



# Legislative Audit Division

## Performance Audit Summary

### Nursing Home Surveys

January 2003

#### Introduction

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The Legislative Audit Committee requested a performance audit of the Department of Public Health and Human Services (DPHHS) survey activities of long-term health care facilities. Long-term care facilities, commonly referred to as nursing homes, provide nursing care and services to residents unable to care for themselves or who need higher levels of care than is available outside of nursing home. Most nursing homes in Montana rely upon Medicare and Medicaid funding to provide services to residents. The Certification Bureau within the Quality Assurance Division at the department is responsible for verifying nursing homes meet Medicare and Medicaid program standards and are eligible to receive Medicare and Medicaid payments.

#### Certification Bureau Survey Activities

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The Certification Bureau (bureau) conducts two types of surveys of nursing homes: health surveys and life safety surveys. Health surveys focus on activities related to quality of care, quality of life, resident rights, and facility administration. Health survey activities include observing resident care, observing and examining residents, reviewing resident files and records, and interviewing residents and family members about nursing home practices and activities. Life safety surveys focus on structural, mechanical, and life and fire safety issues.

#### Certification Bureau Surveys Provide Critical Oversight of Nursing Homes

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The bureau's oversight function provides critical oversight of the care and services provided to more than 7,500 nursing home residents in Montana. The bureau surveys each nursing home at least once every 15 months to verify compliance with Medicare and Medicaid regulations.

We reviewed the three most recent surveys of a statistical sample of 24 of 103 nursing homes. At these nursing homes, the bureau cited 297 health-related deficiencies, including 37 deficiencies in which the bureau determined one or more residents had been harmed by nursing home practices. Most of the other deficiencies identified had potential for more than minimal harm to residents. In some instances, nursing homes received no deficiency citations or had only minor deficiencies with no potential for more than minimal harm.

*Overall, surveys are essential for assuring all Montana nursing home residents receive appropriate care and services, and for improving the nursing home system.*

#### Surveyor Qualifications

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Federal regulations set minimum qualifications and training requirements for surveyors. **Bureau surveyors meet federal requirements.** All surveyors have previous experience working in medical facilities or nursing homes, and many surveyors have at least three or more years of experience in nursing homes. Backgrounds include geriatric nursing, directors of nursing, mental health, and social work.

#### Bureau Survey Activities Do Not Duplicate Licensure Bureau Activities

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All nursing homes must be licensed by DPHHS to operate in the state. The Licensure Bureau within the Quality Assurance Division of DPHHS is responsible for licensing activities. Because of the similarity between state and federal regulations, the Licensure Bureau relies on Certification Bureau survey reports to determine whether nursing homes comply with most state regulations. **Consequently, there is no duplication in survey and inspection activities by these two bureaus.**

#### Life Safety Surveys Do Not Duplicate Fire Inspections

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In addition to examining health-related care and services, federal regulations also require a life safety survey. Some aspects of life safety surveys are similar to fire safety inspections conducted by state and local fire officials. However, there are significant differences between the surveys and inspections. Nursing homes must comply with the Life Safety Code (LSC) adopted by the Medicare and Medicaid programs, and the Centers for Medicare and Medicaid Services does not accept fire inspections conducted using the state-adopted Uniform Fire Code. Additionally, life safety surveyors typically conduct a more intensive examination of nursing home fire and safety equipment, building structure, and other life safety factors than fire officials. While state and local fire inspections are also necessary, they tend to focus more on basic fire prevention and protection strategies, evacuation of residents, and familiarizing fire personnel with building designs. **Consequently, we noted minimal duplication of activities between LSC surveys and state and local fire inspections.**

## **Improving Bureau Operations**

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We identified five areas for improving bureau operations. These areas relate to efficiency and effectiveness of agency operations, bureau compliance with federal regulations and guidelines, and communication and coordination with the nursing home industry. The following sections summarize these areas.

### **Timeliness of Bureau Survey Activities**

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Federal regulations require nursing homes be surveyed at least once every 15 months, and the length of time for all surveys average 12 months. ***The bureau is beginning to fall behind federally required timelines for conducting surveys. Modifications to bureau personnel recruiting and retention strategies may improve the bureau's ability to recruit and retain employees, thereby reducing staff vacancies and improving the timeliness of surveys.***

### **The Bureau Can Modify its Recruitment and Retention Strategies**

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The division primarily recruits and hires registered nurses (RNs) as surveyors, and has had difficulty recruiting and retaining surveyors. A nation-wide shortage of RNs has also affected recruitment and retention efforts. Because bureau surveyor wages are generally comparable to the average wage for RNs in Montana, the bureau could address surveyor recruitment and retention through some changes in bureau activities.

***Federal regulations allow and encourage other professionals, such as rehabilitative and therapeutic professionals, social workers, and licensed practical nurses to conduct surveys. By expanding recruitment efforts to include these other professionals, the bureau can increase its pool of qualified applicants.***

Additionally, the bureau can implement non-monetary employment incentives to attract and retain qualified persons. One option is implementing teleworking for surveyors. The bureau generally requires surveyors to work out of the Helena central office or the Billings satellite office, but surveyor job duties do not typically require surveyors to work out of a central location.

***Implementing teleworking may make employment more attractive for qualified individuals who do not want to disrupt family and community ties to accept employment in Helena or Billings. Additionally, teleworking and other incentives may increase employee productivity and reduce some operational expenses.***

### **Strengthen Management Information Systems to Improve Operational Efficiencies**

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The bureau relies primarily on a manual paper system for tracking and scheduling bureau survey activities. This system has no means for automatically alerting bureau

management when nursing homes need surveys or assisting bureau personnel coordinate various activities. In some instances the bureau sent surveyors to nursing homes that were closer to another bureau office, resulting in increased travel time and related costs for survey activities. ***By implementing an automated management information system, the bureau can increase efficiencies, reduce costs, and increase the availability of staff for survey activities.***

### **Some Bureau Citations Are Not Based on Regulatory Criteria**

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Federal regulations require deficiency citations be based on regulatory criteria. However, in some instances the bureau cited nursing homes for deficiencies that were not based on regulatory criteria. Additionally, the bureau developed "guidelines" for nursing home smoking policies, which the bureau uses as criteria for citing deficiencies at nursing homes. The bureau did not use the Montana Administrative Procedures Act to formally adopt the guidelines as regulations. Criteria for citing deficiencies must be based on formally adopted regulations to assure the regulated community understands regulatory criteria and can implement practices that comply with regulatory criteria. ***The bureau should implement practices to ensure deficiency citations are based only on prescribed regulations or laws rather than guidelines.***

### **Communication and Coordination Could be Improved**

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The bureau can improve its communication and coordination with the nursing home industry. Nursing home industry representatives, nursing home personnel, and nursing home administrators indicated the bureau needs to improve its communication and coordination with nursing homes. Primary areas of concern related to the bureau not keeping the industry informed of changes to the bureau's interpretation of regulations and its enforcement practices. Additionally, nursing home administrators expressed concern that the bureau does not provide assistance or suggestions for correcting identified deficiencies or improving facility operations.

The bureau has relied primarily on informal communication and coordination strategies. Audit work indicates the bureau can clarify and increase the structure of its communication and coordination strategies. ***We recommend the bureau develop methods for improving communication and coordination during the survey process. The bureau should also provide the regulated community with notices and information about regulatory changes, and bureau interpretations and enforcement of regulations.***

For a complete copy of the report (01P-13) or for further information contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>.