

# **FY 2015-2016 Budget Presentation to Board of Finance**



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March 31, 2015

# Department Highlights

## **What major services does the department provide to citizens or other City departments?**

- Inpatient skilled nursing services in the areas of Short Term Rehabilitation, Long Term Residential Care, Dementia Special Care, End of Life Care and Outpatient Rehabilitative Therapies.

## **2014-15 Major department accomplishments and highlights:**

- Our most recent year consisted of 236 Admissions,
- 173 Short Term people joined us on our 17 bed dedicated unit,
- 45 direct admissions to the Long Term Care units of our Center,
- 18 Readmissions to the Center.
- 26 of the total Admissions were from Hospitals other than Stamford Hospital and 90% were Stamford residents. An increase of 5% of Stamford residents and their families cared for over previous years.

# Department Highlights

## (continued)

- The care still continued on the Long term Care Units as well as the Dementia Special Care Unit which did receive admissions from the short term unit as well as the admissions from the community allowing patients and their families an uninterrupted transition to a permanent solution of care. These 100 plus beds were at capacity throughout the year.
- We discharged 127 people back to home or a lesser care environment
- We had 26 expirations and transferred 20 people to our long term care units.
- All this was accomplished through interaction of our staff with a variety of community based services, family members and the patients/residents with pen to paper charting and documentation.
- The revenue generated by the short term unit has accounted for our per diem revenue of \$290.00 versus
  - The State Medicaid per diem rate is \$255.00 per day less a \$16.13 per patient per day User Fee paid back to the State of CT.
  - Medicare has accounted for a daily average rate of \$621.00,
  - Private has accounted for a daily rate of \$420.00 and Managed Care has accounted for a daily rate of \$440.00.
  - The census mix has decreased in all payers except Medicaid which now stands at 88%.

# Department Overview - Goals

**Key operational Changes planned, at no additional cost, to increase our market share of referrals now and in 2015-2016.**

- Referral Expansion
  - Clinical Transfer Agreement with a Stamford Dialysis Center enabling us to have our patients/residents dialyzed off site and return to us the same day. This will result in 4 to 5 potential admissions/month
  - Preliminary agreement talks with United Health Care for their Commercial and Geriatric policy holders and Outpatient Therapy Services to be able to admit these individuals in Fiscal Year 2015-2016. Without this agreement we have had to deny 15 people for admission a month. The impact this will have on Revenues can be hundreds of thousands of dollars per year.
- Expanded Clinical capabilities with the addition of personnel and consultants
  - Consultant contract with an Advanced Practice Registered Nurse provider to address acute needs of patients and residents in house
  - Contract consultant physiatrist (Doctor) onsite to address acute needs and establish a plan of care for those patients and residents with orthopedic, pain management, neurological and musculature issues. Services were previously provided offsite and can now be delivered in-house, which reduces readmissions back to the hospitals
  - RN Care Manager will oversee all aspects of ancillary care provided to patients from pre-admission to post discharge. This clinical person will monitor the "business side" of the Center's delivery of care and communicate concise information on a timely basis to Medicare, Managed Care companies, all referring hospitals in state and out of state and smoothly transition the patient back to their home with all necessary equipment and home care or other essential services.

# Department Overview - Goals

- **Electronic Medical Records**
  - Better tracking of information will increase amounts billed back to insurance companies
  - Improves our ability to capture vital information, track trends that are negatively impacting care and proactively care for our patients/residents through streamlining the sharing of clinical information with stakeholders in an accurate non paper fashion
- **Marketing Firm**
  - The Odonnell Group will launch a new website, improve Google search words, a develop a new logo that exhibits a more professional appearance to the Center and a long term plan to increase community awareness over the next three years
- **Expense Reduction**
  - Lobbying efforts to reduce or eliminate House Bill of HB 6576 which will result in potential savings of \$665,000 per year
  - Negotiations with 1199 continue
  - Ongoing consolidation of duties and responsibilities of positions will continue to reduce payroll expenses.

# Department Overview - Marketing



# Department Overview

## Performance Metrics :

- Star Rating (Medicare.gov)
- Census Occupancy
- Patient Mix
- Staffing #'s/percentages

## Benchmarks:

RESIDENT DAYS	BEDS	MEDICARE		MEDICAID		PRIVATE		ALL OTHER		TOTAL DAYS	TOTAL AVAILABLE DAYS	OCCUP. %
		DAYS	% OF TOTAL	DAYS	% OF TOTAL	DAYS	% OF TOTAL	DAYS	% OF TOTAL			
STATE AVG	124	6,214	15.21%	28,070	68.47%	4,474	10.79%	2,543	5.49%	41,006	45,239	90.62%
SMITH HOUSE	128	3,036	6.91%	33,822	76.99%	5,476	12.47%	1,597	3.64%	43,931	46,848	93.77%
% DIFF.	4	-3,178	-8.30%	5,752	8.52%	1,002	1.68%	-946	-1.85%	2925	1,609	3.15%

# Summary of Operating Budget

Activity Name	FY 14-15 Adopted	FY 14-15 Revised	FY 14-15 Projected	FY 15-16 Mayor's Request	\$ Change (Requested vs Projected)	% Change
Admin	2,049,263	2,131,828	2,082,407	2,402,099	319,692	15
Social Svs.	148,160	148,160	146,887	154,858	7,971	5
Recreation	288,729	294,729	251,942	263,165	11,223	4
Houskping	588,537	588,537	615,023	649,885	34,862	6
Maint.	1,115,715	1,115,715	1,085,301	1,157,297	71,996	7
Laundry	303,205	303,205	299,232	305,457	6,225	2
Food Svs.	1,713,433	1,713,433	1,788,839	1,828,090	39,251	2
Nursing	9,963,334	9,965,482	10,273,333	10,541,101	267,768	3
Phys. Svs.	47,600	47,600	46,076	51,500	5,424	12
Therapy	456,500	456,500	512,224	512,500	276	0
Total Exp.	16,674,476	16,765,189	17,101,264	17,865,952	764,688	4



# Cost and Revenue Summary

- **Costs:**

- Headcount Changes are not expected in 2016 other than to fill currently vacant and funded positions.
- Salary is based on contracted increase \$507,990.00 for all wage line items.
- Health Care Benefits increased by \$127,078.00 for a total of \$2,785,282.00
- Current Pension/OPEB Funding is increased by \$199,705.00 for total of \$1,712,884.00.
- Risk Management increased by \$94,913.00 for total of \$303,493.00
- Outside Services Costs increased \$155,949.00 due to an increase in Therapy services and fulltime coverage in billing services and an increase in cost for the EMR software.
- Other net increases total \$15,128.00,
- TOTAL Budgeted Expense: \$17,865,952.00 total increase of \$1,100,763.00.

- **Revenue:**

Other Revenue or Grants Funding To Be Received:

- Grant funding for replacement of existing windows will be investigated to defer a portion of the costs associated with this new project.
- Utility company install of natural gas line into the Center from Scofield Town Road is currently being investigated to defer all or a portion of the cost.

# Department Operating Plans and Budget Highlights

Explanation of Budget Request - Smith House 2015-2016 Request for funding:

- Projected Annual Net Revenue \$12,308,947
- Mayor's Proposed Expenses (\$17,865,952)
- Net Difference (\$5,557,005)
- Capital Expenditure Requests and update: \$255,000
- A grant in the amount of \$194,000 to be used for the replacement of the emergency generators. These funds will be applied to the project that has been bonded thus reducing the City expenditure to approximately \$50,000.
- The roof on both portions of the building has surpassed its useful life and has caused leaks into resident areas including rooms, hallways and stairwells and Nursing stations on the second floor. Interim measures were applied but replacement with City bonded funds is imminent. This is scheduled for this summer.
- The new project the Center has requested is replacement of the existing windows in the amount of \$255,000.00 this year to begin the process. The windows are the original metal framed sliding type that are not energy efficient, not lockable, and are extremely drafty.

# Department Operating Plans and Budget Highlights

- **Key Department challenges:**
  - The industry as a whole has seen a shift towards sending people home rather than to Skilled Nursing Facilities. So much so that Stamford Hospital has reduced its referrals by 11% over the past 5 years to only 50 % of their discharges and they are working with all post-acute providers (Home Care and Assisted Living) to further reduce that %.
  - Aging physical plant
  - Purchasing process