

MT DPHHS State-Run Health Care Facilities

December 2022

ALVAREZ & MARSAL
LEADERSHIP. ACTION. RESULTS.™

Interim Budget Committee Briefing



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Assessment Status

DPHHS has engaged Alvarez & Marsal to conduct a comprehensive assessment and establish long-term sustainable operation plans for Montana's seven state-run health care facilities. **DPHHS is publishing the A&M report after this committee meeting to [its website](#).**

Assessment

Key Activities

- Assess compliance with regulations, quality standards, workers comp, and patient incidents
- Evaluate climate and culture
- Assess staffing structure, ratios, job descriptions, and scheduling
- Review organizational structure and back-office support functions
- Review key patient data, outcomes, and information on admissions and discharges
- Assess facility finances and rate structure
- Benchmark performance to peers

Strategic Plans for Improvement

- Update facility missions and visions
- Develop strategic plans to optimize utility of facilities and outcomes for patient populations
- Improve quality measures for safe delivery of care
- Build division leadership structure and improve back-office functions

Operational Support

- Report financial status, condition, and operation of facilities
- Support oversight of day-to-day operations
- Support communications and change management
- Support quality initiatives

Facility Scorecard | Overview – October 31, 2022

Legend:
Status indicates performance, as assessed by financial status, condition, and operations
Green: Acceptable Performance
Yellow: Challenges Exist
Red: Significant Deficiencies

The overview of the October 2022 performance scorecard for Montana’s state-run health care facilities is below. To reflect the variance of performance across individual metrics by facilities, the scorecard now shows an overall status for each facility. This overall status represents an aggregate of the statuses for each facility across Census and Staffing, Budget, and Quality and Training.

Facility	Overall Status	Census and Staffing	Budget	Quality and Training
Montana State Hospital	Red	Red	Red	Yellow
Montana Mental Health Nursing Care Center	Red	Red	Yellow	Yellow
Intensive Behavior Center	Red	Red	Red	Yellow
Montana Chemical Dependency Center	Yellow	Yellow	Green	Yellow
Columbia Falls Montana Veterans’ Home	Yellow	Yellow	Green	Green
Southwestern Montana Veterans’ Home ¹	Green	Green	Green	N/A
Eastern Montana Veterans’ Home ¹	Green	Green	Green	N/A

¹ DPHHS contracts out the operations of SWMVH and EMVH, and as a result does not track quality and training metrics for those facilities.

Facility Scorecard | Quality & Training Measures – October 31, 2022

Legend:
 Status indicates performance, as assessed by financial status, condition, and operations
Green: Acceptable Performance
Yellow: Challenges Exist
Red: Significant Deficiencies

To improve quality programs, A&M and facilities identified two indicators that are measurable, benchmarked to national data, and can be reported monthly for DPHHS, that are relevant and improve outcomes in their patient population. Facilities are collecting data which is reported monthly to the Division. A&M will help expand these quality indicators. Training compliance is now tracked by the Division with significant improvement noted at several facilities.

Facility	Quality & Training Measures Status	Quality Measures				Training Compliance		
		Description	Goal	Sept	Oct	August	Sept	Oct
Montana State Hospital	Yellow	Percent of patients evaluated for Medicaid eligibility upon admission ¹	95%	100% ●	100% ●			
		Patient attendance is at least 60% for group therapy sessions offered	60%	78% ●	71% ●	77%	89%	90%
		<i>New quality measure for November: Completion of Community Reentry Form within 10 days of admission.</i>						
Montana Mental Health Nursing Care Center	Yellow	Falls with major injuries will be reduced to zero per month	0%	0% ●	0% ●			
		All patients will be weighed on a monthly basis per the CMS guidelines	100%	100% ●	100% ●	72%	88%	TBD
		<i>New quality measure for November: TBD</i>						
Intensive Behavior Center	Yellow	Comprehensive behavior support plans are updated at least quarterly or based on the individual's changing needs and expected outcomes	100%	40% ●	60% ●	79%	97%	97%
		Total attendance at community outings	12	14 ●	20 ●			

¹ Medicaid eligibility evaluation statistics for MSH are limited to admissions to the main hospital only

² Due to high performance on the previous two quality metrics, CFMVH has added a third metric related to reducing antianxiety medication use

Facility Scorecard | Quality & Training Measures – October 31, 2022

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Facility	Quality & Training Measures Status	Quality Measures				Training Compliance		
		Description	Goal	Sept	Oct	August	Sept	Oct
Montana Chemical Dependency Center	Yellow	Discharge follow-ups, or attempts, will be conducted for 100% of discharges	100%	100% ●	100% ●	91%	97%	99.5%
		Number of discharges against medical advice per month	4	11 ●	16 ●			
Columbia Falls Montana Veterans' Home	Green	All patients that have a risk of falls are identified and risk interventions are put in place	100%	100% ●	100% ●	68%	76%	78%
		The number of UTIs (CAUTI) per month will be reduced by 20% per month until zero	0%	0% ●	0% ●			
		Use of antianxiety medications will be reduced to 25 percent of residents ²	25%	39% ●	37% ●			

¹ Medicaid eligibility evaluation statistics for MSH are limited to admissions to the main hospital only

² Due to high performance on the previous two quality metrics, CFMVH has added a third metric related to reducing antianxiety medication use

Facility Scorecard | Census and Staffing – October 31, 2022

Legend:
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Red: Significant Deficiencies

Below is the October 2022 performance scorecard on census and staffing at Montana’s state-run health care facilities. Trend percentages are in comparison to last month’s report.

Facility		Census and Staffing Status	Total Beds	Average Daily Census ³			Admit	DC	Waitlist	Vacancy Rate ¹	Turnover Rate	# of Employee Hires	# of Employee Separations
Montana State Hospital	Main Hospital	Red	174	146	(84%)	+19.7%	53	49	0	47.1%	4.4%	15	13
	Forensic Facility	Red	54	46	(85%)	+2.2%	8	1	42				
	Group Homes	Green	42	35	(83%)	+2.9%	0	0	0				
Montana Mental Health Nursing Care Center		Red	117	67	(57%)	-	1	0	3	29.8%	4.0%	6	4
Intensive Behavior Center		Red	12	10	(83%)	-	0	0	0	66.7%	9.1%	3	2
Montana Chemical Dependency Center		Yellow	48	23	(48%)	+50.0%	29	34	0	0.0%	0.0%	4	0
Columbia Falls Montana Veterans’ Home		Yellow	117	61	(52%)	-1.6%	1	3	197	22.0%	1.7%	3	2
Southwestern Montana Veterans’ Home ²		Green	60	43	(72%)	-	4	4	20	N/A	N/A	N/A	N/A
Eastern Montana Veterans’ Home ²		Green	80	56	(70%)	-1.8%	1	3	0	N/A	N/A	N/A	N/A
Overall		Yellow	704	487	(69%)	+7%	97	94	262	39.1%	3.6%	31	21

¹ Facilities are addressing high vacancy rates by using contracted traveler staff.

² DPHHS contracts out the operations of SWMVH and EMVH. SWMVH recently opened another cottage (which added 12 licensed beds).

³ Daily census rates are impacted by a myriad of factors outside of simple admissions and discharges – average daily census rates may not reflect those daily fluctuations

Source: Census data provided by each facility and staffing data provided by DPHHS HR.

Facility Scorecard | Budget – October 31, 2022

Legend:
 Status indicates performance, as assessed by financial status, condition, and operations
Green: Acceptable Performance
Yellow: Challenges Exist
Red: Significant Deficiencies

A review of the facilities financial position for SFY23 is below. Traveler spend remains significant. DPHHS released an RFP in October to consolidate traveler contracts, with a goal to reduce administrative burden and obtain better pricing. A&M is also working with facilities to right-size staffing levels to benchmark.

Facility	Budget Status	SFY23 Budget	SFY23 Projected Expenses	Variance
Montana State Hospital	Main Hospital			
	Forensic Facility	\$48,873,226	\$87,172,320	(\$38,299,094)
	Group Homes			
Montana Mental Health Nursing Care Center		\$12,411,241	\$13,581,961	(\$1,170,720)
Intensive Behavior Center ²		\$2,775,188	\$8,360,079	(\$5,584,891)
Montana Chemical Dependency Center		\$6,000,763	\$6,239,593	(\$238,830)
Columbia Falls Montana Veterans' Home		\$14,874,395	\$13,906,246	\$968,149
Southwestern Montana Veterans' Home		\$2,995,743	\$4,257,932	(\$1,262,189)
Eastern Montana Veterans' Home		\$4,511,612	\$3,983,471	\$527,603
Overall³		\$92,442,168	\$137,501,602	(\$45,059,972)

Why are MSH and IBC projected expenses so high?

- **Budgets don't reflect the actual costs to run the facilities.** MSH has been about \$5 million over budget for the past 5 years. IBC had half of its budget taken out during the last legislative session without a corresponding reduction in operating costs.
- **Facilities are using expensive travel RNs/CNAs to cover for vacant positions.** Significant resignations at MSH in 2021 lead to unsafe conditions and loss of certification in 2022, which then caused MSH to overcorrect and hire more travelers than needed. A&M is working with DPHHS to reduce staffing levels to benchmark. Overall hiring has remained stagnant. A hiring blitz is being developed to reduce the usage of travelers.

¹ This is the FY22 beginning budget. Throughout the year, DPHHS finds additional budget as needed to pay for projected expenses.

² IBC's beginning budget was cut during the legislative cycle and does not reflect the cost to run the facility.

³ Grand total spend for traveler spend across all facilities taken from the exact numbers for each facility then rounded after for the most accurate grand total.

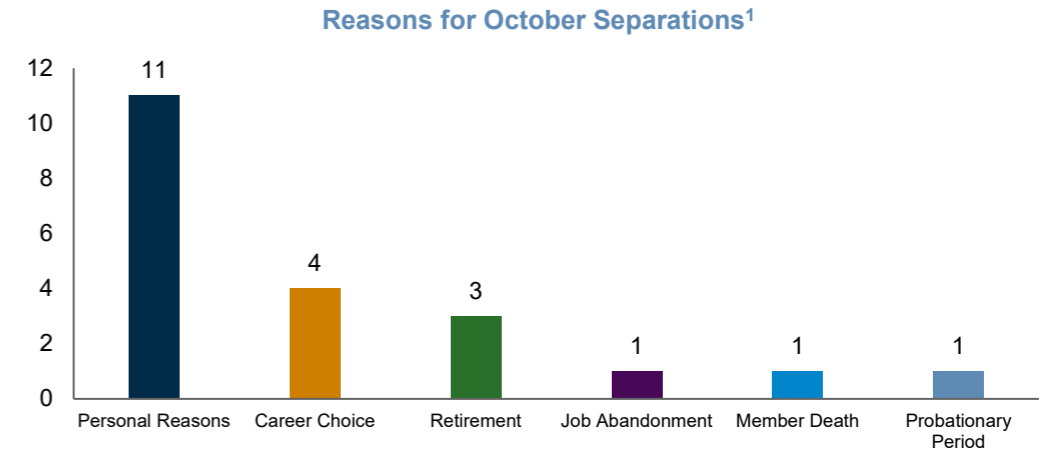
Source: Financial data from SABHRS.

Staff Vacancies and Turnover at State-run facilities, October 2022

In October, there were 21 separations across state-run facilities. Over 70 percent of the separations were due personal reasons or a career choice. 9 of the separations were among CNAs, psych techs, and RNs.

Vacancy Snapshot

Facility	# of Vacancies		New Hires		Separations		Vacancy Rate		
	Sep	Oct	Sep	Oct	Sep	Oct	Sep	Oct	% change (in # of vacancies)
MSH	241	243	8	15	7	13	45%	47%	+0.8%
MMHNCC	43	43	2	6	3	4	30%	30%	-
IBC	44	44	0	3	4	2	67%	67%	-
MCDC ²	2	0	0	4	0	0	4%	0%	-100%
MVH	31	33	3	3	1	2	21%	22%	+6.5%



Positions	# of Separations in October
Certified Nurse Aide	4
Psychiatric Technician	3
Registered Nurse	2
Food Preparer	2
Activities Aide	1
Behavioral HC Planner	1
Facility Administrator	1
Food Service Supervisor	1
Nurse Practitioner Supervisor	1
Physician	1
Staffing Office Supervisor	1
Training Specialist	1
Treatment Program Manager	1
Operations Manager	1

There were 21 separations in October, compared to 15 separations in August and September, each.

¹ Upon separation, employees are asked to select the most fitting option for their reason for leaving from a list. This list was created and approved by the Montana Department of Administration and match up with the options available for the HR team to enter into SABHRS. SABHRS does not have the ability to track more than one option.

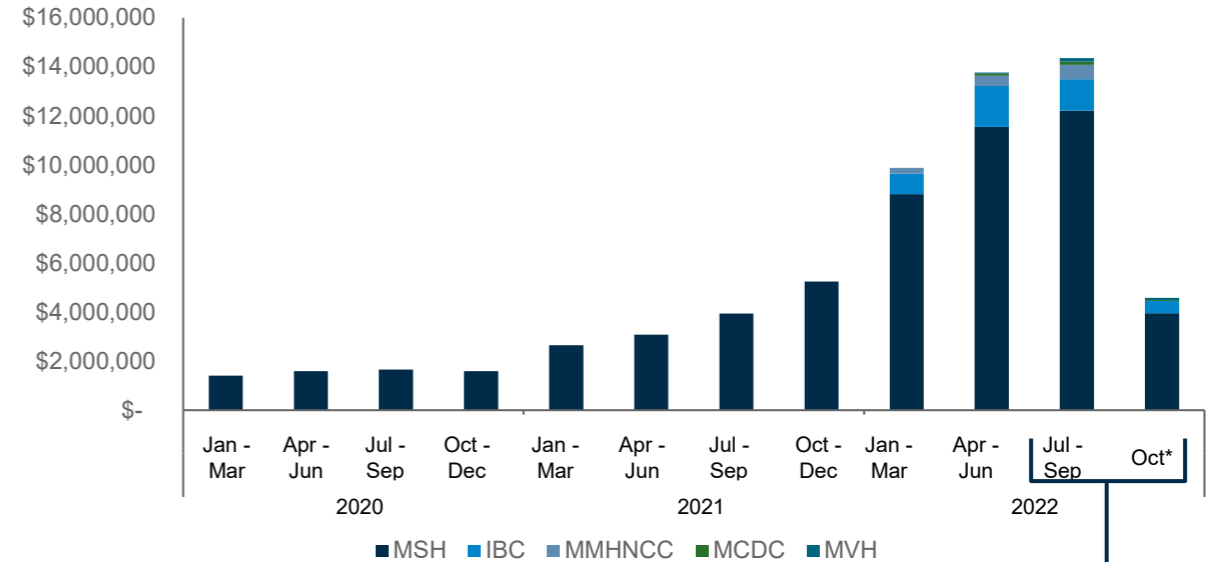
² MCDC vacancy, hiring, and separations data is lagging in updating in the system due to the retirement of a position that is double-filled – as a result, there were 4 hires for 2 vacancies in the month of October, thus reducing the number of vacancies to zero.

Assessment of Spending on Temporary Contractor Staff (Travel Nursing)

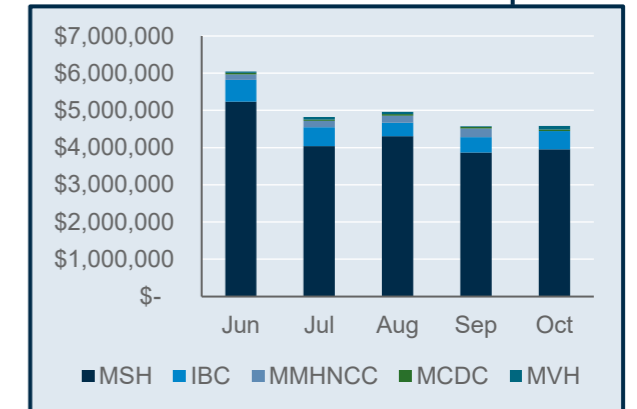
A&M has been working with facilities to analyze travel nursing spend and average traveler hourly wages. Overall traveler spend in calendar year 2022 is higher than in 2021. Facilities continue to face high vacancy rates and are using travel nursing to cover gaps in care. DPHHS released an RFP in October to consolidate traveler contracts, with a goal to reduce administrative burden and obtain better pricing.

	Traveler Hourly Wage ²			Employee Base Wage + Benefits ³		
	RN	LPN	CNA	RN	LPN	CNA
MSH	\$ 121.61	\$ 74.96	\$ 71.67	\$ 51.10	\$ 33.75	\$ 27.46
IBC	\$ 131.92		\$ 80.36	\$ 47.91		\$ 27.49
MCDC	\$ 121.00			\$ 47.03		\$ 25.68
MMHNCC	\$ 79.66	\$ 68.62	\$ 45.74	\$ 46.89		\$ 27.27
MVH	\$ 91.75	\$ 74.46	\$ 56.12	\$ 47.12	\$ 33.58	\$ 27.14
Facility Average	\$ 111.61	\$ 73.28	\$ 63.03	\$ 47.92	\$ 33.66	\$ 27.20
Behavioral Health Facility Benchmark ⁴				\$ 50.74	\$ 35.03	\$ 20.42
Nursing Home Facility Benchmark ⁵				\$ 44.41	\$ 33.68	\$ 21.01
State of Montana 2022 Market Analysis ⁶				\$ 47.27	\$ 33.45	\$ 26.69

Wages at MMHNCC and MVH are lower because free housing is provided to travelers.



Facility	CY22 Traveler Spend	Vacancy Rate
MSH	\$ 36,513,760	47%
IBC	\$ 4,294,979	67%
MMHNCC	\$ 1,391,074	30%
MCDC	\$ 246,138	0%
MVH	\$ 299,474	22%



¹ We are working to improve data quality; date is either invoice date or month worked; in the future this will reflect month worked.
² Average traveler hourly wage for the time period January 2022 to October 2022
³ Average state employee base wage based on SABHRS report obtained July 27, 2022, plus benefit packages value.
⁴ Hospital & Healthcare Compensation Service, Behavioral Health Salary & Benefits Report, 2022.
⁵ Hospital & Healthcare Compensation Service, Nursing Home Salary & Benefits Report, 2022.
⁶ State Human Resources (State HR) salary survey data, May 31, 2022.

Noted Improvement Across Facilities

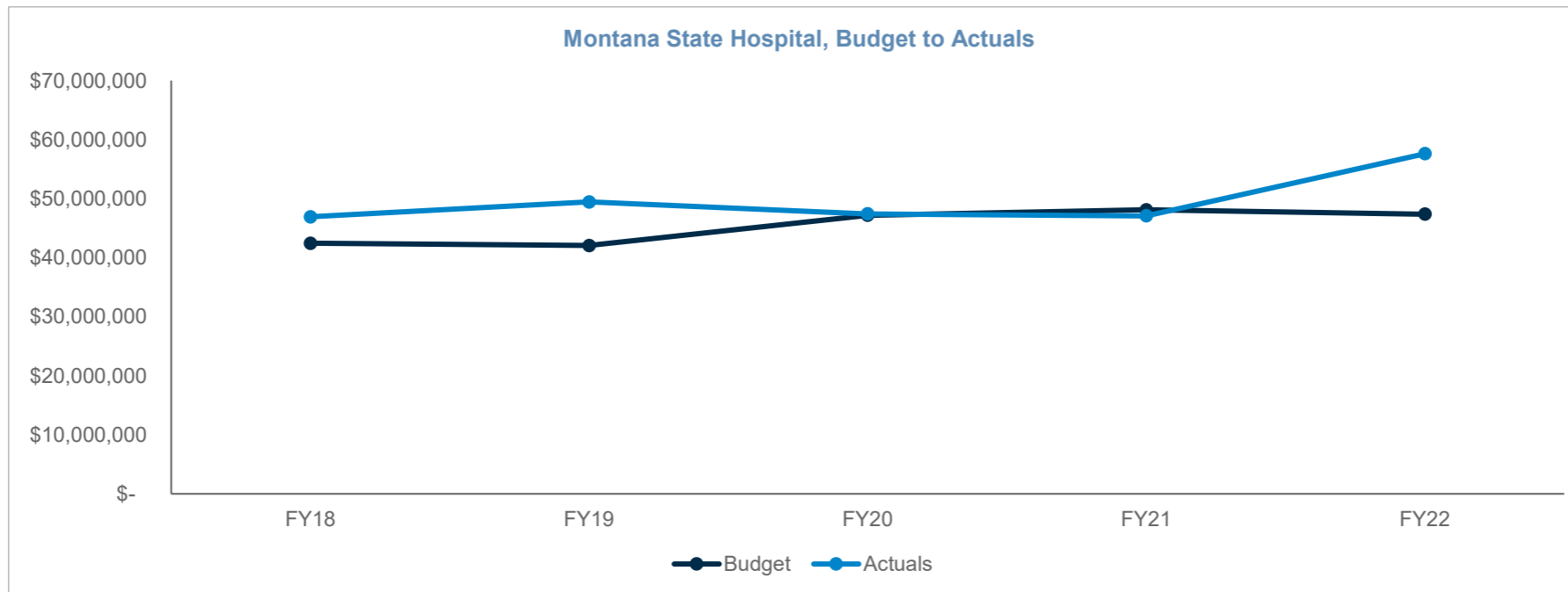
We have seen noted improvements across all facilities with some common across as a result of new initiatives (e.g., training, quality improvement) and others specific to select facilities (e.g., new person-centered planning process).

Facility	Select and Noted Improvement
MSH	<ul style="list-style-type: none"> • Fall Reductions on Spratt Unit: Q1 to Q3 (21.1% reduction in falls) • Pilot for new seclusion/restraints documentation successful and implementation facility wide initiated • Created new interdisciplinary Seclusion/Restraints Task Force that reports to Quality Improvement Council (QIC) • New employee orientation survey (+) Responses and over 75% completion rate (Actual = 77%); includes 332 surveys (from April to November 2022) • Increase in patient attendance in groups up to the current attendance of 71% • Resolution of COVID outbreak, allowing for visitations and additional on and off-campus activities to resume with appropriate precautions
IBC	<ul style="list-style-type: none"> • Implemented components of Charting the LifeCourse (CtLC), to enhance the service plan and discharge planning process • Increase in community outings and events
MMHNCC	<ul style="list-style-type: none"> • New Facility Administrator started in November • Falls with major injuries was reduced to 0 in September and October, and 100% of patients were weighed monthly in accordance with CMS guidelines in both months. • Increase in community and other offsite activities • Updated training policy to include all required orientation and refresher training
MCDC	<ul style="list-style-type: none"> • Training increased to 99.5% compliance. • Increased engagement with community providers to increase referrals
CFMVH	<ul style="list-style-type: none"> • Met goals associated with both quality indicators (falls and UTIs), and added a third quality indicator on the use of antianxiety medications with patients • Training policy updated to include all required orientation and refresher training • Increased training compliance from 68% to 78%
SWMVH	<ul style="list-style-type: none"> • Five of five 12-bed cottages are now licensed by the state, with three of five licensed by the Veterans' Administration (VA) • To increase census and reduce wait, VA qualified residents are being admitted to additional open beds • Activities are increasing both on and off grounds with strong resident participation • Cottage connectors currently under construction to facilitate interaction and movement among cottages
EMVH	<ul style="list-style-type: none"> • Contract negotiations have begun so that DPHHS can transition operations from GMC to another vendor in calendar year 2023.


Appendix

Historical Budget to Actuals

MSH's expenses exceeded its beginning budget in FY18, FY19, FY20, and FY22. This suggests that historically, MSH's budget does not adequately reflect the costs to run the facility.



Facility	FY 2018 Budget	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 Budget	FY 2021 Actuals	FY 2022 Budget	FY 2022 Actuals
Montana State Hospital	\$ 42,445,183	\$ 46,924,231	\$ 42,062,699	\$ 49,441,714	\$ 47,197,528	\$ 47,427,290	\$ 48,127,213	\$ 47,086,697	\$ 47,370,688	\$ 57,619,380
Intensive Behavioral Center	\$ 12,652,089	\$ 9,621,479	\$ 12,701,656	\$ 6,822,811	\$ 4,627,015	\$ 4,023,457	\$ 4,725,305	\$ 4,448,313	\$ 2,600,574	\$ 5,777,319
Montana Mental Health Nursing Care Center	\$ 11,816,669	\$ 11,562,091	\$ 11,885,269	\$ 11,480,413	\$ 11,915,045	\$ 12,356,941	\$ 11,915,348	\$ 12,562,912	\$ 12,304,038	\$ 11,574,227
Montana Veterans Home	\$ 10,991,600	\$ 10,824,759	\$ 11,131,187	\$ 13,890,942	\$ 12,662,938	\$ 9,521,048	\$ 12,687,072	\$ 9,763,589	\$ 14,575,441	\$ 11,213,066
Montana Chemical Dependency Center	\$ 5,504,150	\$ 4,764,496	\$ 5,559,358	\$ 5,055,077	\$ 5,615,642	\$ 5,204,355	\$ 5,609,408	\$ 5,388,460	\$ 6,000,441	\$ 5,495,441

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