)
- 9 percent require injections other than Vitamin B (sample SNF 11 percent
- 20 percent require pureed/chopped foods (sample SNF 44 percent)
- 0 percent require tube feedings (sample SNF 19 percent)
- Five percent are physically restrained (sample SNF 9 percent)
- 41 percent have contractures (movement restriction due to deformity, disuse, or pain) (sample SNF 91 percent)

A small percentage of Pioneer Home residents (13 percent) are independently ambulatory, or able to move on their own, with most residents requiring assistance or spending most of their time in a chair. No Pioneer Home residents are bedfast all or most of the time.[82]

Figure 46: Percentage of Residents by Mobility Status, All Homes[83]



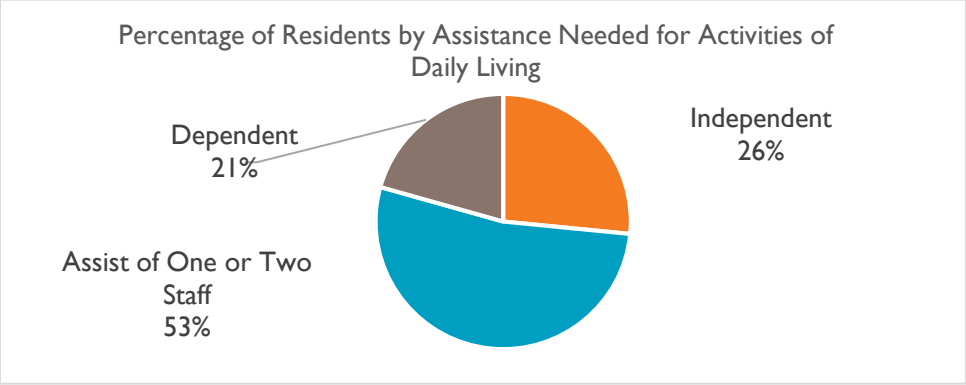
Functional Acuity

Functional acuity at the Pioneer Homes is measured by the level of assistance needed for activities of daily living (bathing, dressing, transferring, toilet use and eating). Figure 47 shows the percentage of residents by level of assistance needed for all activities of daily living combined. When this data was analyzed for each type of ADL, resident assistance requirements did not vary substantially for most categories other than residents

[82] Pioneer Home Resident Census and Conditions of Residents, June 2018.
[83] Pioneer Home Resident Census and Conditions of Residents, June 2018.

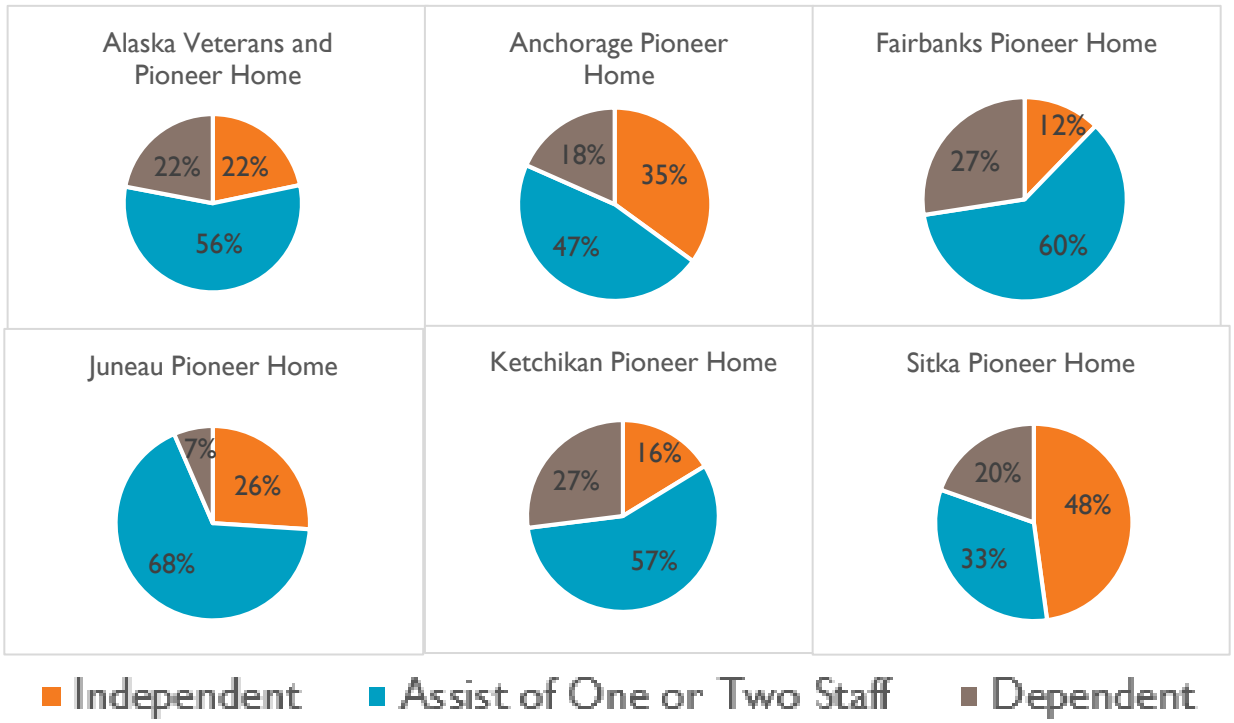
who experience less independence with bathing. Only 16 percent of residents are independent with this ADL. Thirty percent need assistance and 44 percent are dependent.[84]

Figure 47: Functional Acuity Levels, All Homes[85]



Functional acuity varies by home. The Sitka Pioneer Home has the highest number of independent residents (48 percent), which is surprising given the Home's relatively small percentage of Level I residents (12 percent). The Fairbanks Pioneer Home has the smallest percentage of independent residents (12 percent), which makes sense given that only 10 percent of the Home's residents are Level I. The percentage of residents requiring the assistance of one or two staff is highest at the Juneau Pioneer Home with 68 percent of residents requiring this service and is lowest in Sitka (33 percent). The Fairbanks and Ketchikan Homes have the highest percentage of dependent residents (27 percent), while only seven percent of Juneau home residents are dependent. [86]

Figure 48: Functional Acuity Level, by Home[87]



[84] Pioneer Home Resident Census and Conditions of Residents, June 2018.
[85] Pioneer Home Resident Census and Conditions of Residents, June 2018.
[86] Pioneer Home Resident Census and Conditions of Residents, June 2018.
[87] Pioneer Home Resident Census and Conditions of Residents, June 2018.

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Chapter 4: Staffing Analysis Framework

As outlined in the Executive Summary, the method for the staffing analysis included four analytical processes:

- Conduct site visits (six) and interview 176 staff members and elders at each of the six homes, central office and pharmacy, and conduct an online survey to solicit input from all Pioneer Home employees in a confidential format;
- Compare staffing intensity externally across the industry and internally between homes and neighborhoods;
- Adjust staffing and organizational structure to support strategic plan priorities;
- Model the staffing and financial impact of three scenarios:

    1. Operational status quo;
    2. Operate current model at full capacity;
    3. Increase number of higher acuity residents served to maximize community benefit.

Site Visit + Listening

In July and August 2018, the consultant team conducted site visits to all homes, the central office and pharmacy. Site visits included a leadership team meeting, tour, elder meeting or discussion, one on one interviews with departments leads, CNAs and floor nurses, and a debrief and discussion with the administrator and direct care manager. The Pioneer Home Division Director attended and participated in all site visits, and most of the interviews. The consultant team interviewed 176 people as part of the project and conducted an online survey to solicit input from all Pioneer Home employees in a confidential format about staffing levels, training opportunities and job satisfaction. Two-hundred and twenty-eight staff members responded to the survey. See the Appendix for more information about the site visits and for the survey findings.

In September 2018, the consultant team shared initial findings with the division director and home administrators. This included summaries of the site visits and potential recommendations. The consultant team met with each administrator individually to review the technical components of the analysis, including the desired and minimum staffing targets, operations, administrative functions, and site visit themes.

Staffing Intensity Comparisons

In this analysis, staffing intensity is measured as a ratio of residents to staff by shift. For example, a neighborhood with eighteen residents with two CNAs providing direct care and one nurse providing nursing oversight between 6 am and 2 pm would have a ratio of nine residents to one CNA and 18 residents to one nurse during the day shift. Because the Pioneer Homes are residential facilities, additional employees are needed to provide adequate staffing across all shifts throughout the year.

Key Terms

Figure 49: Key Terms in the Staffing Analysis

Term	Meaning	Use	Example
Position or Employee	Refers the actual human or job title associated with a function	For counting the total number of employees and costs associated with a desired target or ratio.	The Fairbanks homes has 56.5 direct care FTE permanent employees and 45 aide positions.
Shift Target	The number of people or positions needed on the floor at any given time.	Building schedules and knowing when to call in additional employees.	The Mountain View neighborhood in the Palmer home has a staffing target of three direct care aides during the day shift.
Staffing Ratio	The number of residents per staff type or category on the floor at any given time.	For comparing staffing intensity across similar neighborhoods, homes, or the industry.	Memory care units are typically staffed with a ratio of five residents for every one neighborhood based direct care aide.
Staff Costs	The total costs associated with personnel services in the Alaska Pioneer Homes system.	For determining the impact of recommendations to changes to the number of staff.	The total staff costs associated with Scenario 3 is $53 million.
Revenues	In the context of this analysis, revenues refer to earned revenues associated with the residents served in each home.	To determine if an increase in staff allows more residents to be served, which in turn can earn more revenue to offset changes in staff costs.	Earned revenues for Scenario 3 is $34 million.
Net Financial Impact	This the incremental revenue minus incremental costs.	For understanding the financial impact associated with each scenario and to compare scenarios to each other.	The net financial impact of Scenario 3 is negative $250,000. The additional staff cost of Scenario 3 is $250,000 more than the additional estimated revenues earned.

External Comparison with Industry Peers

We compared the staffing intensity in each home to other facilities in Alaska. Pioneer Homes are licensed as assisted living facilities, however, the Pioneer Homes, similar to other facilities in Alaska such as Providence Horizon House or Marlow Manor, provide a higher level of care than most assisted living facilities. They occupy a regulatory middle ground between assisted living and skilled nursing. Alaska licensing requirements for assisted living facilities do not specify staffing levels or differentiate acuity levels for residents in assisted living.

The Pioneer Homes staffing ratios reflect the higher level of assisted living care the homes provide and are more similar to ratios in nursing facilities than other assisted living homes. On average, the Pioneer Homes are staffed at a ratio of four residents per direct care worker on the day shift, five residents per direct care worker in the evening, and 12 residents per worker at night. The Alaska skilled nursing facility average is roughly 3.4 residents per direct care staff in the day and evening, and eight residents per worker at night. In states that regulate assisted living staffing ratios, the average is closer to 13 residents per direct care worker in the day and evening, and 19 residents per direct care worker at night. The Alaska Pioneer Homes average staffing intensity is closest to Providence Horizon House assisted living dementia cottages with a day and evening resident to staff ratio of four to one.

The external benchmarking identifies Pioneer Homes staffing levels to be between assisted living and skilled nursing, but closer to skilled nursing intensity. See Chapter 3 of this report for a comparison of the medical and functional acuity of Pioneer Homes residents compared to a sample Alaska skilled nursing facility. This benchmarking indicates that continuing the trend towards caring for higher acuity residents will help to optimize benefits of the Pioneer Home model to Alaska communities.

Figure 50: Residents per Direct Care Staff by Shift

Facilities	Day Shift	Evening Shift	Night Shift
Pioneer Home Average (all 6 homes)	4.0	5.1	11.6
Alaska Nursing Facility Average*	3.4	3.4	6.1
Prestige Care & Rehabilitation Center	4.5	4.5	8.2
Wildflower Court	3.7	3.7	5.6
Denali Center	2.2	2.2	4.5
Providence Extended Care	3.2	3.2	6.0
Providence Horizon House (main apartments) - Assisted Living	7.3	9.7	19.3
Providence Horizon House (dementia cottages)- Assisted Living	4.0	4.0	12.0
Other States' Assisted Living Facility Average**	13.0	13.7	18.9

*Includes Prestige Care & Rehabilitation Center (Anchorage), Wildflower Court (Juneau), Denali Center (Fairbanks) and Providence Extended Care (Anchorage).

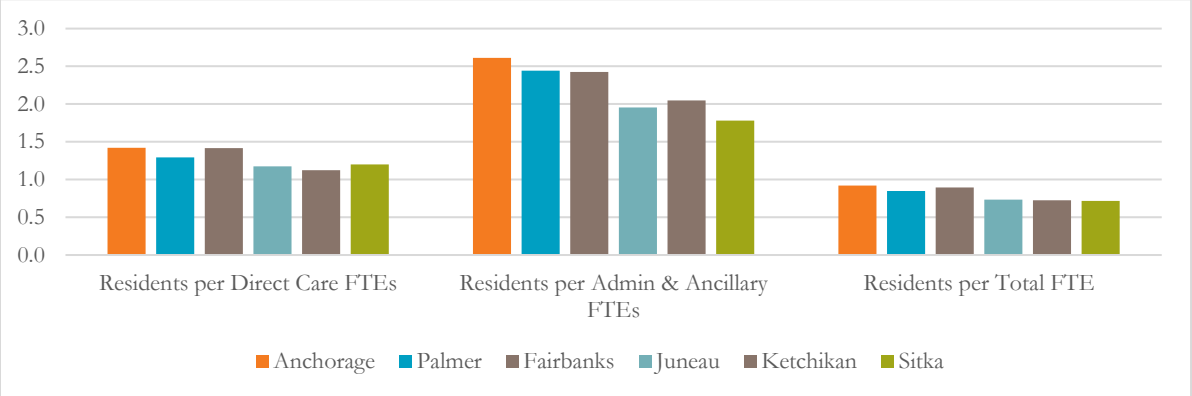
**Includes information from Colorado, Missouri, New Mexico, Georgia, Mississippi.[88]

Internal Comparison between Pioneer Homes

All Positions

Figure 51 compares the residents to total FTEs by home. This does not include non-permanent positions. This analysis shows that homes generally have a similar proportion of staffing resources, around .7 to .9 residents per staff. Another way to say this is that across all homes, there is slightly more than one FTE (direct care and admin/ancillary) per resident.

Figure 51: Residents to FTEs in the Alaska Pioneer Homes



[88] https://www.argentum.org/wp-content/uploads/2017/07/State-comparison-of-Staffing-levels.pdf (2017).

Direct Care Across All Homes

To understand differences in staffing intensity between the six Pioneer Homes we compared staffing ratios across the homes and between neighborhoods in different homes that offer similar levels of care. Each home's facility layout limits how much administrators can adjust staffing ratios. For example, the Sitka Pioneer Home's residents are spread across six neighborhoods on three floors. Some neighborhoods have higher staffing ratios than other similar neighborhoods because the layout of the facility limits the size of the neighborhood to ten residents, which still requires at least two staff to be on the floor at any given time. However, also within the Sitka home, there are other neighborhoods that do not need to be staffed at all because they are occupied by residents receiving level 1 care. The Anchorage home gains some efficiencies because it is a larger facility.

Figure 52: Residents per Direct Care Staff

Pioneer Home	Day Shift	Evening Shift	Night Shift
Anchorage	4.7	6.6	14.9
AVPH, Palmer	4.1	4.9	12.8
Fairbanks	4.8	5.9	13.3
Juneau	3.3	4.2	11.0
Ketchikan	3.6	4.3	8.2
Sitka	3.6	4.4	9.5

This is most pronounced when comparing the number of level 2 and 3 residents per direct care staff during the day shifts.

Figure 53: Level 2 and Level 3 Residents per Direct Care Staff

Pioneer Home	Day Shift	Evening Shift	Night Shift
Anchorage	3.8	5.3	11.9
AVPH, Palmer	3.6	4.3	11.2
Fairbanks	4.4	5.3	12.0
Juneau	2.9	3.7	9.8
Ketchikan	3.5	4.2	8.0
Sitka	3.1	3.8	8.3

Direct Care in Neighborhoods Serving Mixed Levels of Care

Because level 2 and 3 residents require assistance with activities of daily living, we also compared the number of level 2 and 3 residents to direct care aide by neighborhood type. This was done for what we called "mixed neighborhoods," which are generally neighborhoods serving a mix of two or three levels of care. We used this analysis to understand if there were gaps in staffing between homes by comparing like-sized homes to each other. This helped us to understand whether the staffing levels were appropriate based on the level of care and if there was potential for adjustment. We only included level 2 and 3 residents in analysis, because they are the only ones receiving help with activities of daily living and are regularly served by the CNAs and nurses. Key findings from this analysis include:

- In the larger homes, Anchorage's large Southside neighborhood resident to staff ratios of 14 to 1 in the days, and 28 to 1 in the nights, are comparable to the ratios specified by states that identify

staffing ratios in their regulations for assisted living facilities. No change to these ratios is recommended.

- The Alaska Veterans and Pioneers Home's Mountain View neighborhood and the Fairbanks Pioneer Home Moosewood neighborhood have similar numbers of level 2 and 3 residents, 31 and 29 respectively, but Palmer has the equivalent of an extra direct care aide on days and evenings. After conversations with both homes, we recommend that Fairbanks staffing be increased to match Palmer's.
- The two smaller southeast homes in Ketchikan and Sitka have mixed-care neighborhoods that are staffed at a similar intensity. However, Sitka's "R House" neighborhood is a mixed neighborhood, and the staffing ratio is five residents to each direct care aide, which is a much higher intensity than the other two mixed-care neighborhoods in Sitka and Ketchikan. This is because at least two aides are needed in this neighborhood to provide the two-person assists typical of some level 2 and 3 residents, and the physical layout of the facility limits the number of beds in this neighborhood to ten residents. The staffing intensity cannot be changed without modifying the facility or reducing the level of care provided.
- Lastly, Juneau's neighborhoods are staffed at slightly higher intensities because residents requiring all levels of care, including those with memory care needs, are served in all neighborhoods. The care needs can fluctuate within each neighborhood, so each neighborhood generally has at least two aides to provide care. Additionally, some of Juneau's rooms were being renovated when the June 30, 2018 occupancy report was filed, which makes the staffing levels look more intense than it is with full occupancy.

Figure 54: Level 2 + 3 Residents to Aide Ratio in Mixed Neighborhoods

Home	Neighborhood	LOC	Level 2+ 3 Residents	Days	Evenings	Nights
APH	Southside	1s + 2s	55	14	18	28
AVPH	Mountain View	Mixed	31	10	10	31
KPH	Garden View	Mixed	17	9	9	17
SPH	Ocean View	2s + 3s	18	9	9	18
SPH	R House	2s + 3s	10	5	5	10
FPH	Moosewood	Mixed	29	15	15	29
JPH	Waterside	Mixed	11	4	5.5	14
JPH	Twin Lakes	Mixed	11	4.4	5.5	14
JPH	Mountainside	Mixed	7	7	7	14
JPH	Salmonberry	Mixed	14	5	5	14

Direct Care in Level 3 Memory Care or Level 3 Medical Neighborhoods

Direct care aide ratios in level 3 memory care and level 3 medical neighborhoods are very similar across the homes and match industry standards of approximately five residents for every one direct care aide. No changes to staffing ratios were recommended in these neighborhoods.

Figure 55: Residents to Aide Staffing Ratios in Level 3 Memory Care and Medical Neighborhoods

Home	Neighborhood	Level 3 Type	Residents	Days	Evenings	Nights
Anchorage	Delaney Gardens	Memory Care	34	5.7	5.7	11.3
Anchorage	Sunset View	Medical	39	5.6	5.6	13.0
AVPH	Homestead Trail	Memory Care	14	4.7	4.7	14.0
AVPH	Sunny Loop	Medical	22	5.5	5.5	11.0
Sitka	Northern Lights	Medical	11	5.5	5.5	11.0
Sitka	North Star	Memory Care	8	4.0	4.0	8.0
Fairbanks	Homestead	Memory Care	16	5.3	5.3	8.0
Fairbanks	Aurora	Medical	27	5.4	6.8	13.5

Nursing Care Across the Homes

Floor nursing staff ratios varied most widely of any position across the homes. In the past, the Pioneer Homes were licensed as skilled nursing facilities. While the change in licensing to assisted living happened, in the absence of clear guidance from the assisted living regulations on staffing levels and quality assurance requirements, in many homes the staffing model continues to reflect the history of skilled nursing. In addition, because of the medical and functional acuity levels of the residents, medical and nursing expertise is an important element of the care teams at the Pioneer Homes.

In Palmer, there are three floor nurses in the building during the day. This is a ratio of approximately 22 level 2 and 3 residents per floor nurse. This is a higher ratio than all homes except for Anchorage. However, the Alaska Veterans and Pioneers Home is a VA residential facility and has applied to be certified as a skilled facility by the VA. The VA regulations specify that a nurse must write and review care plans and manage and pass medications from bulk supply bottles. Most of the medications in the other homes come from the Pioneer Homes Pharmacy and are already portioned. Because of these additional requirements from the VA, the higher ratio of floor nurses to residents is justified.

While Sitka's nurse ratio is lower (25 to one), this is mainly because of the lower occupancy that is the status quo. Sitka's size of 65 beds, also means that if one floor nurse is dropped at full occupancy, the ratio would 55 level 2 and 3 residents for each floor nurse, which is too many residents for one nurse.

Ketchikan and Juneau only have one floor nurse on duty at a time. Sitka and Fairbanks have two during the evening, and one at night. This staffing approach results in a ratio of 25 to 40 residents per floor nurse, which is more typical of industry standards.

The number of Anchorage floor nurses could be decreased to better match the other homes. (See the Anchorage home report for details.)

The right most column in Figure 56 identifies the additional direct care supervisory staff that are available as resources to the CNAs and floor nurses during the day. Often these are registered nurses (RNs) in the position of a nurse III or nurse IV nurse manager. Most homes also assign quality assurance and education leadership tasks to a nurse III. However, due to staffing shortages, these nurse IIIs are often assigned to fill gaps in the floor nurse schedule. One goal of this analysis is to better align direct care staffing care needs to ensure a dedicated position for quality assurance and education. Juneau is the only home with an advanced nurse practitioner. Her position as a health practitioner oversees the direct care staff. Two homes also employ an assisted living care coordinator. Typically, this position oversees the lower level of care neighborhoods.

Figure 56: Level 2 and 3 Residents to Floor Nurse Ratio

Home	Level 2 + 3 Residents	Number of Floor Nurses Days + Eve	Ratio of residents to floor nurses	Number of Night Floor Nurses	Day Direct Care Supervisors/Resources
APH	119	7	17	2	3 Nurse IIIs; 1 Assisted Living Care Coordinator; 1 Nurse IV
AVPH	67	3	22	2*	2 Nurse IIIs; 1 Nurse IV
FPH	72	2	36	1	2 Nurse IIIs
JPH	39	1	39	1	1 Health Practitioner; 1 Assisted Living Care Coordinator
KPH	40	1	40	1	1 Nurse IV; Documentation Nurse (LPN)
SPH	50	2	25	1	2 Nurse IIIs; 1 Nurse IV

*Note: AVPH is in the process of staffing up for two floor nurses on the night shift.

Administrative + Ancillary Staff Across the Homes

The ratio of licensed beds to administrative and ancillary staff across the homes generally scales with the size of home. Fairbanks is an exception; an additional administrative staff is recommended to support their administrative team (see Fairbanks chapter). Homes such as Sitka have slightly more maintenance workers in proportion to licensed beds due the size and age of the facility and grounds. See Sitka's chapter for more detail. The Appendix shares detail on the administrative composition of each team and how the duties are distributed among staff members. The figure below shares the total number of full-time equivalent positions by home for food service, maintenance, environmental services and administrative staff. Part-time positions are considered .5 FTE. Additionally, the figure below shows the operational status quo, or the total FTE staff who are hired or in recruitment to serve the home at its current capacity.

Figure 57: Ancillary and Administrative Staff by FTE (Operational Status Quo)

Department	Anchorage	AVPH,	Fairbanks	Juneau	Ketchikan	Sitka	Average
Licensed Beds	168	79	91	48	46	65	
Food Service FTEs	23	11	13	10*	7	10	
Ratio	*7.3*	*7.5*	*7.0*	*5.1*	*6.6*	*6.5*	*6.7*
Maintenance	6	4	4	2	2	5	
Ratio	*28.0*	*19.8*	*22.8*	*24.0*	*23.0*	*13.0*	*21.8*
Environmental Services FTEs	19	11	12	7*	7	12	
Ratio	*8.8*	*7.2*	*7.6*	*6.9*	*6.6*	*5.4*	*7.1*
Administration FTEs	9	6	4	4	4	5	

Department	Anchorage	AVPH,	Fairbanks	Juneau	Ketchikan	Sitka	Average
Ratio	18.7	13.2	22.8	12.0	11.5	13.0	*15.2*

Note: *This table includes Juneau's contract food service and environmental services employees for comparison purposes.

Model Three Scenarios for Staffing and Financial Impact

The consultant team used the staffing intensity comparisons to industry peers and between the Pioneer Homes and neighborhoods, the findings from the site visits and interviews, and the direction from the strategic plan, to develop and analyze three scenarios. The scenarios were modeled to analyze the current staffing model, an optimized staffing model, and an expanded model to better meet community needs. The modeling identifies the financial and staffing impacts of changes to the status quo.

Scenario 1: Operational Status Quo

Scenario 1 includes all positions that are currently filled or in recruitment to understand the modeled costs of how the homes are operating today. Nonpermanent positions are modeled in the status quo with the average budget associated for each position, if the home employs non-permanent employees in that position. Revenue is based on current occupancy.

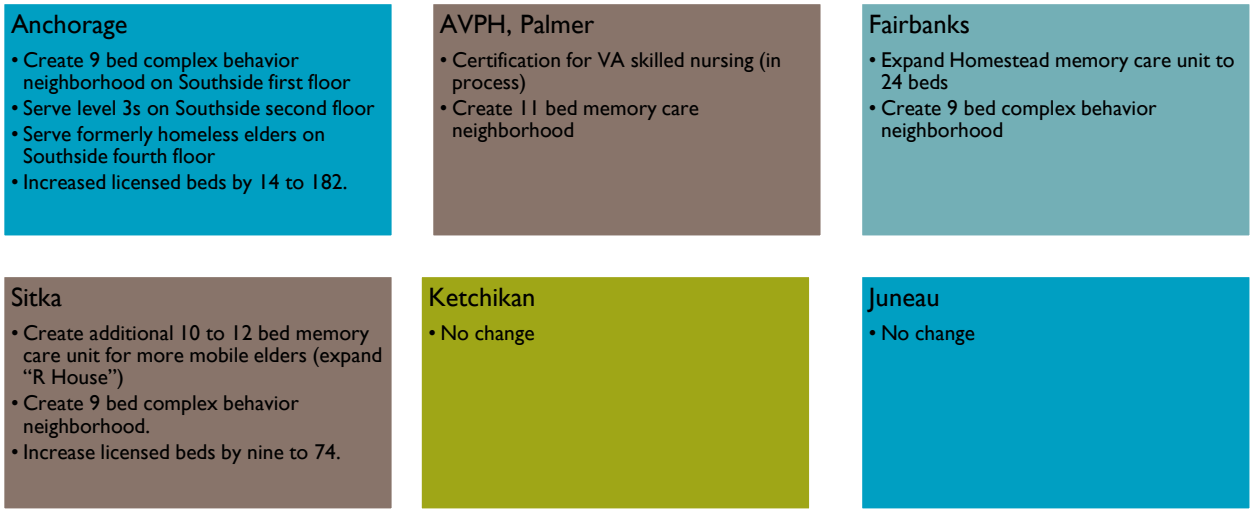
Scenario 2: Optimize staffing to reach full occupancy

Scenario 2 includes positions that are currently filled or in recruitment. It also adjusts staffing to align with the Pioneer Homes Strategic Plan. Some adjustments are also made based on staffing intensity, optimal use of full-time and part-time employees and using permanent, scheduled building-wide floating positions. This scenario also includes some adjustments based on site visit interviews and discussions. See the individual homes' chapters for details. Revenue is estimated based on full occupancy, with a small adjustment for bed turnover.

Scenario 3: Maximize community benefit

This scenario models the assumptions in Scenario 2 and includes additional positions for more intense staffing to better meet community demand for specialized or higher levels of care, as described in in the figure on the following page. Some of these changes may require capital improvements, while others require minimal changes to the facilities. Revenue is estimated based on full occupancy of these new neighborhoods, with a small adjustment for bed turnover.

Figure 58: Scenario 3 Assumptions to Maximize Community Benefit



Staffing Cost Estimate Methodology

To estimate the costs associated with the three scenarios, we used the following steps:

1. Estimated base pay from FY2018.
2. Backed out geographic pay differential across the system.
3. Averaged base pay by position across the system.
4. Added geographic pay differential back in for Sitka, Fairbanks and Juneau.
5. Calculated benefits at 36 percent and annual health and life insurance premiums at $18,686 for full-time employees.
6. Assumed non-permanent and part-time positions have 14 percent fringe rate, but not retirement or health and life insurance.
7. For new positions, averaged the base pay of similar ranges. For example, base pay for an LPN - Nurse II flex position is calculated using an average of those positions. The direct care manager position is estimated at the nurse IV salary range.

Revenue Estimate Methodology

To estimate the revenue associated with each scenario, we used the current payor mix for each of the three levels of care by home to estimate projected revenue for Scenarios 2 and 3 by level of care. We also included estimates of pharmacy and supplies revenues, which are typically covered by Medicaid or Medicare.

Figure 59: Revenue Assumptions

Assumption	Methodology
Scenario 2 level of care	Apportioned based on level of care mix in Scenario 1: Status Quo or based on level of care of unoccupied beds
Scenario 3 level of care	Apportioned based on level of care mix in Scenario 1: Status Quo or based on new neighborhoods' assumed level of care mix
Private pay contribution per bed	FY 2019 rate structure for each level of care
Payment assistance resident share	Average of resident share among those currently on payment assistance across the system by level of care
Pharmacy revenue	Average cost and use across the system by level of care
Supplies revenue	Average cost and use across the system by level of care
Veterans per diem	$1,434 for eligible AVPH/Palmer residents at level 2 or 3 care
Medicaid waiver	Rate is adjusted by community; room and board at $579
Cable	Average current charge for homes that charge for cable
Vacancy rate	Modeled at 3 percent.

Chapter 5: Recommendations for Changes to Staffing Approach, Intensity and Positions

The consultant team developed the following recommendations from the site visits to the individual homes, discussions with administrators and division leaders following the visits, and from the staffing analysis. We divided our recommendations into two chapters. This chapter includes recommendations for changes to the intensity of staffing, number of positions, the type of positions assigned to a certain function and the supervisory relationships between positions. Detail on how these recommendations would apply to each home are included in the home chapters later in this report. Chapter 6 details the financial impacts of the recommendations as modeled in the three scenarios. Chapter 7 includes recommendations for changes to overall processes at the division-level of the Pioneer Homes framed within the Pioneer Homes Strategic Plan priority areas.

Recommendations Modeled in Scenario 2

Adopt an organizational structure that reflects an appropriate balance of the social and medical services associated with assisted living.

We recommend adopting an organizational structure that reflects a more appropriate balance of the social and medical services related to assisted living care. The table below summarizes specific changes to staffing and how they align with the Pioneer Homes Strategic Plan priority areas.

Figure 60: Staff Recommendations Align with Strategic Plan Priorities

Staffing Choice	Strategic Plan Priority Area				
	High Quality Care + CQI (Eden Model of Care)	Recruit + Retain Quality Staff	Financial Sustainability	Pharmacy + Medication Management	Community Outreach + Engagement
All homes have access to a nurse practitioner or physician.	X			X	
Convert Nurse IV or Health Program Managers to Direct Care Manager	X	X	X		
Utilize Assisted Living Care Coordinators, Direct Care Managers and CNA IIs to lead the neighborhoods.	X	X	X		
Widen the role of the Protective Service Specialist III.	X		X		X
Use nurses strategically.	X	X	X	X	
Allow CNAs to work to the top of their certification.	X	X	X	X	
Aim for similar staffing intensity by neighborhood and level of care across the system.	X		X		
Create ALA/CNA Flex Position.		X	X		

Staffing Choice	Strategic Plan Priority Area				
	High Quality Care + CQI (Eden Model of Care)	Recruit + Retain Quality Staff	Financial Sustainability	Pharmacy + Medication Management	Community Outreach + Engagement
Use part-time employees to meet neighborhood staff targets for floor nursing and CNA staff.		X	X		
Use permanent float ALAs to cover CNA leave and vacancies.	X	X	X	X	
Hire more ALAs to support current functions of CNAs.		X	X		

All homes have access to a nurse practitioner or physician.

For advanced nurse practitioner or medical doctor positions on staff to the Division, Medicare and other insurance should be billed for qualified activities. In Anchorage and Juneau, this position is a health practitioner, is on-staff and oversees direct care. At the Alaska Veteran and Pioneers Home, this position is a physician contracted through DHSS and is split with other facilities in the department. In Fairbanks, this position is modeled as a contracted community physician or nurse practitioner. Juneau's health practitioner should be shared with Sitka and Ketchikan to provide supervision for nurses at a distance. Another option would be to contract the position in the community one day per week.

Convert Nurse IV or Health Program Managers to a Direct Care Manager.

This allows for more flexibility in recruitment and shifts the direct care more towards a balance between the medical and social sides of assisted living. This recommendation applies to Fairbanks, Sitka and Ketchikan. Juneau has a health practitioner who oversees the direct care and we are recommended that Anchorage have a full-time health practitioner to oversee direct care. The Home in Palmer requires a Nurse IV/RN because of VA requirements.

Utilize Assisted Living Care Coordinators, Direct Care Managers and CNA IIs to lead the neighborhoods.

Duties may include, at discretion of home administrator: writes, reviews and updates plans of care, nurses write and review medical components; lead staff education; completes performance reviews for direct care staff; does scheduling for CNAs. CNAs take over most of medication administration.

Widen the role of the Protective Service Specialist III

Transition the role of the protective service specialist III to include overseeing activities department and volunteer program; outreach to community to market Pioneer Homes; continue to manage waitlist and admissions and new resident orientation. This position may help supervise staff, lead neighborhoods, and write Medicaid-waiver required plans of care, as needed. The PSS III in Juneau is able to successfully manage CNAs, support care planning and manage the waitlist and admissions. This model should be used as a resource as other homes transition the role of their PSS III.

The PSS III is often the first point of contact for family and friends of new residents. These community members are potential volunteers for the home. Additionally, the PSS III works with families and friends to

identify the preferences and dislikes of new residents to integrate them into the home. As the activities department is best positioned to support these preferences, it makes sense to link the activities and social work department more formally.

The Anchorage Pioneer Home provides an example of the potential for the social work team to offer activities that are culturally relevant and designed to meet the specific needs of elders. Convert the activities department lead to a protective services specialist I to improve recruitment and support the enhanced role of the PSS III. Integrate activity staff with CNAs to ensure each is supporting the other's roles to optimally care for Elders. This includes activities staff providing assistance with ADLs and working with CNAs to identify appropriate activities for each Elder, including those who require one-on-one activities.[89] As part of this change, the team should work to effectively engage community volunteers and improve orientation.

Use nurses strategically.

Nurse IIIs should supervise and schedule nursing staff, lead Quality Improvement (QI) and infection prevention control; shares risk management with Administrators and staff training with the Administrators and ALCs. All homes should have at least one nurse III focusing on QI. Sitka, Anchorage and Fairbanks should have a nurse III focusing on behavioral health to support the recommended complex behavior neighborhoods (see scenarios below). The Home in Palmer retains a nurse III supervisor due to VA requirements for RN shift oversight.

Floor nurses focus is to provide nursing care based on resident need and administering medications that are not able to be delegated. Determine the best use of the floor nurses' administrative time. In Juneau, nurses "chart by exception" and only chart if something happens. They find no need to chart observations on a regular basis. Some homes offer floor nurses a schedule of four-tens which allows for six hours of overlap in nursing shifts during a 24/7 period. Floor nurses use this time to communicate about residents and care plans. However, as staff communication about residents continues to shift to PointClickCare electronic health records and other staff take over care planning drafts, floor nurses should not be used in this capacity. Some homes expressed that the four ten-hour shifts allow for competitive recruitment. Three, 12-hour shifts could also be used as a recruitment tool. Staffing in 12-hour shifts costs slightly less than staffing five, eight-hour shifts. See the Appendix a sample neighborhood comparing the costs across these three schedules.

Allow CNAs to work to the top of their certification.

CNAs should pass most delegable medications.

Aim for similar staffing intensity by neighborhood and level of care across the system.

As described in the internal comparison in Chapter 4, most homes have similar targets to staff neighborhoods. Specific suggestions to change staffing targets and align ratios across neighborhoods are detailed in each home's chapter.

Share staff across neighborhoods and use part-time employees to meet shift targets for floor nursing and CNA staff.

In almost all homes, employees are hired to a specific shift and neighborhood. However, this sometimes results in inefficiencies as some days per week have more than the target number of staff. While these staff are used on the floor, if the goal is to increase efficiency, this is not the best approach. Our recommendation is to staff no more than is identified as the target every day of the week and then use permanent building-wide float positions to fill in, as needed (see below). This reduces the number of total CNAs and floor nurse FTEs

[89] For definition and description of activities see https://www.cms.gov/Regulations-and-Guidance/Legislation/CFCsAndCoPs/Downloads/som107ap_pp_guidelines_ltcf.pdf

who need to be hired across almost all homes. Many CNAs will still be hired to one neighborhood and shift. However, some CNAs will be regularly scheduled across two neighborhoods. This reduces the need to hire two part-time staff in difficult to recruit labor markets.

As needed, part-time employees should be used to meet the neighborhood target. Part-time employees can flex between 20 hours and 30 hours. Over 30 hours requires that benefits be provided. Part-time employees can also work two 12-hour shifts on weekends. Part-time could be employees from outlying communities to fill in during employees' annual leave. In some Homes, there could be housing for part-time workers in the facility. Part-time employees could also be used during busy times of day to provide extra coverage. The savings from employee part-time employees and sharing one staff across neighborhoods can be consolidated into a full-time float position to reduce use of on-call staff, and premium pay.

The Appendix shares additional detail on this approach to staffing by home.

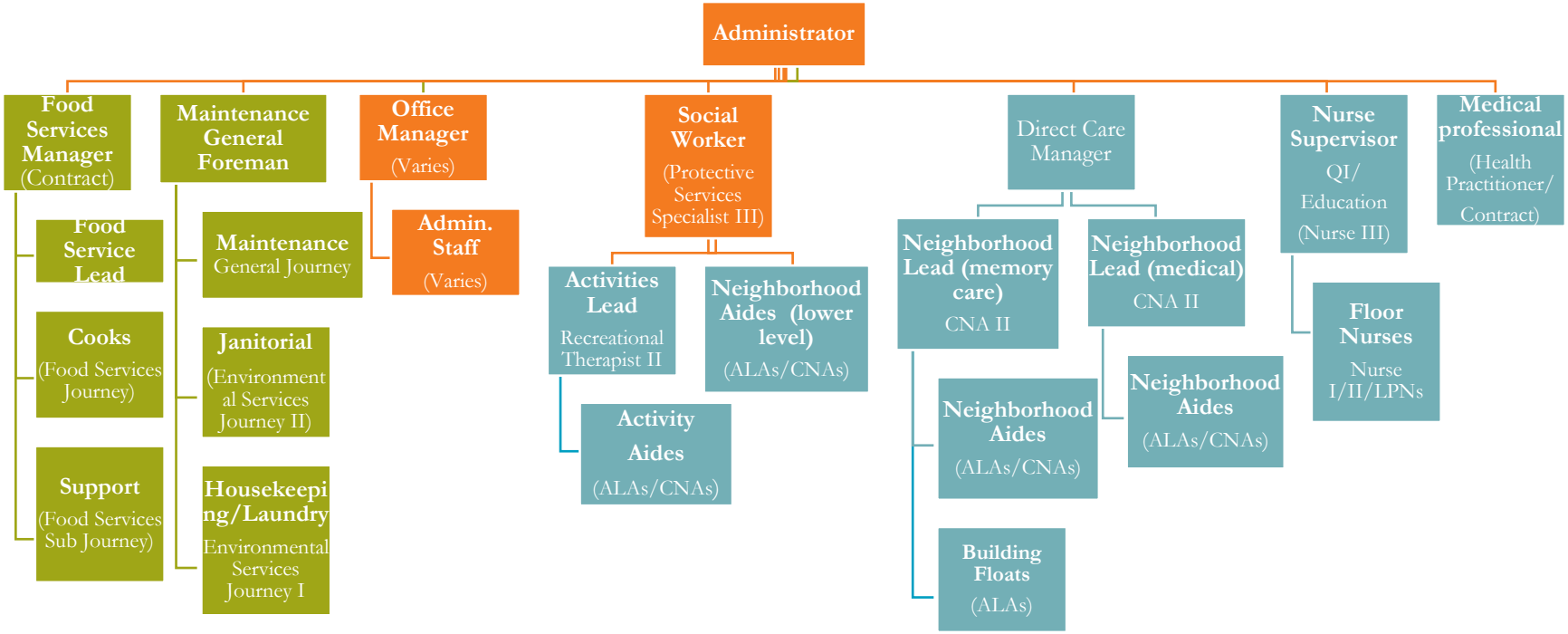
Use permanent float positions to cover CNA leave and vacancies.

During the site visits, staff regularly shared that the direct care staffing targets by neighborhood were adequate to provide care, but when a person called in sick there weren't enough people in the neighborhood to cover the care needs of residents. Currently, vacancies are filled with on-call positions, in-house staff and overtime. However, homes expressed the importance of continuity of caregivers for residents and the neighborhood care team. Instead of using on-call positions, we have modeled permanent building-wide float positions as assisted living aides (ALAs). There are enough ALAs for each home to cover six weeks of leave per CNA. These positions can also provide transportation assistance. See direct care staffing detail in the Appendix.

Hire more Assisted Living Aides to support current functions of CNAs

This includes providing assistance with toileting, feeding, walking with resident, etc. Determine if and when ALAs could administer medications. Use these positions for transportation, to assist with follow up from residents' medical appointments.

Figure 61: Recommended Generic Organizational Chart



Application to Each Home

Figure 62 shows how the recommendations apply to each home. See the direct care staffing detail appendices for the ratios of residents to position type for each home. These ratios are carried forward into Scenario 3. Part 2 Home Level Reports share more details on how these recommendations apply to each home.

Figure 62: Recommendations as Applied to Each Home

Recommendation	APH	AVPH	FPH	JPH	KPH	SPH
All homes have access to a nurse practitioner or physician.	Yes, full-time health practitioner oversees direct care.	Yes, physician contracted through DHSS to satisfy VA	Yes, contracted in community.	No change.	Yes, split with JPH.	Yes, split with JPH.
Convert Nurse IV or Health Program Managers to Direct Care Manager	No, Size of home indicates need for Health Practitioner to lead direct care.	No. Supervising RN needed for day and evening shifts.	X	No change. Health Practitioner/Nurse Practitioner oversee direct care.	X	X
Utilize Assisted Living Care Coordinators, Direct Care Managers and CNA IIs to lead the neighborhoods.	Yes, ALCs lead three neighborhoods.	No change to nurses. CNA IIs added to team.	X	No change. ALC continues to lead neighborhood.	Yes, three CNA IIs to lead neighborhoods.	X
Widen the role of the Protective Service Specialist III.	X	X	X	X	X	X
Use nurses strategically.	X	Supervising RN needed for day and evening shifts.	X	X	X	X
Allow CNAs to work to the top of their certification.	X	Nurses must pass meds	Dedicated med aid	Already happening	X	X
Aim for similar staffing intensity by neighborhood and level of care across the system.	X	X	X	X	X	X
Create ALA/CNA Flex Position.	X	X	X	X	X	X
Use part-time employees to meet neighborhood staff targets for floor nursing and CNA staff.	X	X	X	X	X	X
Use permanent float ALAs to cover CNA leave and vacancies.	9 positions	5 positions	6 positions	4 positions	4 positions	4 positions

Recommendations Modeled in Scenario 3

Scenario 3 includes all the staffing changes modeled in Scenario 2 with additional recommendations that will maximize the Pioneer Homes' ability to meet community need and earned revenue by increasing the proportion of elders served at higher levels of care. A priority objective for the Pioneer Homes should be to maximize community benefit by serving the highest level assisted living clients possible to utilize scarce public resources as effectively as possible, while still staying true to the mixed levels of care and aging in place concepts that characterizes the Pioneer Homes.

This model is the best use of state resources for meeting community need. Increasing access to higher level assisted living for people with advanced dementia and complex behaviors who cannot easily be served by the private sector avoids costs associated with housing elders in less appropriate and costlier care settings, such as cycling through emergency rooms or remaining in acute care or skilled nursing beds because there is no safe place to discharge them. Currently, some elders with these care needs are housed at the Alaska Psychiatric Institute, where beds are in critically high demand.

Scenario 3 will require additional staff training and quality assurance to care for elders with more complex needs, including behavioral health issues. It will also require additional training and support for providing palliative and end-of-life care. Recommendations specific to Scenario 3 include:

- Develop specific criteria for eligibility for complex care and other specialty neighborhoods modeled in Scenario 3 of this study. These new neighborhoods will function like the other specialized level 3 neighborhoods and shouldn't require changes to the waitlist process.
- Identify necessary revenue to implement the recommendations for Scenario 3 from this study for each of the homes. If necessary, calculate the cost-benefit for implementing these recommendations to understand savings that will accrue to the State from reducing utilization of other safety net services including acute care, both inpatient and outpatient; nursing facility level of care; Alaska Psychiatric Institute; and, services to individuals experiencing homelessness.
- Provide additional training to direct care staff in Mental Health First Aide and behavior de-escalation.
- Address the use of physical restraints in all homes and limit their use to ensure that physical or chemical restraints are not being imposed for purposes of discipline or convenience, and only for purposes required to treat the resident's medical symptoms.[90]
- Provide staff training and support for self-care following the death of a resident.

[90] See CMS regulation for Nursing Facilities on use of physical and chemical restraints. https://www.cms.gov/Regulations-and-Guidance/Legislation/CFCsAndCoPs/Downloads/som107ap_pp_guidelines_ltcf.pdf

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Chapter 6: Financial Impact Analysis

This chapter describes the financial impact of the three scenarios modeled in the staffing analysis.

Staffing Levels by Scenario

Currently, the homes, central office and pharmacy operate with 344 direct care, 148 ancillary support, 48 administrative full-time equivalent (FTEs) employees and 91 non-permanent employees for a total of 539 permanent FTEs.

In Scenario 2, 558 FTE employees are needed to operate the homes at full capacity.

In Scenario 3, 637 permanent FTEs are required to operate the homes at full capacity and provide care to residents at increased acuity levels to maximize community benefit. This is 61 more FTEs than are currently authorized in the fiscal year 2019 budget.

Figure 63: Full-Time Equivalent Employees by Scenario, Home and Department

Scenario 1: Status Quo									
Department	Anchorage	AVPH	Fairbanks	Juneau	Ketchikan	Sitka	CO	Rx	**Total**
Administration	9	6	4	4	4	5	10	6	**48**
Total Direct Care FTE	105.0	60.5	56.5	37.5	36.5	47.5	0.0	0.0	**344**
Direct Care FT	103	56	56.0	37	36	47.0	0	0	**335**
Direct Care PT	4	9	1	1	1	1	0	0	**17**
Ancillary FTE	48	26	29	2	16	27	0	0	**148**
Ancillary FT	45	24	29	2	14	27	0	0	**141**
Ancillary PT	6	3	0	0	4	0	0	0	**13**
Non permanent	13	12	15	11	28	12	0	0	**91**
Total FTE Permanent Staff	**162**	**92**	**90**	**44**	**57**	**80**	**10**	**6**	**539**
Residents	149	77	80	44	41	57			
Scenario 2: Optimize Staffing for Full Occupancy									
Department	Anchorage	AVPH	Fairbanks	Juneau	Ketchikan	Sitka	CO	Rx	**Total**
Administration	9	7	5	4	4	5	11	6	**51**
Total Direct Care FTE	105.5	61.8	67.8	41.0	37.8	47.3	0	0	**361**
Direct Care FT	104	60	65	39	36	45	0	0	**350**
Direct Care PT	3	3	5	5	3	4	0	0	**23**
Ancillary FTE	48	24	29	2	16	27	0	0	**146**
Ancillary FT	45	23	29	2	14	27	0	0	**140**
Ancillary PT	6	2	0	0	4	0	0	0	**12**
Non permanent	4	4	3	1	5	7	0	0	**24**
Total FTE Permanent Staff	**163**	**93**	**102**	**47**	**58**	**79**	**11**	**6**	**558**
Residents	168	79	91	48	46	65			
FTEs per Resident	1.0	0.9	0.9	1.0	0.8	0.8			
Scenario 3: Maximize Community Benefit									
Department	Anchorage	AVPH	Fairbanks	Juneau	Ketchikan	Sitka	CO	Rx	**Total**
Administration	9	7	5	4	4	5	11	6	**34**
Total Direct Care FTE	124	70	85	41	38	75	0	0	**432**
Direct Care FT	122	68	82	39	36	72	0	0	**420**
Direct Care PT	3	4	5	5	3	5	0	0	**25**
Ancillary FTE	50	24	32	2	16	30	0	0	**154**
Ancillary FT	47	23	32	2	14	30	0	0	**148**
Ancillary PT	6	2	0	0	4	0	0	0	**12**
Non permanent	4	4	3	1	5	7	0	0	**24**
Total FTE Permanent Staff	**183**	**101**	**122**	**47**	**58**	**110**	**11**	**6**	**637**
Residents	182	79	87	48	46	74			
FTEs per Resident	1.0	0.8	0.7	1.0	0.8	0.7			

Staffing Costs by Scenario

Modeled staffing costs for Scenario 1 are approximately $47 million, which is slightly lower than the FY2019 personnel services budget of $48 million. The model uses average pay rates for each position to calculate costs, whereas the budget is based on actual FY18 pay rates, which accounts for the difference between the two amounts.

Scenario 2 staffing costs are estimated at $47.8 million, which would enable the homes to operate at full occupancy.

Scenario 3 staffing costs are estimated at $53.4 million, which would maximize the community benefit from the Pioneer Homes. Figure 64 also includes the cost of the NANA Management Services food services contract and the contracts specific to the AVPH in Palmer (the medical director) and the Juneau home (NMS environmental services and kitchen staff), for reference.

Figure 64: Staff Cost by Scenario by Home

Home	Scenario 1 Status Quo	Scenario 2 Optimize Staffing for Full Occupancy	Scenario 3 Maximize Community Benefit	FY2019	NANA Food Services	Other Personnel Services Contracts	Notes
Anchorage	$ 13,844,619	$ 13,451,868	$ 15,012,077	$ 13,914,711	$ 898,513		
Palmer	$ 7,760,795	$ 7,814,892	$ 8,434,922	$ 8,035,286	$ 438,642	$ 72,373	Medical director
Fairbanks	$ 7,515,069	$ 8,598,323	$ 9,525,732	$ 7,962,756	$ 414,830		
Juneau	$ 4,007,500	$ 4,171,188	$ 4,171,188	$ 4,179,000	$ 592,615	$ 449,028	Housekeeping, janitorial, laundry, food services includes
Ketchikan	$ 4,891,418	$ 4,797,543	$ 4,797,543	$ 4,971,357	$ 264,147		
Sitka	$ 7,040,886	$ 6,988,535	$ 9,499,201	$ 7,085,812	$ 325,806		
Central Office	$ 1,105,922	$ 1,237,816	$ 1,237,816	$ 1,111,584			
Pharmacy	$ 762,818	$ 762,818	$ 762,818	$ 774,554			
Total	**$ 46,929,026**	**$ 47,822,985**	**$ 53,441,299**	**$ 48,035,060**	**$ 2,934,554**	**$ 521,400**	

Occupied Beds + Revenue

Revenues increase when the homes are occupied at full capacity and to maximize community benefit. Under Scenario 1, the status quo, there are 448 beds filled and approximately $28 million in revenue. In Scenario 2, there are 497 beds filled and $30.7 million in revenue. In Scenario 3, there are 516 residents served and $34 million in revenue. The number of available level 3 beds increases from 253 in Scenario 1 to 360 in Scenario 3. Under each scenario, the current earned revenue of approximately $3 million is held constant, because it is unknown how these revenues will increase in proportion to increased residents served. It is possible that this could be an additional source of revenue.

Figure 65: Occupied Beds and Earned Revenue by Home and Scenario

Revenue			
Home	Scenario 1 Status Quo	Scenario 2 Optimize Staffing for Full Occupancy	Scenario 3 Maximize Community Benefit
Anchorage	$ 7,760,559	$ 8,582,179	$ 10,174,441
Palmer	$ 4,807,462	$ 5,506,360	$ 6,161,446
Fairbanks	$ 4,187,295	$ 4,534,612	$ 4,920,287
Juneau	$ 2,877,108	$ 3,066,064	$ 3,066,064
Ketchikan	$ 2,474,828	$ 2,911,664	$ 2,911,664
Sitka	$ 2,753,021	$ 3,046,881	$ 3,732,793
Pharamacy	$ 3,086,200	$ 3,086,200	$ 3,086,200
Total	**$ 27,946,473**	**$ 30,733,959**	**$ 34,052,894**

Beds Occupied			
Home	Scenario 1 Status Quo	Scenario 2 Optimize Staffing for Full Occupancy	Scenario 3 Maximize Community Benefit
Anchorage	149	168	182
Palmer	77	79	79
Fairbanks	80	91	87
Juneau	44	48	48
Ketchikan	41	46	46
Sitka	57	65	74
Total	**448**	**497**	**516**

Level 3 Beds Occupied			
Home	Scenario 1 Status Quo	Scenario 2 Optimize Staffing for Full Occupancy	Scenario 3 Maximize Community Benefit
Anchorage	72	83	114
Palmer	47	47	58
Fairbanks	50	54	73
Juneau	28	31	31
Ketchikan	28	38	38
Sitka	28	32	46
Total	**253**	**285**	**360**

Net Financial Impact at the System Level

The table below summarizes the total costs, revenue, staff, occupied beds and level 3 beds for each Scenario for all six Homes, central office and the pharmacy.

Figure 66: Summary Cost Impact by Scenario

Item	Scenario 1 Operational Status Quo	Scenario 2 Optimize Staffing for Full Occupancy	Scenario 3 Maximize Community Benefit	Notes
Staff Costs	$46,929,026	$ 47,822,985	$53,441,299	Includes 36% benefit load + $19K in health/life insurance for permanent employees
Earned Revenue	$27,946,473	$30,733,959	$34,052,894	Includes pharmacy receipts for all scenarios based on FY2019; includes 3% vacancy
Permanent FTEs	539	558	637	Does not include non-permanent FTEs (though non-permanent are included in the total staffing costs
Change in FTEs from FY2019 Authorized PCNs	(37)	(18)	61	This line item reflects how many PCNs would need to be added or cut to implement the staffing for each scenario.
Beds Filled	448	497	516	Scenario 3 increases licensed beds by 19
Level 3 Beds	253	285	360	Scenario 3 serves more level 3 residents because of the assumption to include three complex behavior neighborhoods across the system and to expand memory care.

Figure 67 illustrates the relative financial impact of the recommendations by comparing the increase in costs with the increase in revenues for each of the three scenarios. Financial impact refers to the incremental change in costs or revenues associated with a change from Scenario 1 Status Quo to either Scenario 2 or Scenario 3. In all scenarios it is important to note that the revenues will never cover the full cost of staff or the total cost of the homes. This analysis focuses on whether changes to the status quo will result in additional costs or revenue opportunities.

Moving to Scenario 2 from Scenario 1 results in almost $2 million more in annual revenues than in staff costs. Moving to Scenario 3 from Scenario 1 results in $400,000 more in annual staff costs than revenues. However, in Scenario 3, 68 more beds can be filled, and 107 more level 3 beds are provided for community benefit. These 107 beds are a great asset to Alaska in a time when there is limited capital funding available for new

facilities and the population age 65 and older is expected to nearly double in the next fifteen years. We also know there is a gap in care for higher level assisted living services with a focus on dementia care and complex medical conditions; the private sector is less able to provide this care setting given that Medicaid rates do not cover the staffing costs for this higher level of care. With that context in mind, the added cost per bed in this model is roughly $3,800 per level 3 bed annually.

Figure 67: Financial Impact of Scenario 2 and Scenario 3 in Comparison to Scenario 1 Operational Status Quo

Item	Change from Scenario 2 from Scenario 1	Change from Scenario 3 from Scenario 1
Staff Costs	$893,959	$6,512,272
Earned Revenue	$2,787,486	$6,106,421
Net Financial Impact (Incremental Revenue Minus Incremental Costs)	$1,893,527	$(405,851)
Permanent FTEs	19	98
Occupied Beds	49	68
Financial Impact per Occupied Bed	38,643	(5,968)
Level 3 Beds	32	107
Financial Impact per Level 3 Bed	59,173	(3,793)

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Chapter 7: Division-wide Recommendations

This chapter describes recommendations for changes to overall processes at the division-level framed within the Pioneer Homes Strategic Plan priority areas.

Priority Area 1: High Quality Standards of Resident Care + Continuous Quality Improvement

See Priority Area 1 priorities from the strategic plan; additional recommendations identified through this study are described below.

Develop and implement a consistent Quality Improvement (QI) program across all homes. Use the Pioneer Homes as a model to identify a regulatory framework and reimbursement rate for higher-level assisted living facilities in Alaska.

Pioneer Homes are licensed as assisted living facilities. In Alaska, assisted living home licensing requirements focus primarily on the health and safety of the facility and do not specify detailed quality of care standards. Nursing facilities are regulated by Centers for Medicare and Medicaid Services (CMS) with inspections performed by State of Alaska surveyors on a regular basis and required data collection and reporting to CMS. These regulations include a broad range of requirements in areas such as Quality of Life, Resident Assessments, Comprehensive Person-Centered Care Plans, Quality of Life, Quality of Care, Physician Services, Nursing Services, and others.[91] The Pioneer Homes, similar to other facilities in Alaska such as Providence's Horizon House or Marlow Manor, occupy a regulatory middle ground where the level of care they provide benefits from a more robust quality assurance program than the regulations require. This leaves developing this framework up to the entity providing the care and is therefore not consistent among these higher-level facilities.

A recommendation from this study is to use the Pioneer Homes as a model to identify a regulatory framework and reimbursement rate for higher-level assisted living facilities in Alaska. This framework would include optimal staffing ratios and levels, recommended model of care, including standards for medication management, a minimum number of beds, estimate a daily Medicaid reimbursement rate, outline facility requirements, and requirements for quality assurance. This could then help to define the model of care for the Pioneer Homes, and for other similar homes in Alaska, and identify a sustainable rate structure to sustain operations of these critical facilities that fill a current gap in the continuum of care for Elders between assisted living and intermediate care.

Specific recommendations to improve Quality Improvement (QI) include:

- Set a division-wide standard and expectation to use quality assurance reports to inform practices, track indicators regarding quality assurance and risk management. The Alaska Veteran and Pioneers Home in Palmer provides an example for this.
- Consolidate QI, risk management and education functions at central office to provide analysis, leadership and support to Nurse IIIs in each home.

[91] Centers for Medicare and Medicaid Services, State Operations Manual, Appendix PP - Guidance to Surveyors for Long Term Care Facilities, revised 11-22-17. https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap_pp_guidelines_ltcf.pdf accessed September 2018.

- Increase staff training in Point, Click, Care (PCC) to ensure all departments are documenting completely and correctly.
- Analyze data on critical incidents and the time of day these tend to occur: assaults and falls to identify if there are times of day when risk is greater, and to analyze staffing levels at those times to address adequacy.
- Streamline process for reporting falls and other critical incidents to limit multiple sign-offs and on-paper portions of the process. Train staff to implement it for full adoption.
- Streamline process for report-outs between shifts to fully use electronic health record and to minimize time required for report out beyond end of each shift.
- Integrate regular social activities into the daily life of residents and opportunities to be out of doors, when safe and desired.

Reinforce the Eden Model of Care[92] by developing strong, cooperative teams among nurses and CNAs in each neighborhood so that all staff share duties, communicate appropriately, and work together with respect for each other's roles in caring for Elders.

The Pioneer Homes current staffing model appears to be a holdover from the time when Pioneer Homes operated as nursing facilities and were required to follow regulations for providing nursing facility level of care. To reinforce the Eden Model of Care, this study recommends transitioning to a staff model that supports person-centered care and creates a team approach between CNAs, nurses and the Elders themselves. Specific staffing changes identified through this study to accomplish this are shared in Chapter 5.

Maintain elders to allow aging in place through levels of care.

Develop and implement a consistent tool across homes to assess level of service and trigger events to transition between levels. The home in Sitka developed the Resident Acuity Worksheet to identify low, medium, and high acuity levels. The tool assigns points based on frequency and extent to which residents need help with ADLs. Additional points are assigned to a resident score if they have recently been hospitalized, fallen, or experienced other trigger points. Consider adapting this tool for use across the division.

Stagger staff schedules across departments to provide more coverage during evenings and on weekends.

Many positions in the homes work a daily schedule Monday through Friday. Some of these schedules could be staggered to cover other parts of the week and day without affecting job duties. Maintenance staff, environmental services leads, nurse IIIs, assisted living coordinators and even activities leads could be staggered to provide additional coverage.

Increase access to physical therapy in all homes.

- Maximize the use of existing staff to offer physical therapy, where available, and to train direct care staff to increase restorative and maintenance physical activity with Elders.
- Where possible, contract with a provider in the community to provide physical therapy and bill for these services.

[92] http://dhss.alaska.gov/daph/Documents/docs/onlineAboutOurHomes.pdf Eden Model of Care referenced in this document and in strategic plan.

- Use the physical therapy staff in the Anchorage home as a resource for training and programs in other homes.

Enhance the central office function as a resource for the homes.

It is recommended that a nurse III position be created within central office. The nurse III position would act as the nurse consultant for the homes. This position would support quality improvement and risk management across the homes, ensure data is being collected, analyze data, and produce trend reports for in-home nurse III positions. Figure 68 shows each central office position title with the corresponding duties, which includes the nurse III position.

Figure 68: Central Office Staff Position and Duties

Position	Duties
Division Director	Communicate with legislators, system leadership, supervisor and resource for administrators
Admin Operations Manager II	Division wide administrative functions, manages relationships between central office and the Homes, supports Homes with budget tools and tracking
Admin Officer I	Employee related documentation, hiring, recruitment, IT
Social Services Program Coordinator	Runs department meetings (social workers, activities, others as needed), Coordinates PCC projects, employee training, CNA apprenticeship program, regulations, and changes to policies and procedures.
Nurse III (new)	Nurse Consultant to other Homes, Supports Quality Improvement (QI), Risk Management, across the Homes, ensures data is being collected, analyzes data, produces trend reports for in-home Nurse III
Senior Services Technician	Waitlist Management, Outreach + Coordination with other senior service providers
Administrative Assistant I	Special projects
Accounting Tech (4)	Billing, Accounts Receivable, Payables, Payment Assistance calculations

With the addition of a nurse III position in central office, the total staffing budget would increase by $131,894 (see Figure 69).

Figure 69: Central Office Budget Scenarios – Status Quo vs. Optimized for Full Occupancy

	Scenario 1 Status Quo		Scenario 2 Optimize for Full Occupancy		
Position	Total Positions Filled + In Recruitment	Total Cost	Change from Scenario 1	Number of Positions	Total Cost
Accounting Tech I	1	$ 80,689		1	$ 80,689
Accounting Tech II	1	$ 92,816		1	$ 92,816
Accounting Tech III	2	$ 209,887		2	$ 209,887
Admin Operations Mgr II	1	$ 137,993		1	$ 137,993
Administrative Assistant I	1	$ 91,570		1	$ 91,570
Administrative Officer I	1	$ 133,484		1	$ 133,484
Division Director	1	$ 172,801		1	$ 172,801
Senior Services Technician	1	$ 74,219		1	$ 74,219
Social Services Program Cord	1	$ 112,462		1	$ 112,462
Nurse III		$ -	1	1	$ 131,894
Grand Total	**10**	**$ 1,105,922**	**1**	**11**	**$ 1,237,816**

Priority Area 2: Financial Sustainability

See Priority Area 2 priorities from the strategic plan; additional recommendations identified through this study are described below.

Give administrators direction, tools, and accountability for staffing at the most efficient levels to meet the goals of the Pioneer Homes.

- Develop and implement a tool across homes for administrators to track staffing minimums to ensure levels are consistent over time and across homes. The Home in Palmer has developed a tool that the administrator uses to track staffing ratios by neighborhood. Schedule Anywhere also has a coverage tracking feature that could be used to monitor targets.

Maximize administrators' ability to manage budgets for each home, both revenues and expenses, for maximal efficiency and optimizing resources.

- Central office should work with each administrator, using the recommendations in this report, to develop the business case for recruiting and retaining the optimal staffing mix, to attain full occupancy, and secure the non-General Fund revenues associated with maximizing occupancy to meet community needs. Once the optimal staffing levels and associated budgets are realized, administrators should be able to flex the staffing mix to match resident need and employee skills and recruitment.
- Reclass administrator positions based on training and home size. Administrator II should be for those with a nursing home administrator certification overseeing homes with beds of more than 75 residents.

Pilot an increased Medicaid waiver rate for increased level of care for the Pioneer Homes.

- Per the discussion of unique role of the Pioneer Homes in the long-term services continuum of care, pilot an increased Medicaid waiver rate to pair with a proposed regulatory framework for homes that provide an increased level of care at a larger scale.
- Medicaid waiver rate is reimbursed 50 percent by the federal government. The State is already subsidizing care provided at the Pioneer Homes with General Funds, so an increased rate would allow for additional revenue without additional cost to the State. The private pay rate would also increase to reflect the actual cost of care.
- Increase daily rate for respite care program; work with hospitals and Medicaid to increase use of respite beds.
- Extend daily limit for respite care beyond the current 14-days to utilize vacant rooms and meet community needs.
- Bill Medicare for all incontinence supplies.

Establish consistent policies for filling short-term or long-term vacancies and for leave.

Consider using the Palmer Home's policy as an example to avoid overspending on the premium pay or on-call budget. For example, in some homes, only three CNAs and one nurse can take leave at a time. This will allow building floats to fill all vacancies.

Priority Area 3: Pharmacy and Medication Management

See Priority Area 3 priorities from the strategic plan; additional recommendations identified through this study are described below.

Define and implement consistent process across home for managing medication orders.

A suggested process follows:

- When the resident receives a medication order from their medical provider, they give it to the Pioneer Home nurse.
- The nurse reviews and submits request to pharmacy.
- Questions about medications should go directly from pharmacy staff to providers rather than back through nurses.
- Refill requests should go to providers directly rather than going through nursing staff.
- Integrate PCC with ProScript to improve communication and documentation of medication orders.
- Develop process for onboarding new residents' medication orders into both PCC and ProScript.
- Pharmacy should communicate to nursing through PCC any major concerns or communications with the providers
- Consider adapting current equipment to enable an electronic verification system of medication orders.

Standardize medication administration policies across the homes.

The Pioneer Homes should determine which policy to adopt across all six homes. The following policies are currently in effect in various homes:

- Nurses administer medications.
- CNAs administer medications.
- CNA IIs administer medications.
- A dedicated CNA "med-aide" administers medications.
- On-call CNAs cannot give medications unless they are regularly scheduled.
- Potential for ALAs to administer medications.

We do not recommend changes to positions in the pharmacy. One pharmacy technician position is in recruitment and should be filled.

Figure 70: Pharmacy Budget (no changes recommended)

	Scenario I Status Quo	
Position	Total Positions Filled + In Recruitment	Total Cost
Accounting Tech III	1	$ 104,944
Pharmacist (Adv Cert)	1	$ 202,392
Pharmacist(Lead W/No Adv Cert)	1	$ 203,901
Pharmacy Technician	3	$ 251,582
Grand Total	**6**	**$ 762,818**

Priority Area 4: Staff Training and Development

See Priority Area 4 priorities from the strategic plan; additional recommendations identified through this study are described below. See also related recommendations under other Priority Areas 1, 2, and 3, above.

Standardize orientation, supervision, and performance management for employees.

The lead nurse in each home is often tasked with supervising all CNAs and nurses. With direct care staff regularly exceeding 50 people, this makes it nearly impossible to complete performance reviews on the prescribed schedule, which limits the effectiveness of the progressive discipline process. There is rarely any overlap between new employees and their predecessors, which makes new employee orientation and training critical. It also underscores the importance of cross training between positions to serve as backup between hires. Recommendations for improvement include:

- Depending on the skills of the leadership team in each home, the social worker, assisted living coordinator, nurse III or CNA IIs should divide up supervision of the CNAs and ALAs. Home administrators should prioritize monitoring supervision and performance reviews, especially during probationary periods for new employees.
- All new employees should be well-supervised and adequately evaluated during the probationary period so that performance issues can be identified and addressed, if possible, and, if not, employment can be terminated.
- All homes should use a consistent new employee orientation process and materials. Develop and use a checklist across all homes to ensure consistency.

Improve processes to recruit and retain quality staff and to address performance issues in a timely manner. Address barriers between homes and DHSS human resources to successful recruitment and hiring of new employees to fill positions

- Centralize the process to advertise job openings at the homes; include methods that advertise positions to applicants across Alaska and outside of Alaska. Use social media to advertise for CNA, nurse and ALA applicants. Consider publicizing some positions on an ongoing basis to decrease the time needed to fill open positions.
- Remove barrier to hiring new CNAs that requires license before applying; allow for provisional hire to get license within 6 months. This would make Pioneer Home hiring practices consistent with similar private sector employers.
- Establish an employee call-center or help-desk at central office that can address FMLA, worker's compensation and other employee needs and concerns.
- Analyze pay and benefit rates for private sector employers to compare to nursing and CNA positions in Palmer and Ketchikan where recruitment is so difficult, and identify changes to scheduling, pay and benefits to improve recruitment and retention.
- Address the cumbersome payroll process that takes significant time to input and verify employee time each pay period, absorbing significant time for administrative staff. Establish a timecard system to automate part of this process and address incompatibilities with the DHSS payroll system due to the 24/7 staffing model required at the Pioneer Homes.
- Offer alternative scheduling for full-time nurses and CNAs to allow 3, 12-hour shifts.
- Make minimum qualifications for food service and environmental service departments consistent, to allow staff to share duties more fully between departments.
- Adhere to schedule and requirements for regular performance reviews.

- Ensure supervisors mentor, observe, and document new employees during the probationary period and preform required reviews prior to authorizing a permanent hire.

Provide more frequent and better staff training and more in-person trainings in Sitka, Anchorage or Juneau.

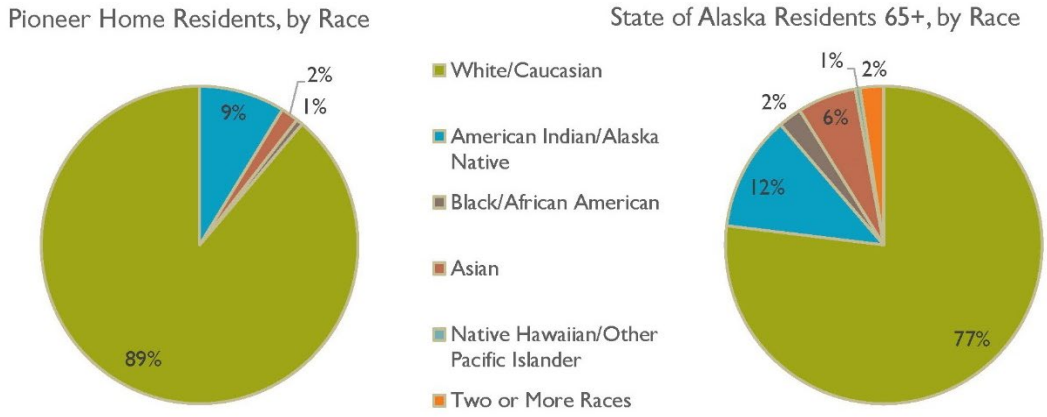
- Create division-wide mentorship to include exchanges among homes for administrators, social workers, activities leaders, assisted living coordinators, and Nurse IIIs overseeing Quality Improvement.
- Provide memorial or reflection time on the passing of a resident for other Elders and staff.
- Specific training topics:
    - Dementia training
    - Mentoring and supervision
    - Diversity
    - Complex behavior management
    - Self-care and grief support following resident deaths
    - Elder training for staff outside of direct care: food service, maintenance, environmental services.

Priority Area 5: Community Outreach and Engagement

See Priority Area 5 priorities from the strategic plan; additional recommendations identified through this study are described below.

Pioneer Homes should represent the diversity of Alaska communities and people. Standardize outreach activities across homes, to include regular outreach to tribal, non-profit and other senior providers.

Figure 71: Pioneer Home and State of Alaska Residents, Age 65+, by Race



According to Alaska Statutes "every person residing in the state who is 65 years of age or older, has been a resident of the state continuously for more than one year immediately preceding application for admission, and is in need of residence at a home because of physical disability or other reason, is eligible for admission to

the Alaska Pioneers' Home or the Alaska Veterans' Home…"[93] The intention of these criteria is that all Alaskans who are age 65 and older have equal access to the State resource of the Pioneer Homes. The current demographic of racial diversity among residents of the homes does not match those of Alaska residents age 65 and older as a whole. Efforts should be made to ensure that all Alaskans who are eligible have equal opportunity to benefit from the Pioneer Homes. Specific recommendations include:

- Change the name of Pioneer Homes to 'Elder Alaskans Homes' or a similarly inclusive name that ensures older Alaskans of all cultural and racial groups feel equally welcomed to the homes. One of the definitions of the word 'Pioneer' is "people who leave their own country or the place where they were living and go and live in a place that has not been lived in before." [94] This excludes people who were already living in a place, Alaska Native people, and those who came to Alaska more recently, from being described as 'pioneers'.
- Each home should, at least annually, engage with tribes and tribal organizations in the home's community and region to ensure all tribal organizations understand how to inform and assist elders with applying for the inactive waitlist at age 65.
- Each home should, at least annually, engage with community organizations that represent racial and culturally distinct groups in their communities to ensure they understand how to inform and assist elders with applying for the inactive waitlist at age 65.
- Each home should engage with community and tribal organizations to host cross-cultural events and activities in the homes, to bring in community members and enrich the social and cultural life for residents in each home.
- Identify cultural traditions to celebrate throughout the year and bring staff and elders together for festive meals and events.

Revise eligibility process and criteria to ensure all eligible Alaskans have equal opportunity to join the inactive waitlist as soon as they become eligible; and, to ensure eligibility criteria reflects the goals of the Pioneer Homes and to maximize community benefit.

Currently, homes triage the active waitlist by the date a person signed up for the inactive waitlist. Because all Alaskans are not equally aware of the necessity to sign up for the inactive waitlist at age 65, and because not all have equal ability to sign up and to receive and return annual residency confirmations, this process does not ensure equal access to the Pioneer Homes. It also does not triage the list by criteria that would ensure those who would most benefit from receiving the robust care provided by the Pioneer Homes are those who are first to receive it. Specific recommendations for improvement include:

- Tie registration to the inactive waitlist for the Pioneer Homes to the PFD application so that all Alaskans who are 65 or older receive a prompt to complete the application for the inactive list.
- Work with the Medicare Information Office to tie sign up for Medicare Part D to registration for the inactive list for the Pioneer Homes.
- Market the eligibility criteria and waitlist process more broadly and make it clearer. Many Alaskans do not know they are eligible, or will become eligible, for the Pioneer Homes, nor do they understand the process and criteria for eligibility.

[93] AS 47.55.020

[94] "Pioneers are people who leave their own country or the place where they were living and go and live in a place that has not been lived in before." Collins English Dictionary, https://www.collinsdictionary.com/us/dictionary/english/pioneer, accessed September 2018.

- Better integrate Pioneer Homes into the continuum of care for Alaska's seniors. Ensure all providers know about the services provided at the Pioneer Homes, process for eligibility, and method of referral. In particular, reach out to organizations that serve elders experiencing homelessness and hospital discharge care coordinators.
- Document all outreach activities and orientation process in PCC, including phone calls, level of care assessments, and offers for placement.

Priority Area 6: Facility Maintenance and Renewal

See Priority Area 6 priorities from the strategic plan; additional recommendations identified through this study are described below. Maintaining high quality food, a clean and safe environment, and clean linens are some of the most important qualities of the home for residents and their families. During site visits, we found that Environmental Services, Food Services and Maintenance departments are often are well-staffed with long-time employees. These positions are easier to recruit and fill than direct care staff because they are well-compensated compared to similar private sector positions. Specific recommendations include:

- Ensure consistent minimum requirements and appropriate job classes to support strong teams for each neighborhood and department.
- Consider on-call positions for all ancillary staff.
- Improve and update technology and IT support. Access to a 24-hour IT person to assist 24-hour facilities is recommended.
- Consider a new inventory management system to save money in the long-term. For example, one home is looking at the Orbit System.
- Increase the amount of contracts maintenance leads at each home can bid out locally.
- Determine if and when any Pioneer Homes will be replaced or added on to. For example, Fairbanks staff wondered if the costs associated with changing the building to provide additional memory care or care for people with complex behavior would be worth it if the home needs to be replaced. Other homes have the potential to provide additional housing with or without services. Planners originally designed the Juneau Pioneer Home to have an additional building on the existing five acres. The State of Alaska could partner with another private or nonprofit provider to construct and deliver additional needed services in Juneau on this land.
- Draft and implement a Capital Plan to reflect recommended increases in licensing and acuity level as outlined in Scenario 3 and to ensure the Pioneer Homes can continue to provide quality care with current equipment.

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Chapter 8: Implementation

This chapter provides a suggested process for moving from this staffing analysis to implementation.

Process

Step 1: Develop a Call for Work Plans for FY 2020

Central office should develop a Call for Work Plans to home administrators that identifies the specific template and content that should be prepared for the Work Plans. The Work Plans should be developed by the administrators using this staffing analysis, the Pioneer Home strategic planning process, and other administrative and management tools in place.

Step 2: Administrators Prepare Work Plans

Each administrator, central office and the Pharmacy should respond to the Call for Work Plans by developing a FY 2020 Work Plan that identifies the specific actions each home or division will implement based on this staffing analysis. The Work Plan should include timing, budget impact, assign staff, and identify resources needed. The Work Plans should be developed in coordination with budgets for each home.

Step 3: Central Office Integrates Work Plans

Once the Work Plans are received, central office will integrate specific actions and timelines into a centralized timeline for overall projects and implementation. Central office and the administrators will use weekly meetings to review progress on staffing and program recommendations. One option is to devote one meeting per month toward monitoring implementation.

Prioritization

Some changes in staffing must happen before others can be successful. For example, the number of nurses on staff cannot decrease until supervision, care planning and medication management is shared or moved to other direct care positions. Some changes, like adding a complex behavior neighborhood, could happen before the organizational changes happen if there are capital funds available. However, adding new neighborhoods or increasing acuity will result in higher than the modeling shows if the organizational changes are not made first. A suggested order follows:

- Reclass open positions as current employees retire or move on to match recommended organizational structure as detailed in Scenario 2.
- Realign supervision of activities department under social work functions. This will give the social worker added resources to bring the homes up to full occupancy and increase revenue.
- Recruit and fill direct care aide positions to align with Scenario 2.
- Recruit and fill direct care management team positions to align with Scenario 2.
- Shift supervision of direct care aide positions to align with managers as outlined in Scenario 2. This will support changes to direct care aide duties and enhance early career supervision.
- Shift care planning away from nurses.
- Shift medication distribution away from nurses.
- Create Nurse III position within central office to support Quality Improvement.
- Align floor nursing staff to match Scenario 2.

Division-wide recommendations can happen concurrently with staffing changes.

New or Additional Revenue Sources

Medicaid Waiver Acuity Add-On

The Medicaid waiver includes a special rate for residential supported living facilities to provide one on one care 24/hours per day (AAC 130.267). While we have heard anecdotally that this rate is difficult to obtain, the Pioneer Homes that add a complex behavior neighborhood staffed at a ratio of three residents per one direct care aide might be well positioned to obtain this rate when residents need one on one care. As part of the site visits, we heard that this level of care is already provided occasionally. This rate could provide additional revenue to offset the costs associated with providing this level of care. If we assume that at least one of the three on-duty direct care neighborhood staff are always providing one on one care in each of the three, nine-person complex behavior neighborhoods, an additional $394,000 could be billed to Medicaid per year.

Additional Pharmacy Receipts

The Pioneer Homes might be able to earn additional revenue beyond the cost of the medications of the increased number of level 3 residents.

Other Billable Services

Physical therapy and elder wellness check-ups are both Medicare billable services that could earn additional revenue. The Juneau home is the only home that is not billing for incontinence supplies, that could also be an additional source of revenue.

Rental Income or Utility Contributions

In the Sitka Pioneer Home level report (included in Part 2), we discussed how to better use the outbuildings. The Braveheart Volunteers could move inside to the Pioneer Home which would free up the building they currently occupy for a renter. While this funding would not directly impact the Sitka Home's budget, it would be a better use of state resources and support the case for funding to support additional staff. Alternatively, the renter could contribute the utility costs of the building.

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