

**Report 17-14
August 2017**

Wisconsin Veterans Home at King

STATE OF WISCONSIN



Legislative Audit Bureau ■

Wisconsin Veterans Home at King

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Response

From the Department of Veterans Affairs



STATE OF WISCONSIN | Legislative Audit Bureau

22 East Mifflin St., Suite 500 ■ Madison, WI 53703 ■ (608) 266-2818 ■ Hotline: 1-877-FRAUD-17 ■ www.legis.wisconsin.gov/lab

Joe Chrisman
State Auditor

August 25, 2017

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

We have completed the second phase of our evaluation of the Wisconsin Veterans Home at King (King), as requested by the Joint Legislative Audit Committee. This report includes a review of resident care needs, staffing, regulatory requirements, complaints, and the results of our employee survey. King is administered by the Department of Veterans Affairs (DVA). In 2016, King provided skilled nursing care to an average of 685 veterans and their spouses each day. We found that the care needs of residents have increased from 2007 through 2016 based on several measures of need, including the extent to which residents required assistance with activities such as dressing and eating.

We also found that King exceeded minimum state and federal standards for the number of hours of care required to be provided by nursing staff each day. For example, the average number of hours of direct care to which residents had access increased from 3.0 hours in fiscal year (FY) 2011-12 to 3.4 hours in FY 2015-16. Although King was authorized over 80 additional nursing positions by 2013 Wisconsin Act 20, it has not been able to keep many of the additional positions filled. As of June 2016, 46.8 full-time equivalent (FTE) nursing positions (9.3 percent) were vacant. As a result, King relied on extra time worked by part-time employees and overtime worked by both full- and part-time employees to meet its needs. The number of overtime hours worked by nursing staff increased from 36,800 in FY 2013-14 to 65,100 in FY 2015-16, or by 76.9 percent.

We found that from 2012 through 2016, King generally received fewer citations for violating regulatory requirements than other nursing facilities with which we compared it, including the other large nursing facilities in northeastern Wisconsin. Of the 184 citations the Department of Health Services issued to King, one was in the highest severity category, for which King was assessed a civil penalty of \$76,900 in June 2016.

We conducted an anonymous survey of all King employees in November 2016. Those who responded to our survey generally indicated that the overall care provided at King was good, but they raised concerns about issues such as the extent of mandatory overtime for nursing staff and employee morale. We include several recommendations for DVA, including reporting to the Joint Legislative Audit Committee on its progress in filling vacant nursing positions, reducing the use of overtime, assessing training needs, and ensuring steps are taken to encourage employees at King to report concerns regarding resident abuse, neglect, and misappropriation of resident property.

We appreciate the courtesy and cooperation extended to us by DVA, the Board on Aging and Long Term Care, the federal Department of Veterans Affairs, and the Department of Natural Resources in completing this evaluation. DVA's response follows the Appendix.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joe Chrisman".

Joe Chrisman
State Auditor

JC/PS/ss

Report Highlights ■

Nursing staff accounted for 54.3 percent of all wage and fringe expenditures for King in FY 2015-16.

In July 2013, DVA was authorized an additional 110.6 FTE positions for King.

The amount of overtime worked by nursing staff increased from 36,800 hours in FY 2013-14 to 65,100 hours in FY 2015-16.

The federal Department of Veterans Affairs and DHS help to oversee resident care and safety at King.

From April 2015 through April 2017, the Legislative Audit Bureau received 47 complaints regarding King.

The Wisconsin Veterans Home at King (King), located in Waupaca County, is operated by the Department of Veterans Affairs (DVA). DVA also operates the Wisconsin Veterans Home at Union Grove in Racine County, and it contracts for the operation of the Wisconsin Veterans Home at Chippewa Falls in Chippewa County. King provides care to eligible veterans, their spouses, surviving spouses, and the parents of veterans. In 2016, King provided skilled nursing care to an average of 685 veterans and their spouses each day.

In response to concerns about the physical conditions and care provided to residents at King, as well as questions about staffing and the transfer of revenue from King to the Veterans Trust Fund and other accounts, the Joint Legislative Audit Committee directed us to conduct an evaluation of King. Report 17-8 included our analyses of revenues, expenditures, and capital projects. This report is the second phase of that evaluation and includes analyses of:

- changes in resident care needs over time;
- staffing issues, including the use of overtime;
- compliance with state and federal nursing facility requirements;
- complaints made by residents, employees, and others; and
- the opinions of employees regarding the provision of resident care, working conditions, and employee morale.

Overall, we found that the care needs of residents at King increased from 2007 through 2016 based on several measures, such as the extent to which they needed assistance with dressing and eating. Although King was authorized more than 80 additional nursing positions by 2013 Wisconsin Act 20, it has not been able to keep many of the additional positions filled, and in fiscal year (FY) 2015-16, King's use of overtime for nursing staff exceeded the amount it used immediately prior to the creation of the additional positions.

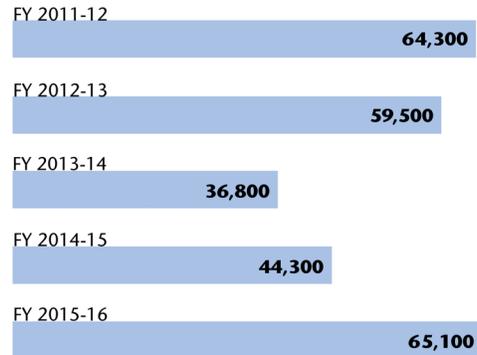
From 2012 through 2016, we found that, on average, the Department of Health Services (DHS) issued King fewer citations for violations of federal nursing facility regulations than it issued to other skilled nursing facilities in Wisconsin. Similarly, based on a federal five-star rating system, we found that the combined overall rating for King's four residence facilities exceeded the average ratings for other skilled nursing facilities in Wisconsin. In addition, those King employees who responded to our survey generally indicated that the overall care provided at King was good, but raised concerns with issues such as the manner in which overtime is assigned, employee morale, and management responsiveness to employee concerns.

Staffing

The number of full-time equivalent (FTE) positions that King was authorized increased from 737.8 FTE positions in FY 2011-12 to 884.3 FTE positions in FY 2015-16, or by 19.9 percent. The largest increase occurred from FY 2012-13 to FY 2013-14, when 2013 Wisconsin Act 20 authorized the creation of an additional 110.6 FTE positions for King, including an additional 82.6 FTE nursing positions. However, King has not been able to keep many of the additional positions filled, and the number of vacant nursing positions increased from 33.0 FTE positions in June 2012 to 46.8 FTE positions in June 2016.

To help address its staffing needs, King relies on extra time worked by part-time employees and overtime worked by full- and part-time employees. As shown in Figure 1, overtime worked by nursing staff declined from 64,300 hours in FY 2011-12 to 36,800 hours in FY 2013-14. However, the amount of overtime worked by nursing staff at King has grown since then. Despite DVA being granted the authority in July 2013 to create an additional 82.6 FTE nursing positions at King, the number of overtime hours worked by nursing staff in FY 2015-16 exceeded the number worked in FY 2011-12.

Figure 1

Overtime Hours Worked by Nursing Staff

Compliance with State and Federal Regulations

King's nursing facilities are overseen by the federal Department of Veterans Affairs and DHS, which also performs inspections on behalf of the federal Centers for Medicare & Medicaid Services (CMS).

The federal Department of Veterans Affairs conducts annual inspections to ensure compliance with care and service requirements. From 2012 through 2016, it issued King a total of 15 citations as part of its annual inspection process. In addition, it conducted an additional inspection of King in January 2017 and issued five citations, including two related to an incident in which a resident fell from his bed and was seriously injured.

From 2012 through 2016, DHS issued King a total of 184 citations. One was in the highest severity category, for which King was assessed a civil penalty of \$76,900 in June 2016. We compared the citations DHS issued to King with those it issued to other skilled nursing facilities. King's four residence halls averaged 9.2 citations per year during this period, which was less than the average number DHS issued to other Wisconsin Veterans Homes, to other skilled nursing facilities in DHS's Northeastern Region with 100 or more licensed beds, or to all skilled nursing facilities statewide.

Addressing Complaints

We reviewed available information on complaints received by several entities. From 2012 through 2016, King received 80 formal complaints from residents or their representatives. The most common type of complaint involved resident care, such as dissatisfaction with caregiver attitudes and concerns regarding the services provided, which accounted for 37 (46.3 percent) of the 80 complaints it received. When King determined action was needed, the most common action taken was re-education of employees, which occurred for 22 of the complaints.

From 2012 through 2016, the Board on Aging and Long Term Care opened 90 complaint cases related to King residents, but not all involved concerns about King. The largest number of cases involved resident rights, such as the right to be included in care decisions and the right of unrestricted mobility, which accounted for 23 (25.6 percent) of the cases. Of the 90 complaint cases opened, it determined 59 (65.6 percent) were accurate as reported.

From April 2015 through April 2017, the Legislative Audit Bureau received a total of 47 complaints regarding King. The largest category involved staff-related issues, mostly concerning overtime, which accounted for 16 complaints. Administrative issues, which included topics such as hiring and contracting practices, was the second-largest category and accounted for 15 complaints. Of the 47 complaints we received, we substantiated 13 (27.7 percent), including 10 related to overtime.

Employee Opinions and Satisfaction

We conducted an anonymous survey of all King employees in November 2016. Of the 956 employees to whom we sent our survey, 449 (47.0 percent) completed at least a portion of it. Among respondents providing direct care or interacting directly with residents, 97.5 percent described the overall care provided to residents at King as “good” or “very good,” and 95.7 percent “agree” or “strongly agree” that residents are treated with respect. However, 86.1 percent of respondents indicated that they “disagree” or “strongly disagree” that King has sufficient resident care staff to handle the workload.

Among all King employees who responded to our survey question, 63.8 percent “disagree” or “strongly disagree” that management at King actively seeks input from employees on how operations and resident care can be improved, and 57.0 percent “disagree” or “strongly disagree” that positions at King are filled through a fair and transparent process. In addition, while 66.0 percent of respondents indicated they are “satisfied” or “very satisfied” with King as a place of employment, 75.1 percent indicated the overall morale of employees at King was “poor” or “very poor.”

Recommendations

We include recommendations for DVA to report to the Joint Legislative Audit Committee by January 8, 2018, on:

- ☑ its efforts to work with DHS to ensure King is able to benefit from a federally funded initiative to recruit and train nursing assistants and that they receive the retention bonuses for which they are eligible (*p. 42*);
- ☑ the vacancy rates and overtime hours of registered nurses, licensed practical nurses, and nursing assistants; and whether it intends to pursue options to further reduce the number of residents it serves (*p. 42*);
- ☑ its review of King's informal processes for addressing resident concerns, fully documenting actions taken in response to formal complaints, and improving procedures with respect to its suggestion boxes (*p. 65*);
- ☑ how it is addressing concerns expressed by residents, such as improving access to doctors and nurse practitioners and improving communication regarding changes to residents' care plans (*p. 71*);
- ☑ its assessment of, and plans to address, the current training needs of employees at King who provide direct care or interact directly with residents (*p. 79*);
- ☑ its efforts to ensure adequate steps are taken to encourage King employees to routinely report concerns regarding residents, including occurrences of resident abuse, neglect, and misappropriation of resident property (*p. 83*); and
- ☑ its efforts to ensure appropriate and adequate training is provided to all supervisors and managers in encouraging and supporting employees in reporting these occurrences, and ensuring that all supervisors and managers are aware of the importance of complying with state and federal laws prohibiting retaliation against employees (*p. 83*); and
- ☑ its efforts to address issues of employee morale and the perception that King's hiring practices are not fair and transparent (*p. 88*).

Introduction ■

The Wisconsin Veterans Home at King, which opened in 1887, provides nursing care to eligible residents in four skilled nursing facilities with a combined capacity of 721 beds. Most residents in October 2016 were white, male, veterans, and over the age of 70. King indicated that the amount of care required by residents has increased over time. We analyzed the available data and found that the care needs of residents increased from 2007 through 2016 based on several measures of need, including the percentage of residents diagnosed with dementia and the extent to which residents required assistance with activities such as dressing and eating.

Eligibility Requirements

DVA provides long-term nursing care to veterans through three Wisconsin Veterans Homes. As shown in Figure 2, King is located in Waupaca County, the Wisconsin Veterans Home at Union Grove is located in Racine County, and the Wisconsin Veterans Home at Chippewa Falls is located in Chippewa County.

Figure 2

Wisconsin Veterans Homes



Statutes establish eligibility requirements for admission to Wisconsin Veterans Homes.

The eligibility requirements for admission are the same for all three homes and are established in s. 45.51 (2), Wis. Stats. To qualify for admission, veterans must:

- be permanently incapacitated from any substantially gainful occupation because of physical disability or age;
- not have been convicted of a felony or crime of moral turpitude or, if so, have produced sufficient evidence of subsequent good conduct and reformation;
- have care needs that the veterans home is able to meet; and
- provide a complete financial statement in order to assess the applicant's financial circumstances.

Eligible applicants include veterans, spouses or surviving spouses of veterans, and parents of persons who died while serving in the armed forces. If there are no current vacancies, priority in admissions is given first to veterans, followed by spouses of living veterans, surviving spouses, and lastly parents. Exceptions may be made to prevent the separation of a husband and wife and in cases where there is an immediate need for medical care. Under 38 CFR s. 52.210 (d), at least 75.0 percent of residents must be veterans if, like King, the facility was acquired, constructed, or renovated using federal funds. Section 45.51 (3) (b), Wis. Stats., further stipulates that surviving spouses and parents may not be admitted unless overall occupancy is below optimal levels, which the Board of Veterans Affairs set at 99.0 percent in 2012. During the five-year period we reviewed, one parent of a veteran resided at King from 2011 to 2013. In October 2016, 123 (17.9 percent) of the 687 residents were spouses.

Resident Demographics

Most of King's residents were white, male, veterans, and over the age of 70.

Table 1 presents demographic information on the residents of King as of October 2016. Most King residents were white, male, veterans, and over the age of 70. In addition, the last county of residence for 380 (55.3 percent) of the residents was one of nine counties: Waupaca County; counties adjacent to Waupaca, including Marathon, Outagamie, Portage, Shawano, Waushara, and Winnebago; or the two most populous counties in the state, Milwaukee County and Dane County.

Table 1

Residents at King
As of October 31, 2016

Gender	Number	Percentage of Total
Male	541	78.7
Female	146	21.3
Total	687	100.0%

Ethnicity	Number	Percentage of Total
White	668	97.2%
African American	9	1.3
American Indian/Alaskan Native	6	0.9
Asian/Pacific Island	2	0.3
Hispanic	2	0.3
Total	687	100.0%

Age	Number	Percentage of Total
30-39	1	0.1%
40-49	0	0.0
50-59	20	2.9
60-69	108	15.7
70-79	182	26.5
80-89	225	32.8
90-99	149	21.7
100 or Older	2	0.3
Total	687	100.0%

Marital Status	Number	Percentage of Total
Widowed	250	36.4%
Divorced	173	25.2
Married	159	23.1
Never Married	101	14.7
Separated	4	0.6
Total	687	100.0%

Last County of Residence	Number	Percentage of Total
Waupaca	96	14.0%
Milwaukee	61	8.9
Outagamie	47	6.8
Dane	41	6.0
Winnebago	38	5.5
Portage	31	4.5
Marathon	28	4.1
Wood	24	3.5
Waushara	23	3.3
Brown	22	3.2
Monroe	21	3.1
Not in Wisconsin	18	2.6
Oneida	18	2.6
Shawano	15	2.2
Manitowoc	14	2.0
Columbia	13	1.9
All Other Counties	177	25.8
Total	687	100.0%

Status	Number	Percentage of Total
Veterans, by Conflict Served		
Vietnam	220	32.0%
Korea	127	18.5
World War II	121	17.6
Peacetime	82	12.0
Operation Desert Shield/Storm	5	0.7
Other	9	1.3
Total Veterans	564	82.1
Spouses of Veterans	123	17.9
Total	687	100.0%

We also analyzed the amount of time residents have been cared for at King. As of October 2016, 54.6 percent of residents had resided at King for three or fewer years, while 9.9 percent had resided at King for more than 10 years, as shown in Table 2.

Table 2

Length of Stay for Residents at King
As of October 31, 2016

Length of Stay	Number	Percentage of Total
Less than six months	96	14.0%
Six months to one year	73	10.6
More than one year, up to three years	206	30.0
More than three years, up to five years	121	17.6
More than five years, up to 10 years	123	17.9
More than 10 years	68	9.9
Total	687	100.0%

Occupancy Trends

King's occupancy rate was at least 95.0 percent from 2012 through 2016.

The number of licensed beds at King totaled 721 during each year from 2012 through 2016 and, as shown in Table 3, the occupancy rate was at least 95.0 percent. The occupancy rate declined from a high of 97.8 percent in 2014 to a low of 95.0 percent in 2016.

Table 3

Skilled Nursing Bed Capacity and Occupancy Rates, by Year

	2012	2013	2014	2015	2016
Average Daily Number of Residents	697	700	705	698	685
Licensed Beds	721	721	721	721	721
Occupancy Rate	96.7%	97.1%	97.8%	96.8%	95.0%

King operates four residence halls that provide skilled nursing care to its residents: Ainsworth Hall, MacArthur Hall, Olson Hall, and Stordock Hall. In addition to resident rooms, each residence hall includes bathing facilities, dining areas, and kitchenettes, as well as resident common areas such as a lobby, chapel, and central meeting area. King also provides residents with amenities such as a bowling alley, fishing dock, movie theater, and veterans museum. In December 2016, the occupancy rates of the halls ranged from 86.0 percent for Olson Hall to 96.0 percent for Stordock Hall, as shown in Table 4.

Table 4

Skilled Nursing Bed Capacity and Occupancy Rates, by Residence Hall
As of December 31, 2016

Residence Hall	Year Constructed	Number of Residents	Licensed Beds	Occupancy Rate
Ainsworth Hall ¹	1993	195	205	95.1%
MacArthur Hall	1986	111	116	95.7
Olson Hall	1966	172	200	86.0
Stordock Hall	1968	192	200	96.0
Total		670	721	92.9

¹ Includes two secured units with a total of 99 licensed beds for residents who require memory care services.

King has two secured units for providing memory care services but also serves residents with memory care needs in other units.

Of the 205 licensed beds in Ainsworth Hall, 99 beds (48.3 percent) are located within two secured units for providing memory care services to residents with Alzheimer’s disease, dementia, and other types of memory issues. However, not all residents requiring memory care services reside within these secured units. Officials indicated that they prioritize placing residents in the least restrictive care setting available and allow them to “age in place.” This practice allows residents to make one move into a residence hall where they receive a continuity of care in a familiar, personal environment for the remainder of their time at King.

Residents with memory care needs who are at risk of wandering may live in any of the four residence halls at King and use a tracking wristband. The wristbands establish specific boundaries for each resident, which may limit a resident’s access to his or her own residence hall or provide broader access to the King campus. Doorways and elevators are equipped with sensors that alert

nearby care staff and security staff should a resident attempt to leave an approved area.

Assessing Resident Care Needs

To assess the extent to which residents' needs have changed, we analyzed three measures of the level and type of care residents required.

Many of King's employees, as well as the advocates for veterans with whom we spoke, indicated that the provision of nursing care at King has become more challenging over time because of an increase in the care needs of its residents. To assess the extent to which residents' needs have changed over time, we analyzed three measures of the level and type of care residents required. These include:

- the level of care to which residents are assigned when they are admitted and during periodic reassessments;
- the extent to which residents need assistance with the daily activities required in caring for themselves, such as dressing and eating; and
- the percentage of residents having diagnoses of dementia and post-traumatic stress disorder, which staff at King indicated are conditions often requiring enhanced or specialized care.

The care needs of residents are assessed at admission and periodically during their residency.

First, residents are assessed by nursing staff to determine their care needs when they are admitted to King and at least every 12 months thereafter. These federally required assessments include direct observation of and communication with residents, as well as a review of residents' medical records.

King uses these assessments to develop a comprehensive care plan for each resident. The comprehensive care plan includes objectives and timetables for meeting the nursing and other care needs of each resident, as well as a description of services to be provided. This information is also used by DHS to determine the rate of reimbursement King will receive for residents whose care is covered by the Medical Assistance program. As part of its annual inspection process, DHS reviews residents' records to ensure that the assessments are completed and that care plans are revised, as required by federal law.

King assigns residents to one of four levels of care based on the resident's individual needs. These levels include:

- intensive skilled nursing care for those residents who require complex services provided by a registered nurse or licensed practical nurse, or who require the application of complex procedures every 24 hours;
- skilled nursing care for those residents who require care to be provided or supervised by a registered nurse or licensed practical nurse;
- intermediate or limited nursing care for those residents who are relatively stable and require only periodic observation by a registered nurse and for whom the supervision of a licensed practical nurse is sufficient; and
- hospice care for those residents with terminal illnesses.

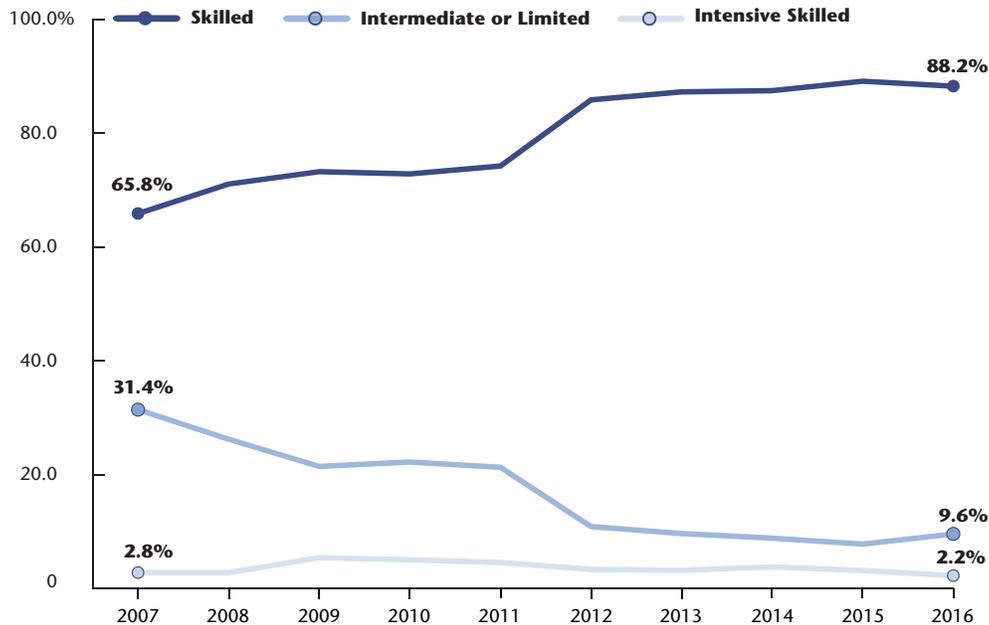
Statutes require residents with greater needs to receive more hours of care. Section 50.04 (2) (d), Wis. Stats., establishes the minimum number of hours of care to be provided to residents each day by licensed and unlicensed nursing staff: 3.25 hours for residents at the intensive skilled nursing care level, 2.5 hours for residents at the skilled nursing care level, and 2.0 hours for residents at the intermediate or limited care level. Because there are no minimum hours of care established for those receiving hospice care, we excluded them from our analysis.

The percentage of residents requiring skilled nursing care increased by 22.4 percentage points from 2007 through 2016.

As shown in Figure 3, the percentage of residents requiring intensive skilled nursing care was fairly stable from 2007 through 2016. In contrast, the percentage of residents requiring skilled nursing care increased from 65.8 percent to 88.2 percent over this period, or by 22.4 percentage points, while the percentage of residents requiring intermediate or limited care declined from 31.4 percent to 9.6 percent, or by 21.8 percentage points. Based on this measure, the overall care needs of residents increased from 2007 through 2016. King attributes the increase in those requiring skilled nursing care from 2011 through 2012, in part, to administrative changes DVA made in response to a change in the process DHS uses to approve the eligibility of residents for the Medical Assistance program.

Figure 3

Percentage of Residents Receiving Selected Levels of Nursing Care¹
As of December



¹ Excludes residents receiving hospice care, because statutes have not established a minimum number of care hours for those receiving this type of care.

Second, nursing staff with whom we spoke suggested that information on the extent to which residents required assistance with their daily living activities is also a useful way to assess residents' care needs. Therefore, we analyzed available data on the "activities of daily living," which are the functions or tasks needed to care for oneself during the course of a day. We analyzed the five activities of daily living that DHS uses when assessing compliance with state and federal regulations. These include: bathing, dressing, eating, toilet use, and moving between a standing and seated position.

The extent to which residents require assistance in performing these activities of daily living are grouped into three categories:

- independent, which means the resident requires no assistance in performing the task;
- requires assistance, which means the resident requires the assistance of one or two nursing staff in performing the task; and

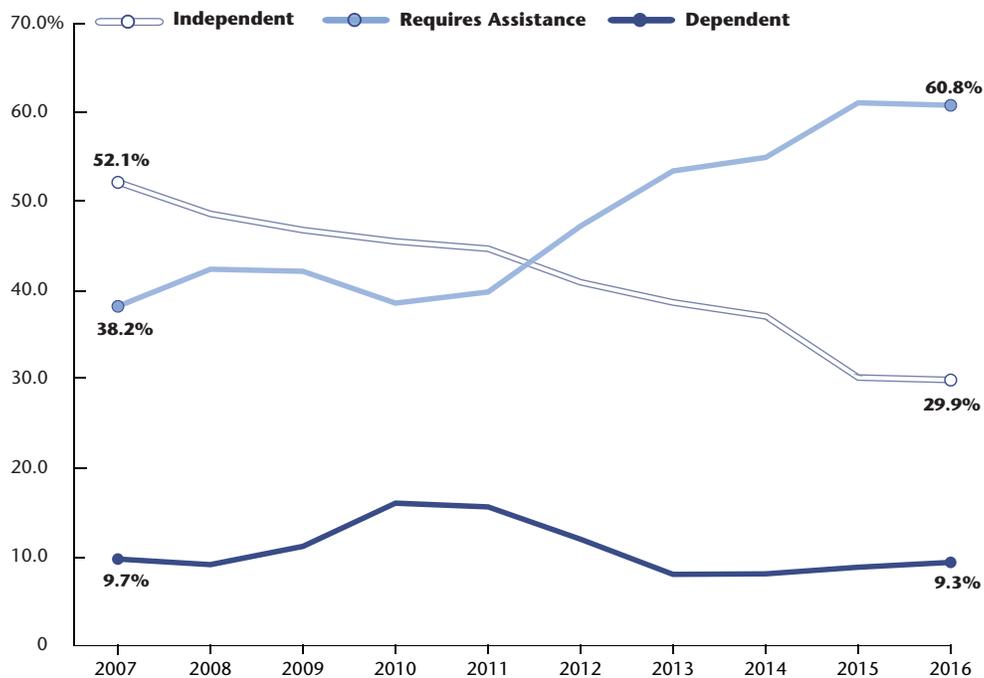
- dependent, which means the resident is unable to perform the task even with assistance and is totally dependent on others to perform the task for him or her.

From 2007 through 2016, the percentage of five activities of daily living that King residents were able to perform independently decreased by 22.2 percentage points.

As shown in Figure 4, the percentage of the five selected activities of daily living that residents of King were able to perform independently decreased from 52.1 percent in 2007 to 29.9 percent in 2016, or by 22.2 percentage points. Conversely, the percentage of the selected activities of daily living with which residents of King required assistance increased from 38.2 percent in 2007 to 60.8 percent in 2016, or by 22.6 percentage points. As with the analysis of the level of nursing care residents required, the biggest increase in resident care needs occurred from 2011 to 2012, in part because of administrative changes DVA made in response to a change in the process DHS uses to approve the eligibility of residents for the Medical Assistance program.

Figure 4

Level of Independence of Residents at King in Performing Selected Activities of Daily Living¹



¹ Includes five activities of daily living: bathing, dressing, eating, toilet use, and moving between a standing and seated position.

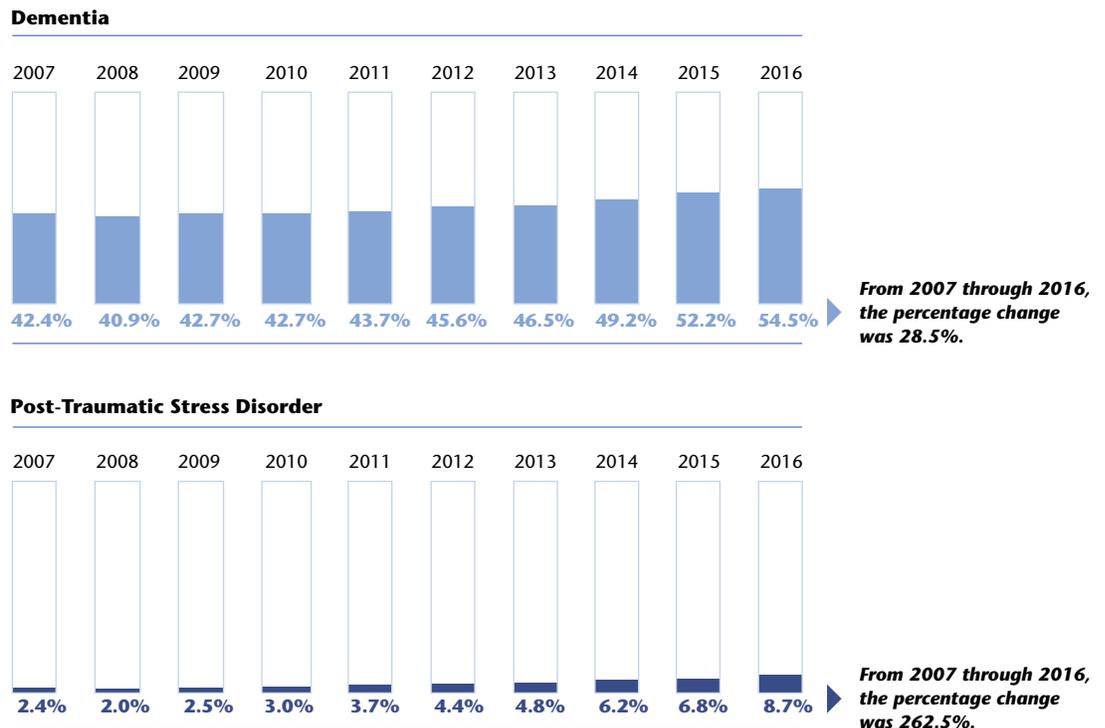
Third, we analyzed the extent to which residents had diagnoses of dementia and post-traumatic stress disorder, which staff at King indicated are conditions often requiring enhanced or specialized care. For example, some residents with dementia require individualized supervision to ensure the safety of themselves and other residents, and some residents with post-traumatic stress disorder exhibit oppositional or combative behaviors, which are challenging for nursing staff to address.

From 2007 to 2016, the percentage of residents diagnosed with post-traumatic stress disorder increased by 262.5 percent.

As shown in Figure 5, we found that the percentage of residents diagnosed with dementia increased from 42.4 percent in December 2007 to 54.5 percent in December 2016, which is an increase of 28.5 percent. In addition, the percentage of residents diagnosed with post-traumatic stress disorder increased from 2.4 percent in December 2007 to 8.7 percent in December 2016, which is an increase of 262.5 percent. However, it is possible that increases in the percentage of residents diagnosed with dementia and post-traumatic stress disorder may be, in part, representative of increased identification and diagnosis of these conditions nationwide.

Figure 5

Percentage of Residents at King Diagnosed with Dementia or Post-Traumatic Stress Disorder As of December



All three measures indicate that the care needs of residents have increased over time.

All three measures indicate that the care needs of residents have increased over time, as shown in figures 3, 4, and 5. These findings are consistent with statements made by nursing staff at King who indicated that the increased care needs of residents have increased their workloads.

Resident Services

State and federal regulations require King to offer certain services.

State and federal regulations require King to offer certain services in order to maintain state licensing, participate in the Medical Assistance and Medicare programs, and to receive per diem payments from the federal Department of Veterans Affairs. The Appendix lists the primary services provided to residents of King. In addition to nursing care, such services include transportation, dietary planning, and barber and beautician services.

Additionally, state and federal regulations require King to provide an ongoing program of activities designed to meet the interests and the physical, mental, psychological, and social well-being of each resident. As shown in Table 5, we found that 844 activities were scheduled in January 2016. Of these activities, social activities such as “coffee and news” and “reminiscing” were the most frequently scheduled activities at King, while games such as bingo and cards were the second most frequently scheduled type of activity.

Table 5

Activities Scheduled for King Residents January 2016

Type	Number	Percentage of Total
Social Activities	243	28.8%
Games	151	17.9
Exercise and Sports	85	10.1
Other	84	9.9
Religious Activities	80	9.5
Music	66	7.8
Crafts and Cooking	50	5.9
Movies	47	5.6
Outings	21	2.5
Meetings	13	1.5
Holiday Events	4	0.5
Total	844	100.0%

Operating Expenditures

As we discussed in report 17-8, and as shown in Table 6, King's revenues and expenditures have fluctuated from FY 2011-12 through FY 2015-16. Both its revenues and expenditures decreased from FY 2011-12 to FY 2012-13, and both have increased in each of the subsequent three fiscal years. King's revenues exceeded its operating expenditures during each of these five years. From FY 2011-12 through FY 2015-16, King generated excess operating revenue totaling \$56.5 million.

Table 6

Operating Revenues and Expenditures at King

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Revenues					
Medical Assistance	\$41,167,600	\$31,847,600	\$35,429,000	\$35,981,700	\$33,212,600
Payments by Residents	18,942,800	17,737,300	18,213,200	18,769,300	19,568,600
Federal Per Diem Payments	17,509,900	16,773,400	17,333,800	17,738,400	17,326,500
Federal Service-Connected Disability Program	5,212,200	8,504,600	11,244,700	12,836,000	14,250,500
Medicare Part D ¹	1,605,300	1,142,700	1,591,400	1,356,300	1,087,600
Medicare ²	–	–	–	122,400	2,053,600
Total	84,437,800	76,005,600	83,812,100	86,804,100	87,499,400
Expenditures					
Salaries ³	\$36,599,200	\$36,244,000	\$38,889,900	\$41,265,400	\$41,042,600
Fringe Benefits ³	19,024,700	18,545,100	20,538,500	21,629,700	21,495,800
Supplies and Services	10,525,000	10,405,600	10,403,100	10,919,000	11,756,600
Utilities	1,555,100	1,526,700	1,717,500	1,437,600	1,461,400
Maintenance and Repair	1,087,600	1,125,900	1,164,400	788,600	917,900
Total	68,791,600	67,847,300	72,713,400	76,040,300	76,674,300
Revenues in Excess of Expenditures	\$15,646,200	\$8,158,300	\$11,098,700	\$10,763,800	\$10,825,100

¹ Payments for prescription medication.

² In FY 2014-15, King became certified to receive Medicare payments related to skilled nursing care.

³ Includes allocated expenditures for some employees in DVA's central office who perform functions to support King.

The excess revenue resulted from several factors, including DVA’s efforts to maximize the number of residents served by its veterans homes, which facilitated its ability to generate revenue in excess of expenditures. Since 2011, DVA has had the goal of achieving an average occupancy rate of 92.0 percent or more. As noted, we found that the average occupancy rate at King was at least 95.0 percent every year from 2012 through 2016.

As a result of accumulating excess revenues, funds have at times been transferred from the account established to fund King’s institutional operations to other accounts. From FY 2003-04 through FY 2015-16, a total of \$55.0 million was transferred from King’s institutional operations account to other accounts that do not directly benefit King.

The year-end cash balance in King’s institutional operations account totaled \$35.2 million for FY 2015-16.

We found the year-end cash balance in King’s institutional operations account has increased from FY 2011-12 to FY 2015-16. As shown in Table 7, after all transfers and encumbrances have been taken into account, King’s year-end cash balance increased from \$17.3 million at the end of FY 2011-12 to \$35.2 million at the end of FY 2015-16, or by 103.5 percent. DVA staff indicated that King’s institutional operations account will likely continue to be a primary source of funding used to maintain the future solvency of the Veterans Trust Fund.

Table 7

Year-End Cash Balance of King’s Institutional Operations Account

Fiscal Year	Cash Balance ¹	Percentage Change
2011-12	\$17,301,000	–
2012-13	19,952,800	15.3%
2013-14	29,766,000	49.2
2014-15	38,994,400	31.0
2015-16	35,211,800	(9.7)

¹ Reflects year-end balances after transfers and encumbrances have been taken into account.

In May 2017, the Joint Committee on Finance unanimously adopted a motion as part of the 2017-19 biennial budget process that would require the approval of the Joint Committee on Finance in order for DVA to transfer any unencumbered balances from appropriations

related to the operation of the Wisconsin Veterans Homes and veterans cemeteries to either the Veterans Trust Fund or the Veterans Mortgage Loan Repayment Fund. 2017 Senate Bill 146 and 2017 Assembly Bill 202, which were introduced in March and April 2017, respectively, include the same requirements.

■ ■ ■ ■

- Staffing Expenditures
- Staffing Levels
- Staffing Requirements for Nursing Facilities
- Meeting Staffing Needs
- Vacancy Rates
- Retention Rates
- Employee Training
- Addressing Staffing Issues

Staffing ■

More than half of all employees at King are nursing assistants or nurses. Although King was authorized over 80 additional nursing positions by 2013 Wisconsin Act 20, the 2013-2015 Biennial Budget Act, it has not been able to consistently keep many of the additional positions filled. As of June 2016, 46.8 FTE nursing positions were vacant. As a result, King has relied extensively on extra time and overtime to meet its needs. In FY 2015-16, the number of overtime hours worked exceeded the number worked in FY 2011-12 despite the increase in nursing positions. New initiatives undertaken by DHS and the Department of Administration (DOA) to provide retention bonuses and wage adjustments for nursing assistants may help to address some of the staffing issues at King.

Staffing Expenditures

King's total operating expenditures grew from \$68.8 million in FY 2011-12 to \$76.7 million in FY 2015-16.

As shown in Table 8, King's operating expenditures grew from \$68.8 million in FY 2011-12 to \$76.7 million in FY 2015-16, or by 11.5 percent. Wages and fringe benefits combined accounted for over 80 percent of total expenditures in both years.

Table 8

King Operating Expenditures

	FY 2011-12	FY 2015-16	Percentage Change
Wages	\$36,599,200	\$41,042,600	12.1%
Fringe Benefits	19,024,700	21,495,800	13.0
Supplies and Services	10,525,000	11,756,600	11.7
Utilities	1,555,100	1,461,400	(6.0)
Maintenance and Repair	1,087,600	917,900	(15.6)
Total	\$68,791,600	\$76,674,300	11.5

Nursing staff accounted for 54.3 percent of all wage and fringe benefit expenditures for King in FY 2015-16.

As shown in Table 9, expenditures for the wages and fringe benefits of all employees totaled \$62.5 million in FY 2015-16. Nursing staff accounted for 54.3 percent of these expenditures. Nursing staff include:

- nursing assistants, who monitor the health of residents and provide personal care that includes assistance with daily activities such as meals, movement, and hygiene;
- licensed practical nurses, who monitor the health of residents and provide medical care to residents, including administering medication; and
- registered nurses, who provide medical care to residents, including administering medication, assessing and documenting their health, developing and implementing resident care plans, and assisting with the management of other nursing staff.

The largest share of expenditures for nursing staff in FY 2015-16 was for nursing assistants.

Table 9

Expenditures for King Staff, by Position Type¹
FY 2015-16

Position Type	Wages	Fringe Benefits ²	Total	Percentage of Total
Nursing Positions				
Nursing Assistants	\$12,177,900	\$ 6,173,300	\$18,351,200	29.4%
Registered Nurses	6,493,300	3,623,100	10,116,400	16.2
Licensed Practical Nurses	3,506,000	1,820,700	5,326,700	8.5
Limited-Term Employees	137,100	–	137,100	0.2
Subtotal	22,314,300	11,617,100	33,931,400	54.3
Other Positions	18,728,300	9,878,700	28,607,000	45.7
Total	\$41,042,600	\$21,495,800	\$62,538,400	100.0%

¹ Excludes expenditures for contract staff.

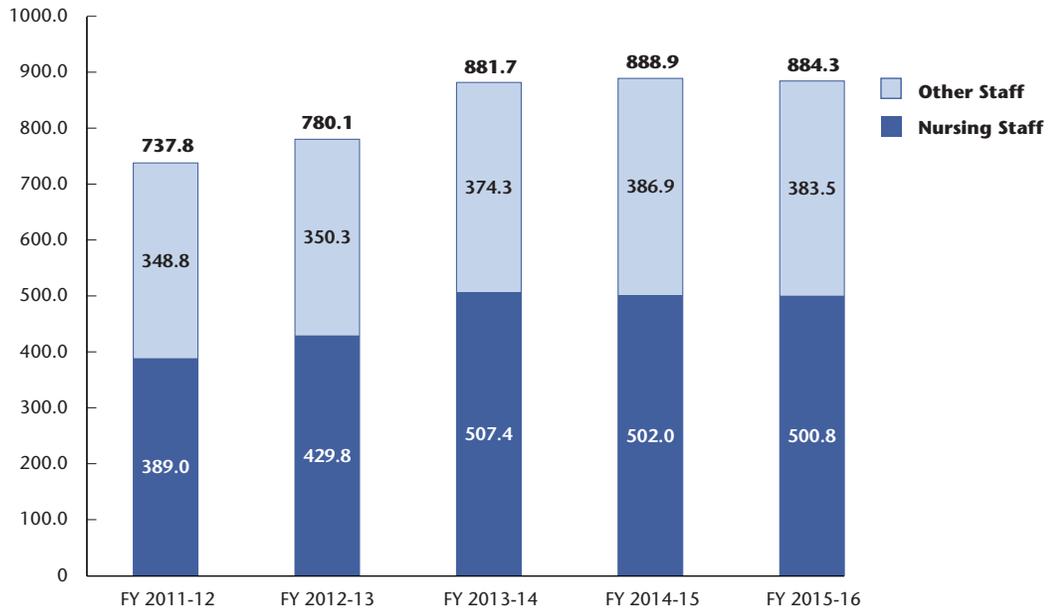
² The distribution of total fringe benefit expenditures by position type was estimated based on wages.

Staffing Levels

In FY 2015-16, King was authorized 884.3 FTE positions. Of these, 500.8 FTE authorized positions (56.6 percent) were nursing positions. As shown in Figure 6, the number of FTE positions that King was authorized increased from 737.8 FTE positions in FY 2011-12 to 884.3 FTE positions in FY 2015-16, or by 19.9 percent. The largest increase occurred from FY 2012-13 to FY 2013-14, when 2013 Wisconsin Act 20, the 2013-2015 Biennial Budget Act authorized an additional 110.6 FTE positions for King, including an additional 82.6 FTE nursing positions. Figure 6 shows an increase of less than 110.6 FTE positions from FY 2012-13 to FY 2013-14, because through June 30, 2014, not all of the positions authorized by Act 20 had been created.

Figure 6

FTE Positions at King
As of June 30



LTEs at King are primarily employed in food service, security, custodial, and other non-nursing positions.

King also employs limited-term employees (LTEs) to temporarily fill position vacancies that result from turnover and long-term leave. LTEs perform the same duties as permanent employees with the same job title, but LTEs do not earn retirement, sick leave, or vacation benefits and are not guaranteed a specific work schedule. In FY 2015-16, King employed LTEs who worked the equivalent of 31.4 FTE positions, including 3.8 FTE nursing positions and 27.6 FTE food service, security, custodial, and other positions.

Staffing Requirements for Nursing Facilities

State and federal laws require nursing staff to be available 24 hours per day to provide direct care to residents, including assistance with medical and personal needs, and they establish minimum care requirements. For example:

- 38 CFR s. 51.130 requires veterans homes receiving per diem payments from the federal Department of Veterans Affairs to provide no less than 2.5 hours of direct care per resident per day, although the type of nursing staff providing care is not specified;

- 42 CFR s. 483.30 requires long-term care facilities qualifying for federal Medical Assistance or Medicare payments to provide “sufficient” nursing staff to meet resident needs, including registered nurse care available at least eight hours per day; and
- section 50.04 (2) (d), Wis. Stats., requires nursing facilities in Wisconsin to provide at least 2.0 to 3.25 hours of total nursing care per resident per day, including 0.4 to 0.65 hours provided by either a licensed practical nurse or a registered nurse, with minimum time periods defined by the care levels to which residents have been assigned.

We analyzed compliance with staffing requirements for nursing facilities by comparing the average hours worked by nursing staff to the average resident population to determine if requirements were met. Because not all nursing staff provided direct nursing care, we excluded the hours of those assigned to training or supervisory functions. Additionally, we excluded from our analysis the time that employees spent on breaks and in training.

From FY 2011-12 through FY 2015-16, King exceeded the minimum federal standard requiring at least 2.5 hours of direct care per resident per day.

As shown in Table 10, we found that, on average, King exceeded the federal standard of 2.5 hours of direct care per resident per day each year from FY 2011-12 through FY 2015-16. The number of hours of direct care to which each resident had access, on average, increased from 3.0 hours in FY 2011-12 to 3.4 hours in FY 2015-16.

Table 10

Estimated Daily Direct Care Nursing Hours per Resident at King¹

Fiscal Year	Federally Required Minimum Hours of Direct Care per Resident per Day	Estimated Hours of Direct Care Provided by King per Resident per Day	Estimated Hours of Direct Care Provided in Excess of the Federal Minimum
2011-12	2.5	3.0	0.5
2012-13	2.5	3.1	0.6
2013-14	2.5	3.3	0.8
2014-15	2.5	3.3	0.8
2015-16	2.5	3.4	0.9

¹ Based on a comparison of the average hours worked by nursing staff to the average resident population. Excludes hours of nursing staff assigned to training or supervisory functions, as well as time nursing staff spent on breaks or training.

We also estimate that, on average, each resident at King had access to more than 0.65 hours of care each day by a licensed practical nurse or a registered nurse from FY 2011-12 through FY 2015-16. In addition, we estimate that the average number of hours of care available from licensed practical nurses or registered nurses increased from 0.78 hours per resident per day in FY 2011-12 to 1.01 hours per resident per day in FY 2015-16.

From FY 2011-12 through FY 2015-16, staff-to-resident ratios for each shift at King generally improved.

Section 50.095 (3), Wis. Stats., requires DHS to prepare an annual report that includes the ratio of nursing staff to residents during each shift for every nursing facility in the state. To determine these ratios, DHS relies on information reported to it by nursing facilities that includes the number of nursing staff hours worked in the final pay period in December of each year, as well as the resident population during the same period. We found that the information King reported to DHS was accurate based on our review of King’s records. As shown in Table 11, the ratio of nursing staff to residents for each shift generally improved from FY 2011-12 through FY 2015-16.

Table 11

Ratios of Nursing Staff to Residents at King
As of December

	2012	2013	2014	2015	2016
Registered Nurses and Licensed Practical Nurses					
Day Shift	1 to 17	1 to 16	1 to 12	1 to 13	1 to 13
Evening Shift	1 to 23	1 to 21	1 to 17	1 to 17	1 to 17
Night Shift	1 to 77	1 to 53	1 to 42	1 to 42	1 to 41
Nursing Assistants					
Day Shift	1 to 8	1 to 7	1 to 7	1 to 7	1 to 7
Evening Shift	1 to 9	1 to 9	1 to 8	1 to 9	1 to 9
Night Shift	1 to 19	1 to 16	1 to 16	1 to 16	1 to 16

Meeting Staffing Needs

To help meet state and federal staffing requirements for nursing facilities and to address turnover and long-term leave, King has relied on two primary staffing strategies:

- extra time worked by part-time employees, who receive their regular rates of pay for working up to 40 hours per week; and
- overtime worked by full- and part-time employees, who are generally paid at higher rates for hours in excess of 40 hours per week.

In addition, King employs contract nursing assistants through private agencies to supplement the care of residents when needed. King limits its use of contract nursing assistants because they are more costly than its own employees.

Part-time staff at King generally work extra time and may even work full-time schedules, earning additional leave time, including vacation and sick leave, proportionate to the amount of extra time worked. However, part-time staff do not earn additional personal holiday time for working extra time beyond their part-time schedules. Both full- and part-time nursing staff who work more

than 40 hours per week generally earn overtime paid at 1.5 times the regular rate of pay.

The additional nursing time worked at King in FY 2015-16, such as overtime, was equivalent to the work of 70.7 FTE employees.

Table 12 shows the distribution of wage expenditures for nursing time at King for FY 2015-16. Of the \$22.5 million spent, \$1.7 million (7.6 percent) was for overtime hours, which were primarily worked by nursing assistants, and \$1.5 million (6.7 percent) was for extra time hours worked by part-time nursing staff. The additional nursing time worked at King in FY 2015-16, including overtime, extra time, and time worked by contract staff, was equivalent to the work of 70.7 FTE employees.

Table 12

**Wage Expenditures for Nursing Time at King
FY 2015-16**

	Regular Time	Additional Time			Total
		Overtime	Extra Time ²	Contract Staff	
Nursing Assistants	\$10,418,600	\$1,296,600	\$ 633,800	\$147,800 ¹	\$12,496,800
Registered Nurses	5,598,500	296,800	542,700	–	6,438,000
Licensed Practical Nurses	3,140,700	107,000	279,600	–	3,527,300
Total	\$19,157,800	\$1,700,400	\$1,456,100	\$147,800¹	\$22,462,100
Hours Worked	799,500	65,100	76,600	5,900	947,100
FTE Positions Based on Hours Worked	382.9	31.2	36.7	2.8	453.6

¹ Represents payments to contractors, not wages paid to contract nursing assistants.

² Represents time worked by part-time employees who receive their regular rates of pay for working up to 40 hours per week.

Extra Time

From FY 2011-12 through FY 2015-16, 7.6 percent of all hours worked at King were extra hours that were worked by part-time nursing and non-nursing staff at regular rates of pay. In FY 2015-16, all part-time staff at King worked 112,900 hours of extra time. Nursing staff accounted for 67.8 percent of these extra hours, or the equivalent of 36.7 FTE positions. The total number of extra time hours that were worked by part-time nursing staff declined from FY 2011-12 through FY 2015-16. As shown in Table 13, total extra time hours worked by nursing staff declined by 12.2 percent from

FY 2011-12 through FY 2015-16. The decline was entirely attributable to a decline in the number of extra time hours worked by nursing assistants, because the number of extra time hours worked by both licensed practical nurses and registered nurses increased.

Table 13

Extra Time Hours Worked by Part-Time Nursing Staff at King

	FY 2011-12	FY 2015-16	Percentage Change
Nursing Assistants	70,600	45,000	(36.3)%
Licensed Practical Nurses	12,100	13,700	13.2
Registered Nurses	4,500	17,900	297.8
Total	87,200	76,600	(12.2)

Overtime

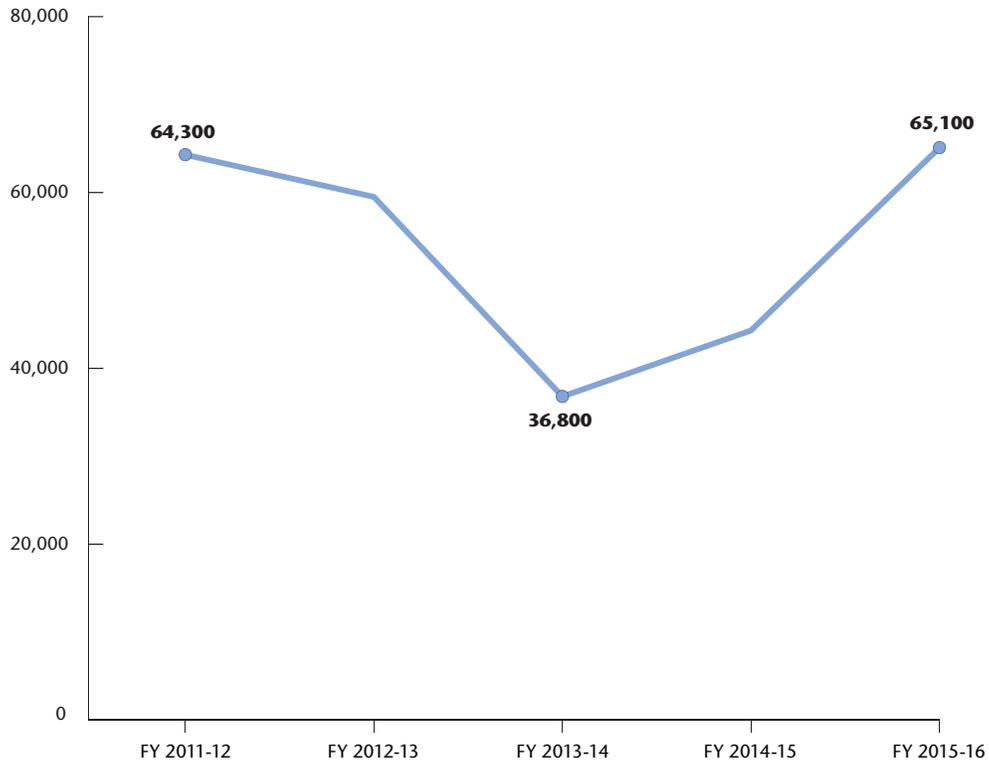
DVA stated that its goal is for overtime hours to represent 5.0 percent or less of all hours worked by nursing staff at Wisconsin Veterans Homes. From FY 2011-12 through FY 2015-16, the percentage of hours worked by all nursing staff at King that were overtime hours increased from 3.9 percent in FY 2013-14 to 6.9 percent in FY 2015-16. The percentage of overtime worked by nursing assistants at King, who generally work the largest amount of overtime, increased from 5.0 percent in FY 2013-14 to 8.6 percent in FY 2015-16.

The amount of overtime worked by nursing staff grew from 36,800 hours in FY 2013-14 to 65,100 hours in FY 2015-16.

In FY 2015-16, employees at King worked a total of 84,300 hours of overtime. Nursing staff accounted for 77.2 percent of these overtime hours, and nursing assistants alone worked 66.0 percent of all overtime hours at King. As shown in Figure 7, overtime worked by nursing staff at King declined from 64,300 hours in FY 2011-12 to 36,800 hours in FY 2013-14, primarily because 2013 Wisconsin Act 20 granted DVA the authority to create an additional 82.6 FTE nursing positions for King in July 2013. However, the amount of overtime worked by nursing staff at King has grown in the past two fiscal years from 36,800 hours in FY 2013-14 to 65,100 hours in FY 2015-16, or by 76.9 percent. In addition, the number of overtime hours worked in FY 2015-16 exceeded the number worked in FY 2011-12 by 800 hours despite the increase in nursing positions. King attributes the increase in overtime hours for nursing staff since FY 2013-14 largely to increases in position vacancies.

Figure 7

Overtime Hours Worked by Full- and Part-Time Nursing Staff at King



King establishes 14-day work schedules for its nursing staff. When insufficient nursing staff are available to fill all needed work assignments for each floor of its four residence halls, King first assigns part-time staff to work extra hours up to 40 hours per week. This is because the time worked by these individuals is paid at the part-time employee’s regular wage, rather than the overtime rate of 1.5 times the regular rate of pay. However, because this strategy is insufficient to cover all needed hours, King then assigns overtime hours to both full-time and part-time staff in order to meet its remaining staffing needs.

When too few nursing staff volunteer to work overtime, King mandates overtime hours.

When too few nursing staff volunteer to work overtime, King mandates overtime hours. King does not maintain information in a manner that allowed us to determine the percentage of overtime that was mandated. However, this information may not be especially informative because nursing staff indicated that the percentage of mandated overtime is not an accurate reflection of the number of overtime hours that they are required to work. They noted that they often agree to work overtime hours because if they do not, the

overtime hours will be mandated, and agreeing to work overtime allows them some discretion in selecting when the overtime hours will be worked.

We reviewed time records for the registered nurse, the licensed practical nurse, and the three nursing assistants with the most overtime hours worked in 2016. As shown in Table 14, the average number of hours worked in 2016 for these five individuals ranged from 43.2 hours per week for the registered nurse to 66.3 hours per week for one of the nursing assistants. In addition, the number of instances in which these individuals worked 15 or more consecutive hours ranged from one instance for one of the nursing assistants to 87 instances for another of the nursing assistants. The largest number of consecutive hours worked by any of these five individuals was 17.25 hours by the registered nurse. DVA indicated that these five nursing staff volunteered for the majority of the overtime they worked in 2016.

Table 14

Nursing Staff Working the Most Overtime, by Position Type¹
2016

	Average Number of Hours Worked per Week	Number of Instances of Working 15 or More Consecutive Hours
Nursing Assistant A	66.3	1
Nursing Assistant B	61.7	16
Nursing Assistant C	56.4	87
Licensed Practical Nurse	44.7	27
Registered Nurse	43.2	4

¹ Includes the three nursing assistants who worked the most overtime hours, as well as the licensed practical nurse and the registered nurse who worked the most overtime hours for their respective position types.

In 2016, nursing staff worked an average of 2.8 hours of overtime each week.

In addition, we reviewed the average number of overtime hours worked by nursing staff and found that nursing staff worked an average of 2.8 hours of overtime each week in 2016. As shown in Table 15, 241 nursing staff worked, on average, less than 1.0 hour of overtime each week, while 4 nursing staff worked, on average, 16.0 or more hours of overtime each week. Nursing assistants worked the most overtime, averaging 3.6 hours per week. In addition, the 4 nursing staff who worked, on average, 16.0 or more hours of overtime each week in 2016 were all nursing assistants.

Table 15

**Overtime Hours Worked by Nursing Staff, per Week
2016**

Average Overtime Hours per Week	Number of Nursing Staff	Percentage of Total
16.0 or More	4	0.6%
13.0 to 15.9	6	0.9
10.0 to 12.9	3	0.5
7.0 to 9.9	21	3.3
4.0 to 6.9	84	13.1
1.0 to 3.9	282	44.0
Less than 1.0	241	37.6
Total	641	100.0%

Vacancy Rates

From FY 2011-12 through FY 2015-16, the overall nursing staff vacancy rate was at its lowest point, 5.2 percent, in FY 2013-14. It then increased in each of the subsequent two years to a high of 9.3 percent in FY 2015-16, as shown in Table 16. DVA indicated this was primarily due to a shortage of qualified individuals seeking employment in nursing positions and internal transfers of nursing staff to positions that do not provide direct care.

Table 16

**FTE Nursing Position Vacancies at King
As of June 30**

Fiscal Year	Nursing Assistants	Licensed Practical Nurses	Registered Nurses	Total FTE Positions Vacant	Percentage Vacant
2011-12	18.5	10.0	4.5	33.0	8.5%
2012-13	20.5	13.4	2.6	36.5	8.5
2013-14	17.2	5.5	3.9	26.6	5.2
2014-15	28.6	9.9	6.5	45.0	9.0
2015-16	39.0	5.7	2.1	46.8	9.3

In FY 2015-16, the percentage of vacant positions was highest for nursing assistants, for which 11.3 percent of positions were unfilled, and it was lowest for registered nurses, for which 2.6 percent of positions were unfilled. Nursing assistants worked 55,600 overtime hours in FY 2015-16, which is equivalent to 26.6 FTE positions. Given occupancy rates in FY 2015-16, King would have needed to fill approximately 22 (56.4 percent) of its vacant nursing assistant positions in order to reduce overtime for nursing assistants to no more than 5.0 percent of their total hours worked, which is DVA's goal.

Some nursing staff indicated that vacancies may hamper their ability to provide high-quality care and may negatively affect job satisfaction.

Some nursing staff work temporarily on floors to which they are not permanently assigned in order to provide care to residents on floors that are understaffed. Some nursing staff indicated this may hamper their ability to provide high-quality care, because it may require them to provide care to residents with whom they are unfamiliar, and it may negatively affect job satisfaction. DVA officials indicated that these temporary reassignments are occurring daily as a result of position vacancies.

Retention Rates

DHS is required by s. 50.095 (3), Wis. Stats., to complete annual reports on nursing facilities that include information on retention rates for nursing staff. In calculating retention rates, DHS considers the number of employees in each position group who had been working at the nursing facility for one or more years with respect to the total number of employees in that type of position at the end of the year. For example, at the end of 2016, King employed 75 full-time registered nurses, of which 70 had been in those positions at King for at least one year. This resulted in a retention rate of 93 percent for full-time registered nurses in 2016, as shown in Table 17. Based on DHS calculations, the retention rates for King improved for all categories of nursing staff from 2012 to 2016. For 2016, the retention rates for King exceeded both the Waupaca County and statewide averages in all categories except for part-time nursing assistants.

Table 17

Nursing Staff Retention Rates¹

	Nursing Assistants		Licensed Practical Nurses		Registered Nurses	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
2012						
Wisconsin Veterans Homes						
King	92%	47%	90%	48%	92%	75%
Chippewa Falls ²	–	–	–	–	–	–
Union Grove	73	77	63	0	82	70
<i>Waupaca County Average³</i>	83	54	92	46	77	77
Statewide Average	77	63	88	71	79	69
2016						
Wisconsin Veterans Homes						
King	96%	57%	93%	79%	93%	79%
Chippewa Falls	53	59	85	80	64	67
Union Grove	57	33	85	70	92	100
<i>Waupaca County Average³</i>	76	61	80	62	71	59
Statewide Average	69	59	78	64	74	68

¹ Retention rates were calculated and reported by DHS.

² The Wisconsin Veterans Home at Chippewa Falls opened in 2013.

³ King is located in Waupaca County.

Highlighted percentages indicate that King’s retention rate was lower than both the Waupaca County and statewide averages.

Employee Training

Federal law requires veterans homes to provide at least 12 hours of annual in-service training to nursing assistants. Additionally, s. DHS 132.44 (2) (a), Wis. Adm. Code, requires nursing facility employees providing direct care to residents to attend educational programs “as often as is necessary” to develop and improve skills and knowledge related to resident needs.

King provides a variety of training opportunities to its employees through both electronic and in-person sessions. We reviewed available documentation of the training King provided to nursing staff and found that the amount of training provided over time declined slightly for nursing assistants and licensed practical nurses

and increased for registered nurses. Specifically, the average amount of training provided per employee:

- decreased from 25.7 hours in 2012 to 24.7 hours in 2016 for nursing assistants;
- decreased from 29.1 hours in 2012 to 28.2 hours in 2016 for licensed practical nurses; and
- increased from 32.1 hours in 2012 to 37.5 hours in 2016 for registered nurses.

We also found that the amount of training specifically related to dementia and behavioral health topics, which nursing staff identified as a specific need, decreased from 11.1 percent of training hours for all nursing staff in 2012 to 8.8 percent in 2016.

In addition to regular employee training sessions, King provides a training program for individuals to obtain certification as nursing assistants. From 2013 through 2016, the number of participants who completed the nursing assistant training program decreased from a high of 49 individuals in 2014 to a low of 28 individuals in 2016, or by 42.9 percent.

We found that 50.0 percent of individuals who completed nursing assistant training in 2016 were still working at King at the end of that year.

To address concerns that were raised about nursing assistants leaving their positions at King immediately after completing their training, we reviewed requirements associated with nursing assistant training. Federal law prohibits Medical Assistance-certified facilities, such as King, from charging individuals for any costs associated with receiving nursing assistant training, even if they leave their positions immediately after completing the training. Of the 28 individuals who completed the nursing assistant training in 2016, 14 (50.0 percent) remained at King as nursing assistant employees through the end of that year. Although King cannot compel nursing assistants to remain in their positions for a certain amount of time after being trained, it can provide incentives for them to do so.

Officials indicate they currently undertake efforts to retain nursing staff. In January 2017, King implemented changes to its scheduling practices to avoid requiring nursing assistants to work consecutive weekends. In addition, King posts vacant positions to alert part-time nursing employees to the availability of full-time positions and opportunities to transfer to other residence halls, holds employee recognition events, and avoids mandating overtime for employees immediately prior to and when returning from a vacation.

King also operates a licensed practical nurse professional development program, which assists employees of King, primarily nursing assistants, to become licensed practical nurses. The program is limited to a maximum of six participants per year. Interested employees must apply and be accepted through a selection process. Participants are required to sign an agreement to work at King for a minimum of two years after completing the program. If they do not meet this work requirement, they are required to reimburse King for the cost of the program. King indicated that this requirement was met by all program participants through 2016. The number of participants decreased from four in 2013 to three in 2016. In addition, King indicated that the program is currently inactive due to a low number of applicants.

Addressing Staffing Issues

Challenges in filling nursing positions are not new to King. In February 2004, we released a report that discussed King's efforts to fill nursing positions. In addition, King is not unique in the challenges it faces in filling nursing positions. A March 2016 report by four nonprofit health care organizations, which included a survey of 689 long-term care providers in Wisconsin, found:

- high caregiver vacancy rates and a lack of qualified applicants, resulting in a decreased capacity for admitting residents;
- significantly lower wages for nursing assistants in comparison to wages at gas stations, big-box stores, and fast food restaurants, contributing to a departure of caregivers to jobs outside of health care; and
- widespread use of overtime, including double shifts, to fill scheduling gaps.

In March 2017, DHS began a program to help address the caregiver shortage in nursing facilities.

In March 2017, DHS began a program to help address the caregiver shortage in nursing facilities. DHS received federal approval to use \$1.2 million in revenue that DHS collects in penalties on behalf of the Centers for Medicare & Medicaid Services (CMS) when nursing facilities violate federal requirements. An additional \$1.2 million was provided directly by CMS. Under the program, DHS plans to:

- initiate a marketing and recruitment effort for nursing assistants;

- offer free training and testing for nursing assistants, including through the Wisconsin Technical College System;
- provide a \$500 retention bonus to newly certified nursing assistants who work in a nursing facility for six consecutive months; and
- encourage nursing facilities to explore methods, such as flexible work hours and educational opportunities, to make nursing assistant jobs more desirable.

As part of the 2017-19 biennial budget process, the Governor proposed reallocating 7.3 of DVA's FTE administrative positions that are currently vacant for the creation of nursing positions at King, including 4.3 FTE licensed practical nurses, 2.0 FTE registered nurses, and 1.0 FTE nursing supervisor. The proposal includes an additional \$50,400 to help fund these positions during the FY 2017-19 biennium. However, because King has had difficulty filling its existing nursing positions, the extent to which the addition of these positions would assist King in addressing its staffing needs is not known.

In August 2016, DOA established pilot supplemental pay provisions to raise the wages of nursing assistants who are state employees.

In order to help reduce vacancy rates, King hired a recruitment specialist in November 2016. To facilitate recruitment efforts, the specialist has participated in local job fairs and advertised positions in local newspapers, on billboards, and through direct mailings sent to licensed and certified nursing staff who reside in the area. DOA also established pilot supplemental pay provisions to provide an additional \$0.80 per hour for all regular hours worked and an additional \$1.20 per hour for all overtime hours worked by nursing assistants who are state employees. These provisions were in place from August 7, 2016, through June 24, 2017, and payroll information maintained by DOA indicates that nursing assistants at King received these wage supplements. DOA indicated it is assessing the effects of the wage supplements on recruitment and retention and will make a recommendation to the Joint Committee on Employment Relations regarding whether the supplements should be made permanent.

DVA indicated it began taking additional steps in May 2017 to help reduce the amount of mandatory overtime worked by its nursing staff. It indicated that it consolidated 50 vacant beds throughout King's four residence halls on the fifth floor of Stordock Hall and reduced resident capacity on the second floor of Ainsworth Hall by transitioning nine double-occupancy rooms to single-occupancy rooms. This allowed King to reallocate nursing staff from the fifth floor of Stordock Hall and the second floor of Ainsworth Hall to other floors and residence halls. King plans to repurpose the fifth

floor of Stordock Hall as a training center, which will eliminate the need to construct a permanent training facility in its Central Services building. DVA indicated that it is currently in the process of drafting a long-term plan that may include additional options for filling positions, retaining staff, or further reducing the number of residents it serves.

Reducing the number of residents that King serves would help to limit the amount of overtime hours worked by nursing staff. The benefits of this approach would be to potentially improve employee satisfaction and retention, as well as facilitate King's ability to provide care and services. The potential drawbacks include a decreased capacity to serve veterans and their spouses and a decrease in net revenues, some of which have been used to support other activities, such as those supported by the Veterans Trust Fund, as we noted in report 17-8.

Recommendation

We recommend the Department of Veterans Affairs:

- *work with the Department of Health Services to ensure King is able to benefit from the federally funded initiative to recruit and train nursing assistants;*
- *work with the Department of Health Services to ensure that nursing assistants at King receive the retention bonuses for which they are eligible; and*
- *report to the Joint Legislative Audit Committee by January 8, 2018, on its progress in these areas; the vacancy rates and overtime hours of registered nurses, licensed practical nurses, and nursing assistants; and whether it intends to pursue options to further reduce the number of residents it serves.*

■ ■ ■ ■

Compliance with State and Federal Nursing Facility Regulations ■

King's operations are overseen by several state and federal agencies to ensure compliance with state and federal law. For example, King is subject to routine, unannounced inspections by DHS and the federal Department of Veterans Affairs to help ensure it is providing an adequate quality of care in a safe environment. We analyzed the number and types of citations King received over time and generally found that it received fewer than the average number of citations issued to other large skilled nursing facilities in northeastern Wisconsin and to all skilled nursing facilities statewide.

Regulation of Nursing Facilities

The operations of King are overseen by several state and federal agencies.

The operations of King are overseen by several state and federal agencies. For example:

- The federal Department of Veterans Affairs inspects King to ensure compliance with federal standards associated with its certification as a state veterans home. The certification allows King to receive per diem payments on behalf of veterans to help pay for their care.
- DHS separately licenses each of King's four residence halls as skilled nursing facilities and inspects them regularly to ensure compliance with state requirements and with federal

requirements on behalf of CMS. DHS also investigates complaints associated with King's operations, oversees background check requirements for caregivers, administers a certification registry for nursing assistants, and investigates allegations of caregiver misconduct.

- The Department of Safety and Professional Services licenses certain employees providing care at King, including nurses, therapists, physicians, pharmacists, and social workers. It also reviews compliance with building codes, administers state employee occupational safety and health standards, and investigates complaints associated with building systems, such as elevators and electrical systems.
- The Department of Natural Resources (DNR) enforces state and federal water quality standards associated with the wells King operates to supply water to its campus. It also oversees disposal of infectious waste and ensures King is in compliance with its air pollution operation permit, which allows King to operate the boiler for its heating plant.

The federal Department of Veterans Affairs and DHS have the largest roles in overseeing resident care and safety at King.

We primarily focused our analysis on oversight provided by the federal Department of Veterans Affairs and DHS because they have the largest roles in overseeing resident care and safety. Standards enforced by the federal Department of Veterans Affairs and DHS are similar, covering substantially the same major requirements, including requirements governing care, services, living conditions, and resident rights. However, there are some differences. For example, DHS requires nursing facilities to track medical error rates based on standards developed by CMS, while the federal Department of Veterans Affairs has not established such standards. In addition, the federal Department of Veterans Affairs prescribes additional staffing requirements for social workers and registered nurses.

Oversight by the Federal Department of Veterans Affairs

The federal Department of Veterans Affairs conducts annual unannounced inspections of King every June to ensure compliance with care and service requirements related to the receipt of federal per diem payments for veterans. In addition to annual inspections, the federal Department of Veterans Affairs may also conduct inspections based on specific concerns that arise outside of the

annual inspection process. If federal inspectors determine that standards have been violated, they issue citations and require state veterans homes to create plans of correction and submit them to the federal Department of Veterans Affairs. Because the federal Department of Veterans Affairs regulates King as a single entity, its citations do not indicate which of King’s four residence halls led to the issuance of a citation.

From 2012 through 2016, the federal Department of Veterans Affairs issued King a total of 15 citations.

We requested information from DVA on the citations issued to each of its three veterans homes from 2012 through 2016. Based on information provided by DVA, the federal Department of Veterans Affairs issued King a total of 15 citations over this period, as shown in Table 18. It also issued five citations to the Wisconsin Veterans Home at Chippewa Falls and three citations to the Wisconsin Veterans Home at Union Grove. Although King received the largest number of citations, it is also substantially larger than the veterans homes in Union Grove and Chippewa Falls.

Table 18

Citations Issued by the Federal Department of Veterans Affairs

Wisconsin Veterans Home	Licensed Beds	2012	2013	2014	2015	2016	Total
King ¹	721	5	8	2	0	0	15
Chippewa Falls ²	72	– ³	0	0	3	2	5
Union Grove ⁴	158	1	0	0	1	1	3

¹ The federal Department of Veterans Affairs regulates King as a single entity and does not specify the residence hall to which a citation applies.

² DVA contracts for the operation of the Wisconsin Veterans Home at Chippewa Falls.

³ The Wisconsin Veterans Home at Chippewa Falls opened and was first inspected in 2013.

⁴ Excludes beds and citations associated with the assisted living facility at the Wisconsin Veterans Home at Union Grove.

More recently, outside of its annual inspection process, the federal Department of Veterans Affairs conducted an inspection of King in January 2017. As a result of this inspection, it issued five citations:

- two citations related to an incident in which a resident fell from his bed and was seriously injured;

- one citation related to providing cough medicine to a resident that differed from what had been ordered by a doctor;
- one citation related to a resident’s care plan not being updated to indicate that drinking straws should not be given to the resident; and
- one citation related to elevators not being tested with sufficient frequency.

In March 2017, King appealed one of the two citations related to the incident in which a resident fell from his bed. As of June 2017, this appeal was still pending.

Oversight by the Department of Health Services

DHS is required to conduct unannounced inspections of each residence hall at King at least once during every 15-month period.

DHS is required by state and federal regulations to conduct unannounced inspections of each residence hall at King at least once every 15 months. During its inspections, DHS evaluates compliance with state laws and licensing requirements and with federal Medical Assistance and Medicare program requirements on behalf of CMS. In addition to routine inspections, DHS may also conduct inspections based on complaints it receives directly and on incidents that King is required to report to DHS, such as allegations of resident abuse, neglect, misappropriation of resident property, or injuries of unknown origin.

CMS denied our request to observe an inspection of King.

As part of our review, we requested to observe a DHS inspection of King. As part of prior audits, we requested and were granted permission to observe such state and federal inspections. In this instance, DHS officials requested approval for our attendance from CMS, noting in its communication to CMS that DHS had “concerns about protecting resident privacy” and indicating that, “It is difficult for us to say ‘no’ as they are statutorily entitled to information within our possession.” In its reply to DHS, CMS denied our request to observe a DHS inspection of King.

From 2012 through 2016, DHS issued, on average, fewer citations to King than to other skilled nursing facilities in the state.

DHS issued 184 citations to King from 2012 through 2016. We compared the citations DHS issued to King with those it issued to other skilled nursing facilities in the state, including those in DHS’s Northeastern Region with 100 or more beds, which are the most similar in size and general location to King and which are inspected by the same DHS employees as King. As shown in Table 19, King’s four residence halls averaged 9.2 citations per year during this period, which was less than the average number of citations DHS issued to other Wisconsin Veterans Homes, to other skilled nursing

facilities in DHS’s Northeastern Region with 100 or more licensed beds, or to all skilled nursing facilities statewide.

Table 19
Citations Issued by DHS to Skilled Nursing Facilities

	Licensed Beds	2012	2013	2014	2015	2016	Yearly Average
King¹							
Ainsworth Hall	205	22	8	5	5	8	9.6
MacArthur Hall	116	11	10	7	1	13	8.4
Olson Hall	200	12	5	4	4	12	7.4
Stordock Hall	200	12	16	14	7	8	11.4
<i>Average for All King Residence Halls</i>		14.3	9.8	7.5	4.3	10.3	9.2
Other Wisconsin Veterans Homes							
Chippewa Falls ²	72	– ³	0	34	9	3	11.5
Union Grove ⁴	158	4	10	8	21	16	11.8
<i>Average of Skilled Nursing Facilities in DHS’s Northeastern Region with 100 or More Beds⁵</i>	134	18.0	12.4	11.2	14.4	10.7	13.5
Statewide Average⁶	88	13.8	12.8	13.0	13.6	11.8	13.0

¹ Each of King’s four residence halls is licensed and inspected by DHS as a separate skilled nursing facility.

² DVA contracts for the operation of the Wisconsin Veterans Home at Chippewa Falls.

³ The Wisconsin Veterans Home at Chippewa Falls opened and was first inspected in 2013.

⁴ Excludes beds and citations associated with the assisted living facility at the Wisconsin Veterans Home at Union Grove.

⁵ The number of facilities inspected each year varies. In 2016, it was 34.

⁶ The number of facilities inspected each year varies. In 2016, it was 384.

DHS groups the citations it issues into seven broad categories:

- life safety code standards, which establish standards for fire prevention and other building safety requirements;
- quality of care standards, such as prevention of pressure sores, which promote resident well-being;

- resident services standards, which include development of a comprehensive care plan for each resident and supervision of each resident's medical care by a physician;
- freedom from restraints and abuse standards, which include prohibitions against employing individuals who have abused residents and requirements for investigating all alleged resident abuse;
- administrative standards, which include maintaining complete, readily accessible clinical records on each resident;
- quality of life standards, which include providing a pleasant, homelike atmosphere and food that is palatable, attractive, and served at the proper temperature; and
- resident rights standards, which include the right to self-administer drugs and the right to send and promptly receive mail that is unopened.

The federal Department of Veterans Affairs does not similarly categorize the citations it issues. Therefore, we included them in the same categories used by DHS. From 2012 through 2016, 70.9 percent of the 199 citations issued by DHS and the federal Department of Veterans Affairs were for violations of either life safety code standards or quality of care standards, as shown in Table 20.

Table 20

Citations Issued to King, by Type
2012 through 2016

Citation Category	Issued by DHS	Issued by the Federal Department of Veterans Affairs ¹	Total	Percentage of Total
Life Safety Code	73	1	74	37.2%
Quality of Care	62	5	67	33.7
Resident Services	19	5	24	12.1
Freedom from Restraints and Abuse	11	1	12	6.0
Administrative Issues	8	3	11	5.5
Quality of Life	7	0	7	3.5
Resident Rights	4	0	4	2.0
Total	184	15	199	100.0%

¹ Because the federal Department of Veterans Affairs does not categorize citations, we grouped them using the same categories used by DHS.

DHS also groups citations by scope and severity. Since December 2011, DHS no longer issues citations under state law if it issues a federal citation for the same violation for which it would have also issued a state citation, as directed by 2011 Wisconsin Act 70. All of the 184 citations DHS issued to King from 2012 through 2016 were federal citations. The federal citations issued by DHS are grouped into three categories based on their scope and severity:

- “substandard quality of care,” which includes the most severe or widespread violations of certain regulations, such as incidents resulting in serious harm to residents;
- “noncompliance,” which includes isolated incidents resulting in actual harm to residents and incidents resulting in no actual harm to residents but having the potential for more than minimal harm; and
- “substantial compliance,” which includes incidents resulting in no actual harm to residents but having the potential for minimal harm.

From 2012 through 2016, King received, on average, fewer citations in each of these three categories than the average number of federal citations issued to skilled nursing facilities with 100 or more beds in DHS’s Northeastern Region or to all skilled nursing facilities statewide, as shown in Table 21.

Table 21

**Federal Citations Issued by DHS to Skilled Nursing Facilities, by Severity Category
2012 through 2016**

Severity Category	King		Average for Facilities in DHS’s Northeastern Region with 100 or More Beds ¹	Statewide Average ²
	Number of Citations	Average per Residence Hall		
Substandard Quality of Care	1 ³	0.3	0.7	0.7
Noncompliance	179	44.7	62.7	59.4
Substantial Compliance	4	1.0	2.6	3.8
Total	184	46.0	66.0	63.9

¹ The number of facilities inspected in each year varies. In 2016, it was 34.

² The number of facilities inspected in each year varies. In 2016, it was 384.

³ This citation, which was issued in March 2016, was further classified as an “immediate jeopardy” citation. An “immediate jeopardy” citation involves a deficient practice that caused or was likely to cause serious harm or death to a resident and required immediate corrective action.

King received an “immediate jeopardy” citation for failing to attempt to resuscitate a 94-year-old resident found not breathing and without a pulse.

In March 2016, King received a citation for providing a “substandard quality of care,” which was further classified as “immediate jeopardy.” This means a deficient practice caused or was likely to cause serious harm or death to a resident and required immediate corrective action. The “immediate jeopardy” citation was issued to Olson Hall because employees at King did not provide cardiopulmonary resuscitation or arrange for emergency transportation for a 94-year-old resident who was found not breathing and without a pulse.

Other Regulatory Concerns

A May 2016 incident in which an employee failed to close a valve while filling oxygen tanks did not result in the issuance of citations.

One widely reported incident involving the handling of liquid oxygen did not result in the issuance of citations. In May 2016, an employee failed to close a valve while filling oxygen tanks in the bulk filling room located in underground tunnels near MacArthur Hall. The amount of oxygen in the room rose to a level that triggered an automatic safety system. This system vented the excess oxygen outside of the building, producing a cloud of oxygen vapor near the ventilation output that was noticed by employees. After the cloud was seen, action was taken to close the valve and secure the area. King also provided documentation showing that an incident report was filed within three hours of the incident's occurrence.

The incident occurred because King failed to train some of its employees on the new procedures for filling oxygen tanks after it had made facility and equipment modifications to update its oxygen-filling system. As a result of the incident, King changed its procedures for filling liquid oxygen tanks, including expanding training and allowing only trained security staff to fill oxygen tanks for use in its residence halls. In addition, King spent \$9,000 to make additional safety improvements, including installing more grounding equipment and posting detailed instructional signs.

Three oversight agencies reviewed a May 2016 liquid oxygen incident at King.

In December 2016, DHS conducted an inspection in response to a complaint involving the May 2016 liquid oxygen incident. DHS found that King was not in compliance with standards at the time of the event, but that it has since achieved compliance. Therefore, DHS did not issue a citation for the incident. DHS confirmed that the incident was due to inadequate training and there was no immediate threat to resident health or safety because the emergency safety system successfully vented excess oxygen outside of the facility. During its June 2016 and January 2017 inspections of King, the federal Department of Veterans Affairs inspected the liquid oxygen filling room for compliance and did not issue any citations related to it. In addition, the Department of Safety and Professional Services and a medical gas consulting firm reviewed King's liquid oxygen procedures and safety methods in January 2017 and March 2017, respectively, and found that King was in compliance with applicable standards at the time of their reviews.

We also reviewed DNR's oversight of drinking water at King because drinking water quality was noted as a source of concern. DNR conducts routine inspections of King's drinking water system and oversees routine testing of drinking water by King for contaminants, such as coliform bacteria, copper, and lead. If state drinking water standards are not met, DNR generally issues letters that set forth actions required to address contaminant levels that

exceed state standards within a specified time frame. King is required to test for most contaminants annually. For most contaminants, exceeding the maximum allowable concentration of a contaminant generally results in more frequent testing and may result in corrective action.

From 2012 through 2016, DNR identified a total of 11 deficiencies in King's water system.

From 2012 through 2016, we found that DNR identified a total of 11 deficiencies in King's water system as part of the routine inspections it conducts approximately every three years. It defines deficiencies as problems in the drinking water system that have the potential to cause serious health risks or represent long-term health risks. Examples of the deficiencies it identified during inspections include a lack of emergency preparedness, equipment in need of repair, not adequately documenting equipment testing, and failure to properly abandon wells. Documentation provided by DNR indicates these deficiencies have been corrected.

During this period, DNR indicated that it issued four letters to King identifying violations, which are known as "Notices of Noncompliance." Two notices were issued for failing to publicly post the results of lead testing in its drinking water. In both of these instances, the level of lead did not exceed the maximum level permitted by state drinking water standards. The third notice was issued for failing to conduct a test for coliform bacteria, and the fourth notice was issued for exceeding the state drinking water standard for lead in a test conducted in July 2014. A follow-up study found that the high level of lead was likely due to recent plumbing work. DNR indicated that King addressed the lead level in a timely manner, and retesting in August 2014 indicated that lead levels did not exceed state drinking water standards. In no subsequent test through 2016 was the maximum allowable concentration for lead exceeded.

Discoloration of drinking water has been a recurring issue.

We also reviewed concerns raised about drinking water discoloration. DNR confirmed that King uses groundwater containing high levels of iron as its drinking water source. Although iron is not hazardous to health, it can cause discoloration. Since 2011, King has contracted with a private firm specializing in water quality to improve the color, taste, and overall quality of its drinking water. However, discoloration of drinking water has been a recurring issue.

On three occasions, from 2012 through 2016, the iron removal filter in the drinking water system failed to function properly, causing water discoloration prior to its repair. In order to prevent pipe corrosion and keep lead levels in its drinking water to a minimum, King regularly adds a chemical to its water that DNR indicated may occasionally cause water discoloration. King also noted that it is not uncommon for the water to be temporarily discolored after plumbing maintenance. In addition, an ice machine in Stordock Hall

was found to be producing discolored ice in February 2014. It was removed following a resident complaint.

A capital project currently being considered as part of the 2017-19 biennial budget process would respond to water quality issues at King. In March 2017, the State Building Commission recommended approval of a \$2.4 million project intended to improve water quality and system maintainability at King.

Responding to Regulatory Citations

CMS may issue civil penalties and take other enforcement actions if King fails to comply with regulatory requirements.

In addition to issuing citations, CMS may issue enforcement actions if King fails to comply with regulatory requirements. Enforcement actions may include civil penalties, denial of payment for new Medical Assistance and Medicare residents, and termination of Medical Assistance and Medicare provider agreements. In addition, the federal Department of Veterans Affairs may suspend federal per diem payments for veterans residing at King if it fails to comply with requirements.

We found that CMS failed to collect a \$5,250 civil penalty it issued to King in 2012 related to a resident who sustained a hip fracture while walking unsupervised.

In February 2012, King was assessed a \$5,250 civil penalty by CMS for failing to ensure adequate supervision and assistance to prevent resident accidents. This penalty was in response to a January 2012 citation issued after a resident, who was supposed to be supervised while walking, fell and sustained a hip fracture while walking unsupervised. However, we found that CMS failed to follow-up and collect the amount it had assessed. When we asked CMS about this lapse, it indicated that its failure to collect the penalty amount was due to a processing error. CMS indicated it does not plan to enforce the penalty because of the significant amount of time that has elapsed between when the citation was issued in January 2012 and our discovery of the error in April 2017.

In June 2016, King was assessed a civil penalty of \$76,900 by CMS for providing a “substandard quality of care.”

In June 2016, King was assessed a civil penalty of \$76,900 by CMS for providing a “substandard quality of care.” This penalty was in response to the March 2016 “immediate jeopardy” citation for failing to perform cardiopulmonary resuscitation or arrange for emergency medical transportation.

For citations issued by DHS, nursing facilities are generally required to create plans of correction and submit them to DHS. A plan of correction is generally required to be submitted within 10 calendar days of a facility’s receipt of a citation and must include the measures that will be implemented for affected residents, how the facility will correct the deficiencies, a date by which the deficiencies will be corrected, and how the facility will monitor compliance with regulatory standards.

For the least serious violations, DHS is not required to immediately confirm whether a nursing facility has made corrections because the facility is already considered to be in “substantial compliance” with the associated regulations. However, DHS reviews corrective action plans submitted by nursing facilities in response to the citations, and it reviews the facilities for compliance with requirements during its next routine inspection.

DHS automatically conducts follow-up inspections for citations associated with events in which a resident was harmed.

For more serious violations, DHS reviews plans of correction submitted by nursing facilities and may conduct follow-up inspections to verify that the facilities returned to compliance. DHS automatically conducts follow-up inspections for citations associated with events in which a resident was harmed and for citations associated with events where there was a potential for more than minimal harm to a large number of residents. We found that from 2012 through 2016, DHS verified that King came into compliance with all 180 citations it issued for “substandard quality of care” and “noncompliance,” as required.

Federal Nursing Facility Rating System

The federal Five-Star Quality Rating System assists consumers and caregivers in assessing and comparing nursing facilities.

CMS has established a rating system, known as the Five-Star Quality Rating System, to assist consumers and caregivers in assessing and comparing nursing facilities that receive federal funds through the Medical Assistance and Medicare programs. The ratings, which are updated monthly, range from one to five stars, with five stars indicating “much above average quality” care and one star indicating “much below average quality” care, as shown in Figure 8. We note that some of the information used to determine the ratings is self-reported by nursing facilities.

Figure 8

Federal CMS Five-Star Quality Ratings for Nursing Facilities



CMS provides ratings for each nursing facility based on four areas. These include:

- a health inspection rating, which is based on the number, scope, and severity of citations the nursing facility received during approximately the last three years, in comparison to the citations other nursing facilities in the same state received;
- a staffing rating, which is based on data reported by the nursing facility on the number of hours of care provided per resident, adjusted for resident needs, for one two-week period, in comparison to benchmarks established by CMS;
- a quality measures rating, which is based on selected quality measures that cover a range of health and care indicators, such as the percentage of residents who self-report pain and the number of residents who were physically restrained, in comparison to the performance of other nursing facilities in the United States; and
- an overall rating, which is established by CMS using the health inspection rating as a base and adding or subtracting up to two stars depending on the nursing facility's performance on the other two measures.

CMS has identified some limitations in its five-star rating system, such as its reliance on self-reported data for staffing and quality measures, and that it is not comprehensive of all information that potential residents and their families should use in assessing nursing facilities.

In April 2017, 56.8 percent of all skilled nursing facilities in Wisconsin had overall ratings of either four stars or five stars.

CMS issues ratings for each of King's four residence halls because they are licensed separately as skilled nursing facilities, as noted. We reviewed the most recent information published by CMS at the time of our fieldwork. As shown in Table 22, we found that in April 2017, 118 (31.0 percent) skilled nursing facilities in Wisconsin received an overall rating of five stars, while 38 (10.0 percent) received an overall rating of one star. Overall, 56.8 percent of all skilled nursing facilities in Wisconsin had overall ratings of either four stars or five stars in April 2017, including all four residence halls at King.

Table 22

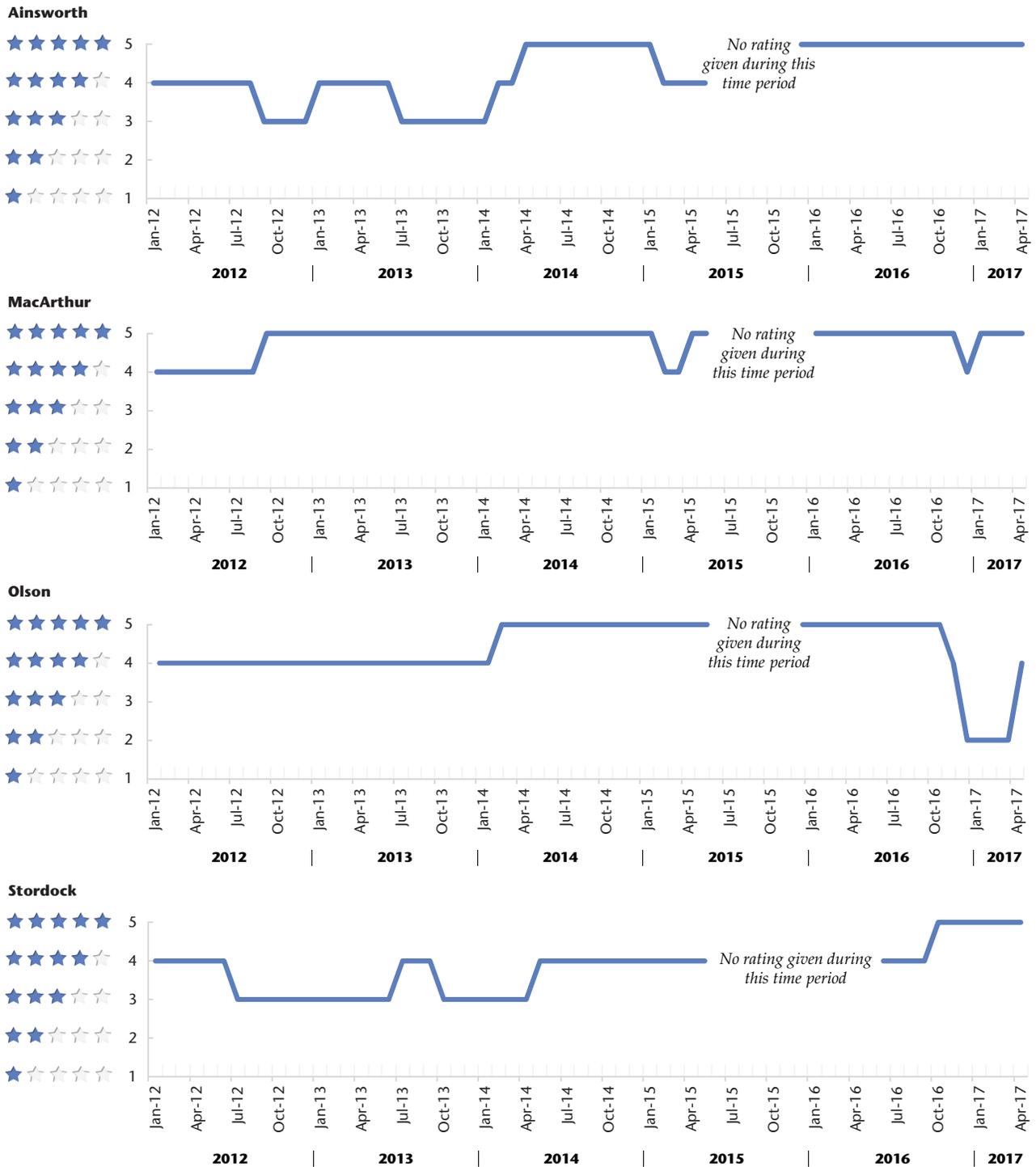
**Federal CMS Overall Five-Star Quality Ratings
for Wisconsin Skilled Nursing Facilities
April 2017**

Rating	Number of Facilities	Percentage	Residence Halls at King
★ ★ ★ ★ ★	118	31.0%	Ainsworth, MacArthur, Stordock
★ ★ ★ ★ ☆	98	25.8	Olson
★ ★ ★ ☆ ☆	60	15.8	–
★ ★ ☆ ☆ ☆	66	17.4	–
★ ☆ ☆ ☆ ☆	38	10.0	–
Total	380	100.0%	

As shown in Figure 9, from January 2012 through April 2017, the overall ratings for King’s residence halls have fluctuated but were most often either four or five stars. CMS did not report ratings for King’s residence halls during certain periods from June 2015 through May 2016. This is because the residence halls were first certified to accept Medicare recipients in March 2015, and they were not rated by CMS from that time until each hall received its first annual inspection after becoming Medicare certified.

Figure 9

Federal CMS Overall Monthly Five-Star Ratings for King, by Residence Hall¹



¹ Following Medicare certification of King in March 2015, CMS did not report ratings from June 2015 through November 2015 for Ainsworth and Olson Halls, from June 2015 through December 2015 for MacArthur Hall, and from June 2015 through May 2016 for Stordock Hall.

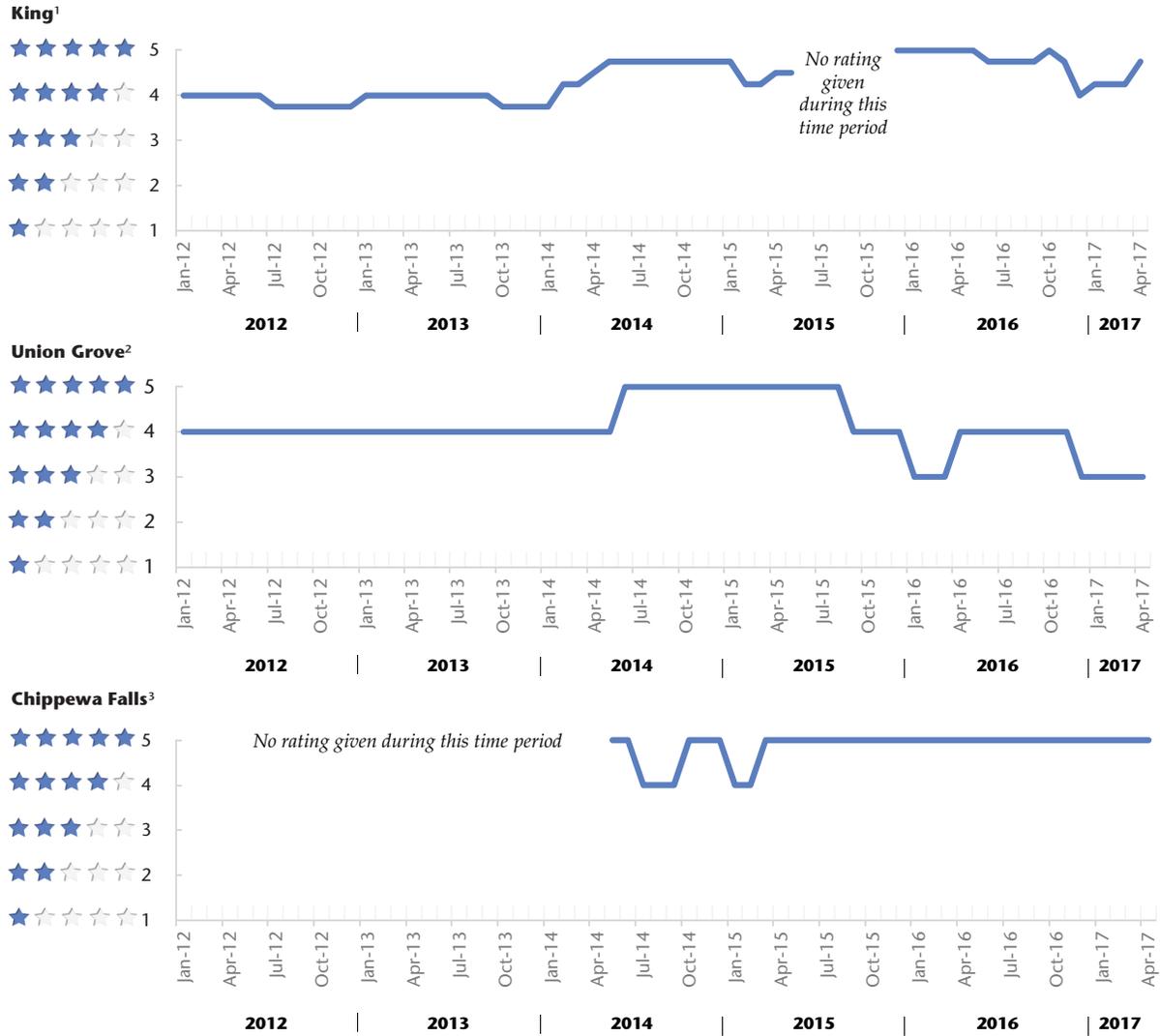
Because of a DHS data entry error, a citation issued in March 2016 was not included in Olson Hall's rating calculation until November 2016.

The overall rating for Olson Hall decreased from five stars in October 2016 to four stars in November 2016 and then to two stars in December 2016 as a result of an “immediate jeopardy” citation issued by DHS in March 2016 and eight additional citations issued by DHS in September 2016. Because of a DHS data entry error, the “immediate jeopardy” citation it issued in March 2016 was not included in Olson Hall’s rating calculation until November 2016. Although Olson Hall’s overall rating increased from two to four stars in April 2017, its health inspections rating remained at two stars through July 2017.

In order to facilitate the comparison of King to other skilled nursing facilities, we created one rating for King by averaging the overall monthly ratings for each of its four residence halls. The overall rating for King ranged from 3.8 stars to 5.0 stars during the period from January 2012 through April 2017. As shown in Figure 10, the Wisconsin Veterans Home at Union Grove received ratings of four or five stars for 56 of the 64 months it was rated by CMS from January 2012 through April 2017. During the other eight months it was given an overall rating of three stars. In addition, the Wisconsin Veterans Home at Chippewa Falls received ratings of four or five stars during all 36 months it has been rated by CMS since it was first rated in May 2014.

Figure 10

Federal CMS Overall Monthly Five-Star Ratings for Wisconsin Veterans Homes



¹ Shows the average overall monthly rating for King’s residence halls. Following Medicare certification of King in March 2015, CMS did not report ratings for all four residence halls from June 2015 through May 2016. Average ratings for this period are based on the halls for which CMS did report a rating.

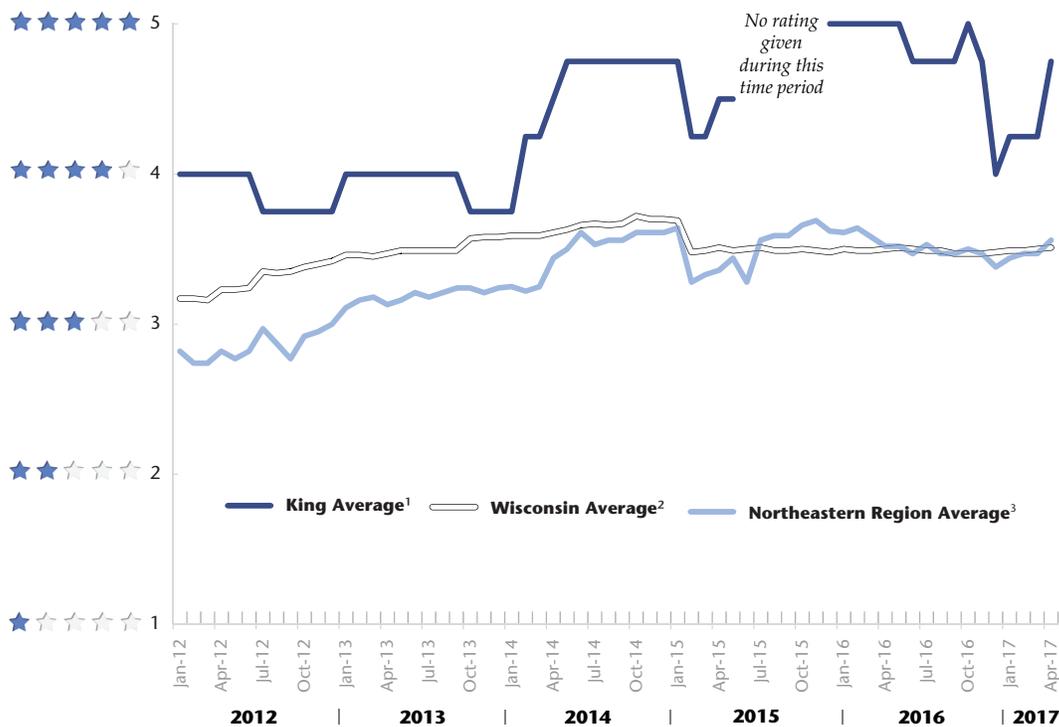
² Excludes the assisted living facility at the Wisconsin Veterans Home at Union Grove.

³ The Wisconsin Veterans Home at Chippewa Falls opened in 2013 and was first rated in May 2014.

We also found that during every month from January 2012 through April 2017 for which King had a CMS rating, its average overall rating was higher than the average overall rating for all skilled nursing facilities in Wisconsin, as well as the average overall rating for those skilled nursing facilities in DHS’s Northeastern Region with 100 or more beds, as shown in Figure 11. The months in which no ratings are available for King represent the period after King received Medicare certification and before subsequent inspections, as noted.

Figure 11

Federal CMS Overall Five-Star Rating Averages for King and Wisconsin



¹ Shows the average overall monthly rating for King’s residence halls. Following Medicare certification of King in March 2015, CMS did not report ratings for all four residence halls from June 2015 through May 2016. Average ratings for this period are based on the halls for which CMS did report a rating.

² Shows the average rating for all Wisconsin skilled nursing facilities that were rated by CMS each month. The number of facilities with ratings may vary each month. In April 2017, it was 380.

³ Shows the average rating for skilled nursing facilities in DHS’s Northeastern Region with 100 or more beds. The number of facilities with ratings may vary each month. In April 2017, it was 34.

Addressing Complaints ■

Complaints involving resident care, services, and working conditions are regularly received by several entities, including King, DHS, and the Long Term Care Ombudsman Program, which is administered by the Board on Aging and Long Term Care. Representatives of the federal Department of Veterans Affairs indicated that it does not have a complaint process and that individuals with concerns are directed to DHS or the Ombudsman Program. In addition, we received complaints concerning King through our Fraud, Waste, and Mismanagement Hotline, as well as directly by our audit team. We reviewed the available information to determine the number, type, and outcome of complaints received by the various entities.

Complaints Received by DHS

DHS directly receives complaints involving all public and privately operated nursing facilities in Wisconsin.

DHS directly receives complaints involving all public and privately operated nursing facilities in Wisconsin. Complaints are received from sources such as residents, family members, nursing facility employees, and advocates. DHS employees located in its five regional offices are responsible for responding to the complaints, and employees in DHS's Northeastern Region are responsible for responding to complaints involving King. Depending on the nature of the allegations received, an investigation may include a desk review or an onsite facility inspection.

Citing federal restrictions, DHS indicated it could not provide us with data on the complaints it received involving King.

DHS indicated that it receives approximately 80 complaints regarding King annually and most pertain to concerns about quality of care. We requested information from DHS regarding the number, nature, and outcome of complaints involving King that it received. However, DHS indicated it could not provide us with the requested information. DHS stated that it acts on behalf of the federal government in conducting complaint investigations and only CMS has the authority to release the records. Therefore, we submitted a Freedom of Information Act request to CMS for this information. We did not receive the requested information by the time our evaluation was completed.

Complaints Received by King

The complaints received by King declined from an average of 24 each year from 2012 through 2014 to five or fewer in both 2015 and 2016.

State and federal laws require King to receive and address complaints submitted by residents. King policies state that residents, their legal representatives, family members, and friends are to submit formal complaints in writing, with the assistance of employees at King if needed. King policy also states that a formal complaint must pertain to the environment, care, or treatment provided by the home. We analyzed formal complaints King reported receiving and found that the number declined from an average of 24 complaints each year from 2012 through 2014 to 5 complaints in 2015 and 3 complaints in 2016.

The most common type of complaint involved resident care, which accounted for 46.3 percent of the 80 formal complaints King received.

As shown in Table 23, the most common complaint issue involved resident care, which accounted for 37 (46.3 percent) of the 80 formal complaints received. Resident care complaints include concerns such as dissatisfaction with caregiver attitudes and concerns regarding the services provided. Complaints related to personal property, such as misplacement of resident clothing, were the second-largest type and accounted for 12 (15.0 percent) of the complaints. Of the 80 complaints King received, 47 (58.8 percent) were submitted by residents, 30 (37.5 percent) were submitted by family members, and 3 (3.8 percent) were submitted by friends of residents.

Table 23

Formal Complaints Received by King

Primary Issue	2012	2013	2014	2015	2016	Total
Resident Care	12	10	8	5	2	37
Personal Property	3	3	6	–	–	12
Resident Behavior or Dispute	3	2	4	–	–	9
Resident Rights	3	2	2	–	1	8
Administrative Concern	–	3	1	–	–	4
Other ¹	5	3	2	–	–	10
Total	26	23	23	5	3	80

¹ Includes complaints regarding dining and housekeeping services, facilities, or access to activities.

King determined that no corrective action was needed for 36.3 percent of the formal complaints it received.

We reviewed documentation associated with the 80 formal complaints King reported receiving from 2012 through 2016. We found that for each of the 80 complaints a letter was sent to the complainant, as required by King's policies. As shown in Table 24, King determined that no action was necessary for 29 of the complaints. Among instances in which action was taken, re-education of employees was the most common response, which occurred for 22 (27.5 percent) of the complaints. For three of the complaints, King maintained insufficient information for us to determine whether any action was taken.

Table 24

**Actions Taken by King in Response to Formal Complaints
2012 through 2016**

Action	Number	Percentage of Total
No Action Deemed Necessary	29	36.3%
Employee Re-education	22	27.5
Re-assignment of Resident or Staff Member	10	12.5
Process or Policy Change	6	7.5
Care Plan Change	4	5.0
Other ¹	6	7.5
Insufficient Information to Determine if Action Was Taken	3	3.7
Total	80	100.0%

¹ Includes actions such as repairing a resident's personal property or providing a resident with financial reimbursement.

The decline in the number of formal complaints received may be due, in part, to changes King made to the manner in which complaints are addressed. Prior to December 2014, one individual was responsible for receiving and overseeing the investigation of all complaints. Each investigation ended with a letter sent to the complainant by the Commandant that included an investigation summary and a description of any action taken to resolve the complaint. In December 2014, responsibility for receiving and reviewing complaints was given to each of the four residence hall managers who, in addition to pursuing formal complaints, indicated that they use informal processes to address resident concerns before they result in formal complaints. King does not document the topics or outcomes from these informal processes in the way it does for formal complaints. The large reduction in the number of complaints received by King during the past two years warrants further review by DVA to ensure that complaints are being addressed uniformly among the four residence halls and that the informal processes being used to resolve complaints are effective in addressing residents' concerns.

The use of King's suggestion boxes has declined, and it received only one suggestion in 2015 and four in 2016.

In addition, King has placed suggestion boxes in each of its four residence halls, the campus activity center, and a maintenance building to encourage residents and employees to provide suggestions related to King's operations. However, we found that few suggestions are submitted each year. From 2012 through 2016, King received a total of 48 suggestions, and the number has generally declined over time. King received an average of 14 suggestions each year from 2012 through 2014, but it received only one in 2015 and four in 2016.

Some employees working at King expressed concern about management responsiveness to employee suggestions.

Managers of the residence halls indicated the suggestion boxes are used infrequently because residents and employees generally provide their suggestions in listening sessions, monthly hall meetings, or by speaking directly with management staff. However, this does not explain why the number of suggestions declined substantially in 2015 and 2016 from prior levels. In addition, some King employees who responded to our November 2016 anonymous electronic survey expressed concern about management responsiveness to employee suggestions, and 63.8 percent of the 428 employees responding to a question about management responsiveness disagreed or strongly disagreed with the statement: "Management at King actively seeks input from employees on how operations and [resident] care can be improved."

Of the 48 suggestions King received from 2012 through 2016, 30 were submitted by residents, 8 were submitted by employees, and the remaining 10 were submitted by unknown parties or by individuals who are neither residents nor employees. Of the 48 suggestions,

31 (64.6 percent) involved King's grounds and facilities, 8 (16.7 percent) involved administrative issues, 6 (12.5 percent) involved activities programming for residents, and 3 (6.2 percent) involved other issues.

King's policies require suggestions to be reviewed, outcomes recorded, and submitters notified of receipt, when the submitter is known. King had sufficient information to notify the submitters of 29 of the suggestions it received, but only 6 (20.7 percent) of the submitters were recorded in King's log as having been notified. In addition, for only 17 of the 48 suggestions (35.4 percent) was there an indication of whether any action was taken in response to the suggestion.

Recommendation

We recommend the Department of Veterans Affairs:

- *review King's informal processes for addressing resident concerns to ensure outcomes of these processes are appropriate and to ensure residents are aware of the option of submitting formal complaints;*
- *document for each formal complaint any action taken in response to the complaint or an explanation of why no action was taken;*
- *ensure that all individuals who submit suggestions through the suggestion boxes at King and have disclosed their identity are sent a notice of receipt;*
- *document for each suggestion received through a suggestion box any actions taken in response to the suggestion received, including documenting instances in which no action was taken; and*
- *report to the Joint Legislative Audit Committee by January 8, 2018, on its progress and on the actions taken by King in response to the formal complaints it received in 2017.*

Complaints Received by the Long Term Care Ombudsman Program

There is currently one full-time employee dedicated to providing ombudsman services to residents of DVA's three Wisconsin Veterans Homes.

The Long Term Care Ombudsman Program, which is administered by the Board on Aging and Long Term Care, receives complaints involving individuals who are age 60 or older and are residents of public or privately operated licensed long-term care facilities in Wisconsin. The Ombudsman Program provides advocacy for matters directly related to the nursing facility, such as complaints regarding the care provided, as well as for matters unrelated to the facility, such as family conflicts. The Ombudsman Program also provides support to the facilities themselves by offering consultation and education on topics such as resident rights; elder abuse, neglect, and exploitation; person-centered care; and residents' quality of life. The Board currently has one full-time employee dedicated to providing ombudsman services to residents of DVA's three Wisconsin Veterans Homes.

The Ombudsman Program does not have any regulatory enforcement authority over the facilities in which its clients reside.

Mandatory reporters are individuals who are legally required to report abuse when it is seen or suspected. Ombudsmen are not considered to be mandatory reporters under federal law. Further, the Ombudsman Program does not have any regulatory enforcement authority over the facilities in which its clients reside. The Ombudsman Program receives complaints from residents, family members, nursing facility employees, and others.

From 2012 through 2016, the Ombudsman Program opened 90 complaint cases related to King residents, but not all involved concerns about King. The number of cases declined from 28 in 2012 to 11 in 2015, and then increased to 15 in 2016. This fluctuation may be, in part, the result of changes in Ombudsman Program staffing during this period. Specifically, from January 2012 to May 2014, residents at King received ombudsman services from both a program employee and from a volunteer, each of whom had worked in these positions for five or more years. From the time both of these individuals left their positions in 2014 until a permanent ombudsman was hired in November 2015, residents of King were served through the Ombudsman Program by one of three program employees at different points in time.

From 2012 through 2016, 25.6 percent of the Ombudsman Program's cases involving King residents concerned their rights.

From 2012 through 2016, the largest number of Ombudsman Program cases involved resident rights, which accounted for 23 (25.6 percent) of the cases, as shown in Table 25. Resident rights include a broad range of concerns, such as the right to refuse treatment or care, the right to be included in all care decisions, and the right of unrestricted mobility on and off the King campus. The second-largest number of cases involved issues not related to King, which accounted for 18 (20.0 percent) of the cases. These issues were mostly family-related concerns, such as a family member's use of a resident's financial resources.

Table 25

**Complaints Involving Residents of King
Submitted to the Ombudsman Program
2012 through 2016**

Primary Issue	Outcome				Total	Percentage of Total
	Verified	Not Verified	Open ¹	Withdrawn		
Resident Rights	8	15	–	–	23	25.6%
Issue Not Related to King	13	5	–	–	18	20.0
Dispute Between Residents	13	1	–	–	14	15.6
Resident Care	8	3	–	1	12	13.3
Other	7	3	1	–	11	12.2
Resident Behavior	5	1	–	–	6	6.7
Administrative Concern	4	1	–	–	5	5.5
Abuse of Resident by Staff Member	1	–	–	–	1	1.1
Total	59	29	1	1	90	100.0%

¹ One investigation was on-going as of December 2016.

Of the 90 complaint cases opened, 59 (65.6 percent) were verified by the Ombudsman Program, which means they were determined to be accurate as reported. The most common actions taken by the Ombudsman Program when complaints were verified was to provide mediation services between a resident and the resident's family member or between a resident and King; to clarify policies with a resident; or to advocate for changes to a resident's care plan. The Ombudsman Program may also refer complaints to DHS for further review and enforcement, when appropriate. From 2012 through 2016, it referred five complaints to DHS.

Complaints Received by the Legislative Audit Bureau

From April 2015 through April 2017, the Legislative Audit Bureau received 47 complaints regarding King.

From April 2015 through April 2017, the Legislative Audit Bureau received a total of 47 complaints regarding King. Of these, 33 came to our Fraud, Waste, and Mismanagement Hotline and 14 were received by the audit team.

We sent two email messages to all King employees that included information on how to contact the Legislative Audit Bureau's

Fraud, Waste, and Mismanagement Hotline, which is available at all times to receive anonymous complaints. In addition, in November 2016, we made ourselves available to meet with any employees who wished to share with us their comments about the operations of King. In advance of our scheduled visits, we sent a notice to all King employees alerting them of our availability to meet with them at King and providing information on the dates, times, and room in which we would be located. We encouraged employees to meet with us during their break times, lunch times, before and after their work shifts, or during their work times with the approval of their supervisors. In addition, some employees contacted us through other means to provide input, and we also met off-site with some employees at their request.

Of the 13 complaints we substantiated, 10 were related to overtime.

We reviewed available information to analyze the complaints we received. As shown in Table 26, the largest category of complaints involved staff-related issues, which accounted for 16 complaints. Most staff-related issues involved concerns with the amount and application of overtime. Administrative issues was the second largest category, and it accounted for 15 complaints. This category includes a broad range of issues, such as agreements with and payments to certain contractors, hiring practices, and the need for the fire department at King. Of the 47 complaints we received, we were able to substantiate 13 complaints (27.7 percent). Of the 13 substantiated complaints, 10 were related to overtime. The three other complaints we substantiated include:

- oxygen tanks being filled by inadequately trained employees, as previously noted;
- King's payment of some residents' Medicare Part B co-payments from February 2007 through February 2015, which DVA's legal counsel determined was not allowed because federal law prohibits offering gifts and other inducements to Medicare beneficiaries; and
- DVA's replacement of a coffee shop with vending machines. As noted in report 17-8, DVA indicated that it plans to restore the coffee shop.

We found that 26 complaints (55.3 percent) were unsubstantiated because the actions that were the subject of the complaints were consistent with DVA policies or the available data did not support the allegations contained in the complaints. Information available for the remaining 8 complaints (17.0 percent) was insufficient to allow us to make a determination, often because complainants did not provide sufficient information for us to conduct a review.

Table 26

Complaints Received by the Legislative Audit Bureau
April 2015 through April 2017

Primary Subject	Substantiated Complaints	Unsubstantiated Complaints	Complaints with Insufficient Information	Total
Staff-Related Issues				
Overtime	10	1	–	11
Other Staff-Related Issues	–	3	2	5
Subtotal	10	4	2	16
Administrative Issues	2	9	4	15
Resident-Related Issues				
Concerns with Medical Care	–	7	2	9
Concerns with Resident Services	1	1	–	2
Subtotal	1	8	2	11
Other Issues	–	5	–	5
Total	13	26	8	47

Resident Input

We took several steps to gather input from residents. We printed posters containing information about how to contact the Legislative Audit Bureau’s Fraud, Waste, and Mismanagement Hotline and asked that they be placed on each floor of King’s four residence halls. In addition, we attended several regularly occurring meetings between residents and staff members of King, and we conducted listening sessions for residents in each of the four residential halls.

We observed the interactions between residents and staff members during two monthly hall meetings, which are held to provide residents the opportunity to raise questions, voice concerns, and receive information on changes to policies and procedures. We also attended a meeting of the Residents’ Council, which consists of residents elected from each hall and a staff liaison. The Residents’ Council meets monthly to discuss policies and procedures that affect resident care and quality of life. In addition, we attended a meeting of the Food Advisory Committee, which includes several residents, including at least one resident from each hall appointed by the Residents’ Council. The Food Advisory Committee meets monthly to solicit input from residents on menu development and other

topics related to dining. In each of the four meetings we attended, we found residents were offered the opportunity to voice concerns directly to employees and to engage in open discussion on topics presented by employees, such as King's policies, meal menus, and upcoming facilities projects.

In December 2016, we conducted listening sessions for residents in each of King's four residence halls.

In December 2016, we conducted listening sessions for residents in each of King's four residence halls to listen to their comments regarding the operation of King and their satisfaction with the services provided. To facilitate the discussion we asked questions about a variety of topics, such as their quality of care, quality of life, and satisfaction with food and activities. We advertised the listening sessions on King's campus with posters placed on campus bulletin boards, through oral announcements during the meetings we attended in November, and via each hall's public announcement system immediately preceding each listening session.

Residents' comments generally focused on dissatisfaction with staffing practices, medical services, and resident rights.

Residents' comments generally focused on areas of dissatisfaction with staffing practices, medical services, and resident rights. For example, residents in all four residence halls stated that nursing assistants worked long hours, including double shifts, as a result of a staffing shortage. Residents indicated they are concerned both for the well-being of the nursing assistants who were often described as "exhausted" and because the staffing shortage affects the quality of care the nursing assistants are able to provide. Residents in all four halls also expressed a desire for increased access to doctors and nurse practitioners.

Residents also expressed dissatisfaction with the amount of communication on topics important to them. For example, in three of the four halls, residents indicated that changes to their care plans or medications were often not communicated to them. Further, attendees in three of the four listening sessions stated that suggestions residents made to employees were rarely responded to in a timely fashion, if at all.

Residents in all four halls generally had mixed opinions about whether or not they enjoyed the food and whether the food served is of good quality. For example, some residents were dissatisfied with King's response to personalized meal requests, and others indicated that the amount of food served was either too large or contained too many calories to allow for proper management of their health.

Residents indicated that employees at King generally had positive attitudes and were friendly to the residents.

Residents of all four halls indicated that employees at King generally had positive attitudes and were friendly to the residents. Most residents indicated they were satisfied with the range and frequency of activities offered, although some suggested the need to offer more activities in the winter months and increased access to off-site

activities. In addition, several residents approached Legislative Audit Bureau staff members to share with us that they were very satisfied with all aspects of their life at King and the services King provides.

Recommendation

We recommend the Department of Veterans Affairs:

- *review the concerns expressed by residents, such as improving access to doctors and nurse practitioners and improving communication regarding changes to residents' care plans; and*
- *report on its progress in addressing these issues to the Joint Legislative Audit Committee by January 8, 2018.*

■ ■ ■ ■

Employee Opinions and Satisfaction ■

Some King employees have raised concerns with public officials about working conditions, policies, and other management issues. To help quantify and better assess these issues, we conducted an anonymous survey of all King employees. Those who responded to our survey generally indicated that the quality of care provided at King was good, but they raised concerns about issues such as the extent of mandatory overtime for some employees providing care to residents, employee morale, and management responsiveness to employee concerns.

Surveying King Employees

Because residents of Wisconsin Veterans Homes are known as members by DVA employees, we used that term in conducting our survey.

In November 2016, we sent an anonymous electronic survey to all 956 employees working at King. The survey addressed resident care, working conditions, employee satisfaction, and other areas of King's operations. Prior to administering the survey, we solicited comments on proposed questions from DVA, union representatives, and other individuals, and we made modifications to improve the survey based on the comments we received. Because residents of Wisconsin Veterans Homes are known as members by DVA employees, we used that term in conducting our survey.

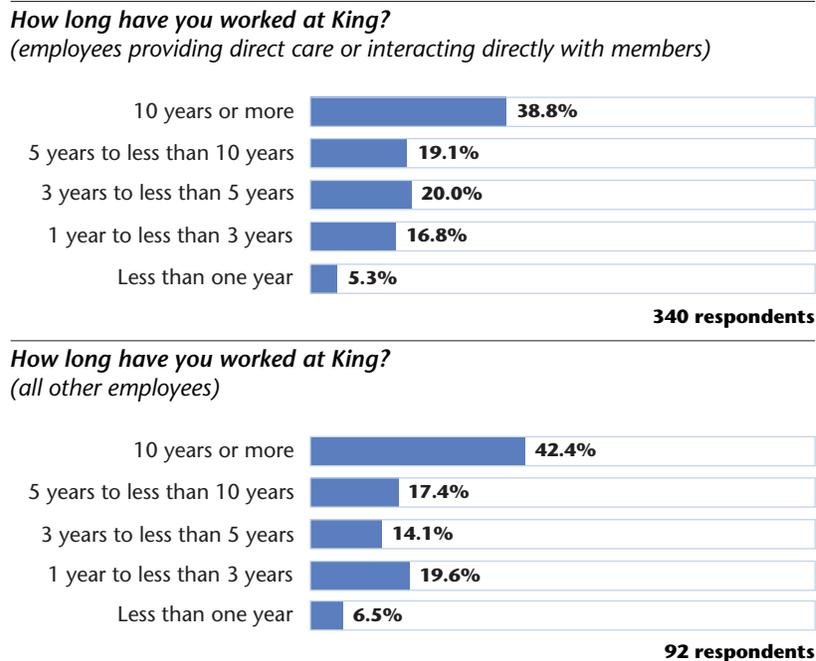
Of the 956 employees who were sent the survey, 449 (47.0 percent) completed at least a portion of it. The number of responses to individual survey questions vary, in part, because some respondents did not answer every question. Some questions were asked of all

employees, while questions related to the provision of care and direct care staffing issues were asked of only those employees who indicated that their primary job responsibilities involved either providing direct care, such as nurses and nursing assistants, or interacting directly with members, such as social workers and activity therapists. Of the 449 respondents to our survey, 356 (79.3 percent) indicated that their primary job responsibilities involved providing direct care or interacting directly with members.

A total of 432 employees responded to a question about their tenure at King. Among survey respondents, the reported tenure of employees who provide direct care or interact directly with members was generally similar to that of employees whose primary responsibilities do not involve these activities. As shown in Figure 12, 38.8 percent of employees who provide direct care or interact directly with members, and 42.4 percent of employees whose primary responsibilities do not involve these activities, indicated they were employed at King for 10 years or more.

Figure 12

Length of Employment at King



Note: Residents of Wisconsin Veterans Homes are known as members.

Employees Who Provide Direct Care

Some respondents commented that employees of King are dedicated to providing excellent care.

We asked employees who indicated their primary responsibilities involved providing direct care or interacting directly with members to respond to a series of questions about the general care and treatment of members. As shown in Figure 13, 97.5 percent of respondents described the overall care provided to members at King as “good” or “very good,” and 95.7 percent “agree” or “strongly agree” that members are treated with respect. Some respondents provided additional comments indicating that employees of King are dedicated to providing excellent care.

A total of 58.7 percent of respondents indicated that the overall quality of care provided to members at King had either improved or stayed the same during the past two years, while 24.8 percent of respondents indicated the overall quality of care had declined. Comments from respondents who perceived a decline in the overall quality of care largely attributed it to an ongoing shortage of direct care staff that has resulted in substantial amounts of mandatory overtime, especially for nursing assistants. Some respondents commented that consistently working overtime hours hampers the ability of employees to provide a consistently high-level of care because of the fatigue and stress it creates for employees.

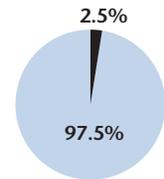
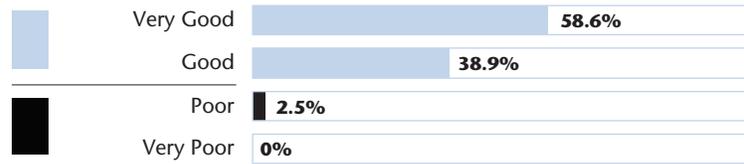
Over 85 percent of respondents who provide direct care or interact directly with members do not believe that King has sufficient member care staff to handle the workload.

We also asked employees involved in providing direct care or interacting directly with members more specific questions about the ability of employees to provide adequate services. As shown in Figure 14, 86.1 percent of respondents indicated that they “disagree” or “strongly disagree” that King has sufficient member care staff to handle the workload. This is consistent with our analysis of overtime use at King.

Figure 13

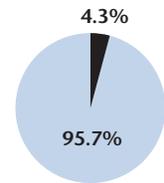
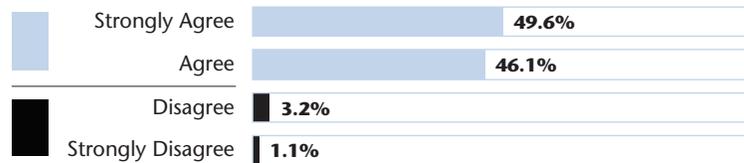
Overall Assessment of Member Care¹

How would you describe the overall care provided to members at King?



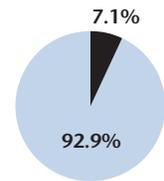
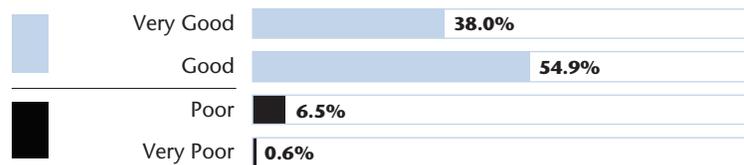
355 respondents

Members at King are treated with respect:



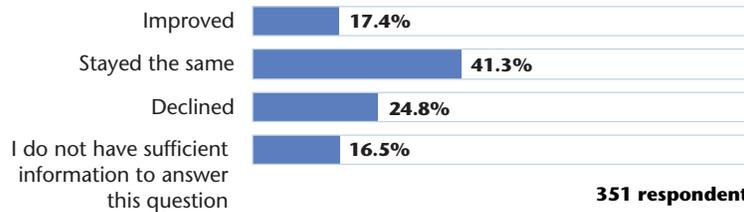
345 respondents

What is your opinion of the overall cleanliness of the nursing facilities at King?



353 respondents

During the past two years, the overall quality of care provided to members at King has:



351 respondents

If you had a family member who was eligible to receive care at King, would you recommend King to him or her?



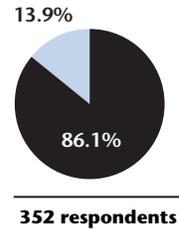
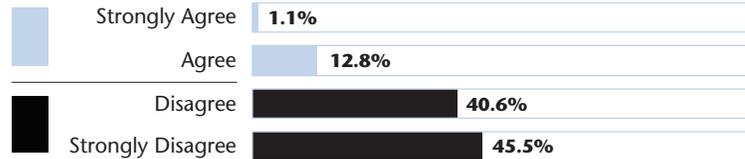
347 respondents

¹ These questions were posed only to those employees who indicated they provide direct care or interact directly with residents, who are known as members.

Figure 14

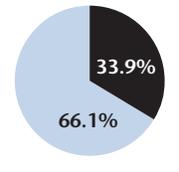
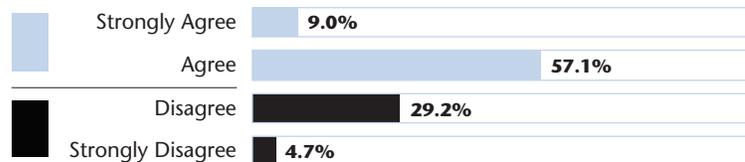
Provision of Member Care¹

King has sufficient member care staff to handle the workload:



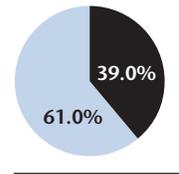
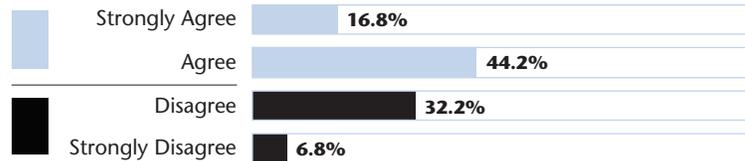
352 respondents

Member needs are adequately met during shift changes:



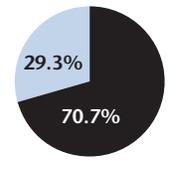
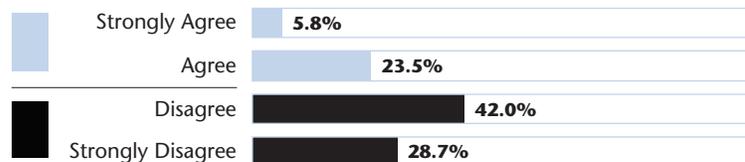
343 respondents

I am informed in a reasonable amount of time when a member's care plan has changed:



339 respondents

I sometimes take shortcuts to complete my work:



345 respondents

If a mistake is made, are you comfortable in reporting it?



354 respondents

¹ These questions were posed only to those employees who indicated they provide direct care or interact directly with residents, who are known as members.

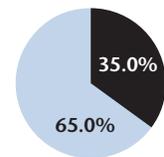
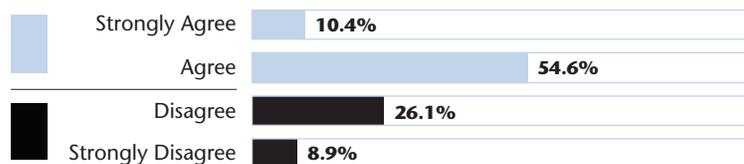
Of those respondents providing direct care or interacting directly with members, 65.0 percent “agree” or “strongly agree” they receive proper and sufficient training.

Figure 15 shows the responses provided to questions about the adequacy of training and guidance for employees providing direct care or interacting directly with members. Of those respondents providing direct care or interacting directly with members, 98.0 percent “agree” or “strongly agree” that they know the established procedures they should follow when caring for members, and 65.0 percent “agree” or “strongly agree” they receive proper and sufficient training. However, 40.7 percent of respondents did not indicate they had received sufficient training in caring for high-acuity members. For example, some respondents expressed a need for further training related to caring for members diagnosed with conditions such as dementia and post-traumatic stress disorder.

Figure 15

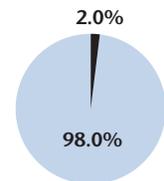
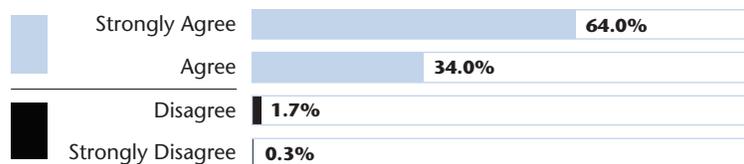
Training for Employees¹

Overall, employees at King receive proper and sufficient training:



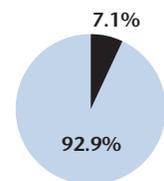
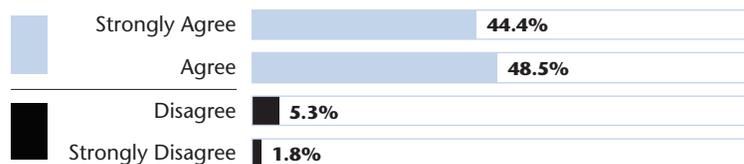
337 respondents

I know the established procedures I should follow when caring for members:



347 respondents

I am comfortable asking for guidance before providing care to a member:



340 respondents

¹ Represents responses from employees who indicated they provide direct care or interact directly with residents, who are known as members.

King received some citations from DHS that may have been prevented had additional training been provided prior to these incidents. For example, from 2012 through 2016, King received:

- 9 citations for providing inadequate care for members with catheters, urinary tract infections, or incontinence;
- 6 citations for failing to ensure nursing assistants were able to demonstrate competency in skills and techniques necessary to care for members;
- 3 citations for medication errors; and
- 3 citations for inadequate care provided to members who require assistance with daily activities, such as dressing and bathing.

Recommendation

We recommend the Department of Veterans Affairs:

- *assess the current training needs of employees at King who provide direct care or interact directly with residents;*
- *develop a plan to address the needs it identifies; and*
- *report its progress in addressing these needs to the Joint Legislative Audit Committee by January 8, 2018.*

Only 60.5 percent of respondents who witnessed member abuse, neglect, or misappropriation of member property always reported it.

We also asked employees who provide direct care or interact directly with members questions related to reporting and addressing member abuse, neglect, or misappropriation of member property by employees at King. As shown in Figure 16, 39 employees responded that they had witnessed member abuse, neglect, or misappropriation of member property by King employees in the past 12 months, including 13 who responded they had witnessed more than five occurrences. A total of 98.8 percent of respondents indicated they know how and to whom they should report member abuse, neglect, or misappropriation of member property. However, only 60.5 percent of respondents who witnessed an occurrence indicated they “always” reported it. Of those who witnessed an occurrence but indicated they would not always report it, some indicated they would not report it because they believe that they would suffer negative consequences for doing so. Examples of

the reasons given for not reporting occurrences of abuse, neglect, or misappropriation of property in respondents' comments included:

- fear of retaliation by supervisors and managers for reporting the incidents;
- the belief that managers do not want to hear about these incidents;
- a lack of corrective action taken by management when incidents had been reported previously; and
- a lack of time to complete incident reports.

However, when member abuse, neglect, or misappropriation of member property is identified, 88.5 percent of respondents indicated that it is "usually" or "always" addressed in a timely manner, and 87.7 percent of respondents indicated that appropriate measures are "usually" or "always" taken to prevent future occurrences.

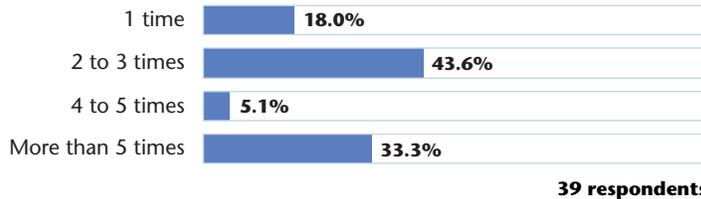
Thirty-seven respondents indicated they experienced negative consequences as a result of reporting member abuse, neglect, or misappropriation of member property.

To address concerns about retaliation at King, we asked employees who provide direct care or interact directly with members if they had experienced negative consequences as a result of reporting member abuse, neglect, or misappropriation of member property as well as other problems involving members. As shown in Figure 17, 37 respondents indicated they had experienced negative consequences as a result of such reporting in the past 12 months, including 28 who indicated they had experienced negative consequences more than once. In addition, 50 respondents indicated they had experienced negative consequences as a result of reporting other types of problems involving members, including 38 who indicated they had experienced negative consequences more than once. For example, some respondents commented that when they reported a problem, they were disciplined or treated poorly for doing so.

Figure 16

Reporting and Addressing Member Abuse, Neglect, or Misappropriation¹

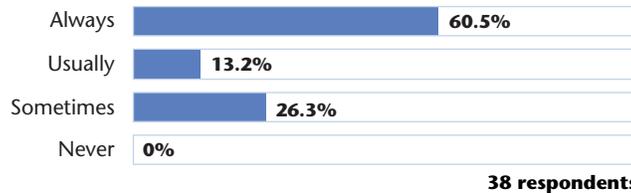
How many times in the past 12 months have you witnessed member abuse, neglect, or misappropriation of member property by employees at King?



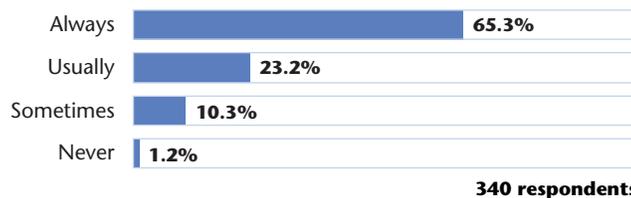
If you were to witness member abuse, neglect, or misappropriation of member property by employees at King, are you aware of how and to whom you should report it?



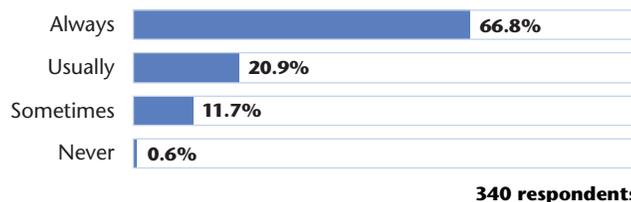
If you witnessed member abuse, neglect, or misappropriation of member property by employees at King in the past 12 months, how often did you report it?



If member abuse, neglect, or misappropriation of member property is identified at King, how often is it addressed in a timely manner?



If member abuse, neglect, or misappropriation of member property is identified at King, how often are appropriate measures taken to prevent future occurrences?



¹ These questions were posed only to those employees who indicated they provide direct care or interact directly with residents, who are known as members.

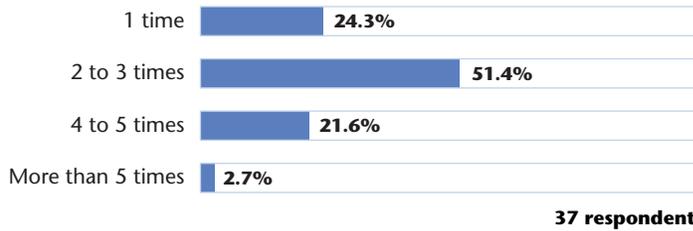
Figure 17

Issues Concerning Retaliation¹

In the past 12 months have you experienced negative consequences from reporting member abuse, neglect, or misappropriation of member property by employees at King?



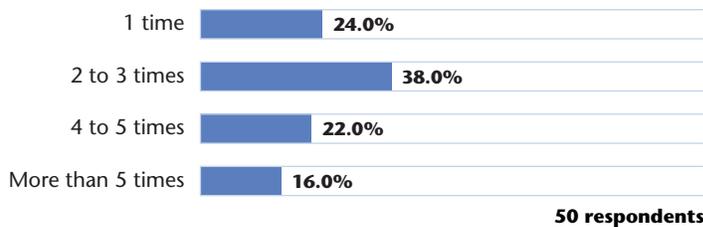
How many times in the past 12 months have you experienced negative consequences from reporting member abuse, neglect, or misappropriation of member property by employees at King?



*In the past 12 months have you experienced negative consequences from reporting a problem involving a member that did **not** include abuse, neglect, or misappropriation of member property?*



*How many times in the past 12 months have you experienced negative consequences from reporting a problem involving a member that did **not** include abuse, neglect, or misappropriation of member property?*



¹ These questions were posed only to those employees who indicated they provide direct care or interact directly with residents, who are known as members.

The extent to which the responses to our survey accurately reflect the number of incidents of resident abuse, neglect, and misappropriation of resident property is not known. Similarly, the extent to which the responses to our survey accurately reflect the extent to which employees who witness such occurrences choose not to report them, in part, because of fear of retaliation, is also not known. Nevertheless, we believe that further action is warranted by DVA based on the responses of 37 employees who indicated that they have experienced negative consequences from reporting resident abuse, neglect, or misappropriation of resident property.

Recommendation

We recommend the Department of Veterans Affairs report to the Joint Legislative Audit Committee by January 8, 2018, on its efforts to ensure:

- *adequate steps are taken to encourage employees of King to routinely report concerns regarding residents, including occurrences of resident abuse, neglect, and misappropriation of resident property;*
- *appropriate and adequate training is provided to all supervisors and managers in encouraging and supporting employees in reporting these occurrences; and*
- *all supervisors and managers are aware of the importance of complying with state and federal laws that prohibit retaliating against employees for engaging in legally protected activities or asserting their rights to be free from employment discrimination, including harassment.*

All King Employees

We asked questions about working conditions, management issues, and overall employee satisfaction to all survey respondents. We separately analyzed the responses of employees who indicated they provide direct care or interact directly with members as part of their primary job responsibilities and found that their responses to our questions were generally very similar to those of employees whose primary responsibilities did not involve these activities.

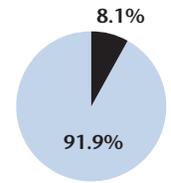
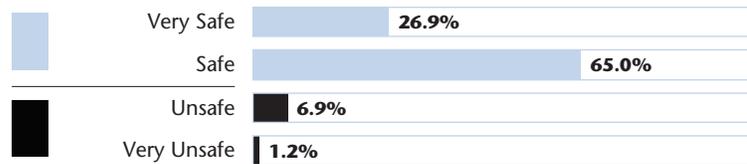
As shown in Figure 18, 91.9 percent of respondents indicated that their work environment was “safe” or “very safe.” In responding to

another question about their working conditions, 70.6 percent of respondents “disagree” or “strongly disagree” that employees at King are paid competitive wages. In their comments, some respondents indicated they had not received raises in several years, and others noted that some local employers pay higher wages for positions that do not require specialized skills, such as convenience store clerk.

Figure 18

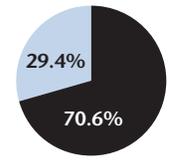
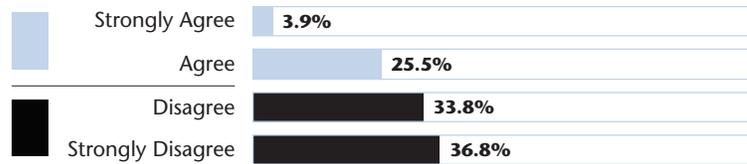
Working Conditions at King

How would you describe the safety conditions of your work environment?



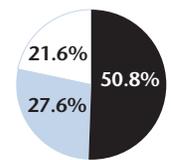
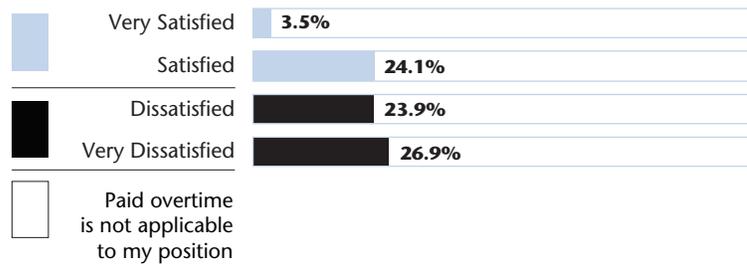
432 respondents

Staff at King are paid competitive wages for their work:



432 respondents

How satisfied are you with the manner in which overtime is assigned?



427 respondents

Almost two-thirds of respondents were “dissatisfied” or “very dissatisfied” with the manner in which overtime hours are assigned.

As noted, many King employees, especially nursing assistants, work a significant amount of overtime hours. Comments provided by employees responding to our survey indicate that overtime is a significant concern of employees. For example, of the 335 employees who responded to our survey question about overtime and who indicated paid overtime is applicable to their positions, 64.8 percent

indicated they were “dissatisfied” or “very dissatisfied” with the manner in which overtime is assigned. Survey comments indicate that it is not just the amount of overtime that is assigned, but the timing of when it is assigned. For example, some respondents indicated that the amount of overtime hours they were assigned has at times prevented them from getting sufficient sleep, which can create safety problems. One respondent expressed concerns about nurses dispensing medication to members with whom they were unfamiliar during 16-hour shifts when their attention to detail may have been compromised. Another respondent reported falling asleep while driving home after working an extended overtime shift. In addition, other respondents indicated the amount of overtime hours they were assigned had negative effects on their home environments.

Some respondents do not believe that management actively seeks employee input on member care or fills positions through a fair and transparent process.

We also asked employees questions about the management of King. As shown in Figure 19, 63.8 percent of respondents “disagree” or “strongly disagree” that management at King actively seeks input from employees on how operations and member care can be improved, and 57.0 percent of respondents “disagree” or “strongly disagree” that positions at King are filled through a fair and transparent process. However, few respondents provided additional comments that help to explain their concerns regarding lack of a fair and transparent hiring process.

Approximately 75 percent of respondents indicated that the overall morale of employees at King was “poor” or “very poor.”

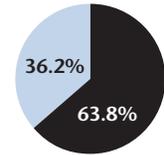
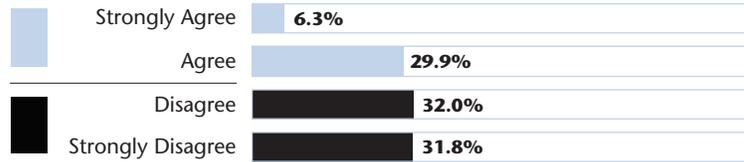
In addition, we asked employees questions about their job satisfaction. As shown in Figure 20, 66.0 percent of respondents indicated they are “satisfied” or “very satisfied” with King as a place of employment. For example, some commented that they have high job satisfaction and view King as a model organization. However, 75.1 percent indicated that the overall morale of employees at King was “poor” or “very poor.” Examples of the causes of poor morale cited by respondents in comments include the amount of overtime hours some employees are required to work, an insufficient number of nursing staff available to meet workload demands, and inadequate compensation.

As noted, DVA has recently taken additional steps to limit the amount of overtime required by consolidating 50 vacant beds within one floor of a residence hall and transitioning nine double-occupancy rooms to single-occupancy rooms. However, the extent to which these efforts will reduce the need for overtime and positively affect morale is not currently known. In addition, other factors affecting employee morale may still be unknown. Contracting with an independent, external entity to further assess both the current status of employee morale and the most significant factors influencing morale could be beneficial.

Figure 19

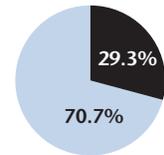
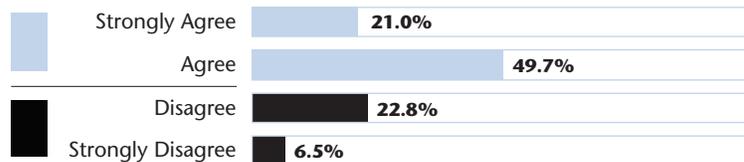
Management Issues

Management at King actively seeks input from employees on how operations and member care can be improved:



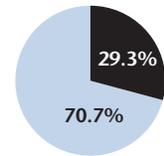
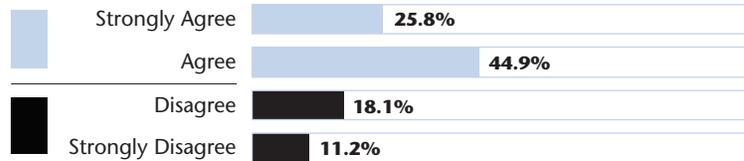
428 respondents

When I have questions about how to perform my job, I am able to get answers in a timely manner:



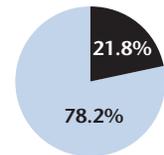
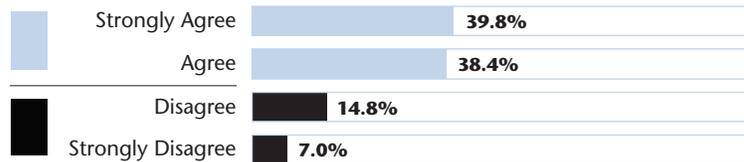
429 respondents

My direct supervisor is knowledgeable about the procedures included in the completion of my daily tasks:



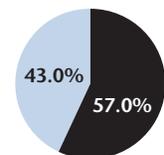
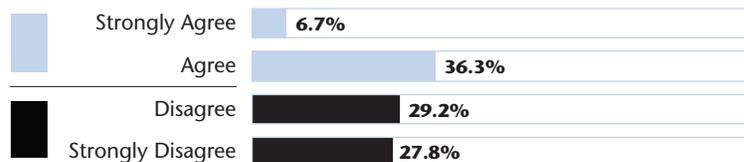
430 respondents

I am comfortable bringing concerns to my direct supervisor:



432 respondents

When positions become available at King, they are filled through a fair and transparent hiring process:



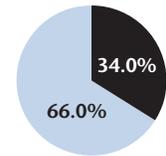
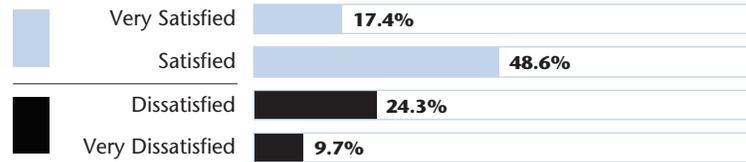
421 respondents

Note: Residents of Wisconsin Veterans Homes are known as members.

Figure 20

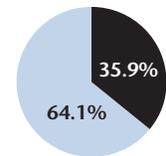
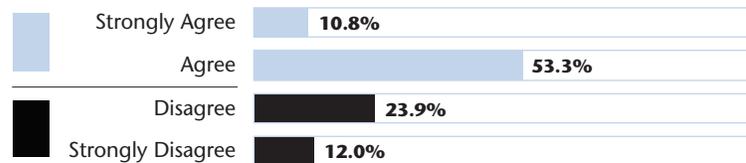
Employee Satisfaction

How satisfied are you with King as a place of employment?



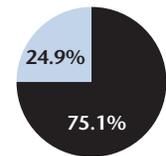
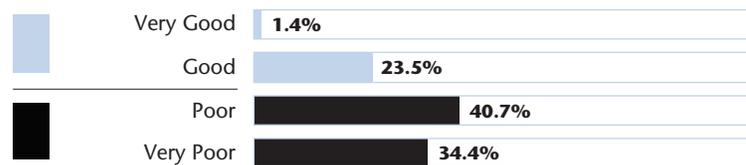
432 respondents

My workload is manageable:



426 respondents

What is your opinion of the overall morale of employees at King?



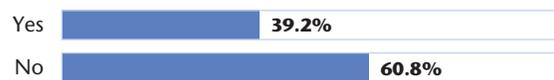
430 respondents

During the past 6 months have you applied for another job outside of King?



426 respondents

In the next 6 months do you plan to seek another job outside of King?



426 respondents

Finally, we asked employees about their plans to seek employment outside of King. A total of 27.5 percent of respondents indicated that they had applied for another job outside of King in the past six months, and 39.2 percent indicated that they planned to do so during the next six months. As noted, DVA has taken some actions to address staffing issues related to employees providing direct care

to residents, including hiring a specialist in November 2016 to improve its recruitment and retention efforts. In addition, under the leadership of a new Secretary appointed in February 2017, DVA indicated it has begun to actively solicit input from employees at King on how operations and resident care can be improved.

☑ Recommendation

We recommend the Department of Veterans Affairs:

- *review concerns about employee morale and the perception that King's hiring practices are not fair and transparent; and*
- *report to the Joint Legislative Audit Committee by January 8, 2018, on its efforts to address these issues, such as by contracting for a survey that provides additional information on the current status and factors affecting employee morale.*

■ ■ ■ ■

Appendix ■

Appendix

Primary Services Provided to King Residents

Activities Programming
Audiology Services
Barber and Beautician Services
Comprehensive Assessments
Comprehensive Care Planning
Dietary Planning
Dental Care
Hospital Transfer Services
Housekeeping Services
Infection Control Program
Laboratory Services
Mental Health Services
Nursing Services
Optometry and Ophthalmology Services
Pharmacy Services
Podiatry Services
Pulmonary Care Services
Physician Services
Radiology and Other Diagnostic Services
Rehabilitative Services
Religious Services
Respiratory Therapy
Social Services
Transportation Services
Urology Services

Response ■



August 23, 2017

Joe Chrisman, State Auditor
Legislative Audit Bureau
22 East Mifflin St. Suite 500
Madison, WI 53703

Dear Mr. Chrisman:

Thank you for the Legislative Audit Bureau's thorough evaluation of operations and performance at the Wisconsin Veterans Home - King.

I am pleased to see that your staff's outside review confirmed much of what I have found in my seven months as secretary – member care at King far exceeds the norm. King staff are truly providing a great service to our most vulnerable Veteran population.

Significantly, your review confirmed the quality and dedication of King's workforce. The ability of staff to persevere and deliver top-level care, despite the challenges faced by the skilled nursing industry both locally and nationwide, is a tribute to their skill and professionalism.

Being very concerned with member care, I am pleased you confirmed that King's per patient nurse contact hours exceed state and federal standards. Where other nursing homes may reduce nursing staff to save money, King continues to provide the highest level of personal care to our members. Additionally, you confirmed that nurse retention at King exceeds local and state averages over time despite the statewide and national staffing crisis afflicting the industry. With regard to regulatory citations, you found that King's facilities were cited by multiple regulating agencies at a much lower rate than similar facilities statewide.

The federal Five-Star Quality Rating System objectively evaluates nursing homes to enable consumers to make informed comparisons regarding the quality of care delivered to patients living in the licensed nursing homes across the country. Your report points out that all four of King's homes exceed, now and over time, local and state averages in *Overall Quality* as determined by this federal rating system. A rating area for improvement noted in your report relates to the *Health Inspection Measures* sub-category. This is something on which we have placed emphasis and will continue to do so. While we have seen improvement we are not yet satisfied. Our research reveals two additional points that your report does not mention: First, King also far exceeds the national star-rating averages for *Overall Quality*, now and over time. Second, all King homes are currently rated as 5 stars in the *Quality Measures* sub-category, a significant accomplishment uncommon in the industry.

Your report aptly captures the largest personnel-related challenge facing King – an industry-wide shortage of nursing staff that has caused overtime hours worked to increase significantly over the past few years. This has placed an unsustainable burden on the employees as well as the department budget. Thank you for mentioning the numerous things we have done recently and over time to combat this crisis, such as protecting new hires from mandatory overtime, increasing the number of weekends off for certified nursing assistants, hiring a nurse recruiter, and protecting days surrounding vacation from extra hours worked, to name a few. It is my focus to eliminate all forced overtime and reduce all voluntary overtime to acceptable, affordable levels as quickly and efficiently as possible. Your report notes the DHS incentive program for new CNAs with a recommendation the department further pursue these recruitment tools. Next month our staff will attend a DHS informational webinar detailing how our facilities can ensure bonuses are available to WDVA nursing staff under the newly created Wisconsin Caregiver Career Program which will further assist us in staff recruitment and retention.

The department has already taken steps consistent with many of the recommendations in the report and will continue to make improvements. In addition to your recommendations related to staffing issues, your report makes several recommendations generally related to member and employee interpersonal communications. While the department will report specific progress to the Joint Committee on Audit, it is important to note that I have an open-door policy for employees to meet with me one-on-one and many King staff have taken advantage of this. Immediately following my appointment in February, I established an office at King and I have spent numerous hours meeting with staff and listening to their concerns.

I would again thank you and your staff for the comprehensive review of operations and performance at King. While the report identifies some areas where we can continue improvement, it most significantly confirms many of the positive things we already knew. I look forward to providing a full report to the Joint Committee on Audit on or before January 8, 2018.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Zimmerman', with a long horizontal flourish extending to the right.

Daniel J. Zimmerman, Secretary