

# Iowa Department of Human Services

Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

December 1, 2016

The Honorable Terry E. Branstad  
Governor  
State Capitol Building  
LOCAL

Dear Governor Branstad:

Enclosed please find a copy of the 2016 report to the General Assembly relative to the analysis of employee turnover in nursing facilities. This report was prepared pursuant to a directive contained in House File 2539, Section 71 (82<sup>nd</sup> G.A.).

In accordance with this legislation, the Department of Human Services was directed to submit a report on an annual basis to the governor and general assembly, which provides an analysis of direct care worker and other nursing facility employee turnover.

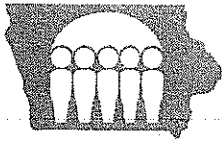
Sincerely,

A handwritten signature in cursive script that reads "Sally Titus".

Sally Titus  
Deputy Director

Enclosure

cc: Michael E. Marshall, Secretary Iowa Senate  
Carmine Boal, Chief Clerk of the House



# Iowa Department of Human Services

Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

December 1, 2016

Michael E. Marshall  
Secretary of Senate  
State Capitol  
LOCAL

Carmine Boal  
Chief Clerk of the House  
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Dear Mr. Marshall and Ms. Boal:

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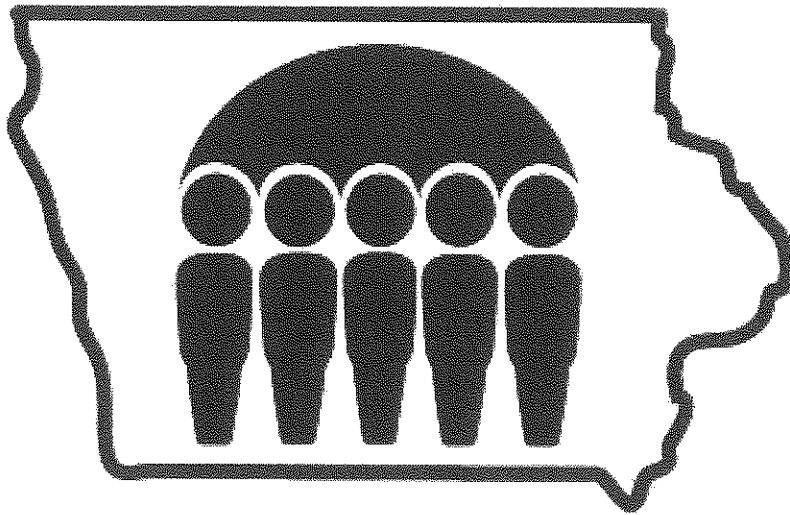
Sincerely,

Sally Titus  
Deputy Director

Enclosure

cc: Terry E. Branstad, Governor  
Senator Amanda Ragan  
Senator David Johnson  
Representative David Heaton  
Representative Lisa Heddens  
Legislative Service Agency  
Aaron Todd, Senate Democrat Caucus  
Josh Bronsink, Senate Republican Caucus  
Carrie Malone, House Republican Caucus  
Zeke Furlong, House Democrat Caucus

# Iowa Department of Human Services



## *Direct Care Worker In Nursing Facilities Turnover Report*

December 2016

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Appendix A: Employee Turnover Rates by Job Classification for Each Nursing Facility

## I. Introduction and Background

The 2001 Iowa Acts (HF 740) directed the Iowa Department of Human Services (DHS) to begin reimbursing nursing facilities under a modified price-based case-mix reimbursement system beginning July 1, 2001. The components of the case mix reimbursement system resulted from a series of meetings that involved providers, industry association representatives, advocacy organizations, and state agency staff.

Throughout the process, the advocacy organizations stressed the importance of including a provision in the reimbursement structure that would financially recognize a nursing facility's capacity to provide quality of life and appropriate access to medical assistance program beneficiaries in a cost-effective manner. With consensus and support of the organizations that participated in the discussions, reference to an Accountability Measures initiative was included in the legislation. The legislation directed DHS to implement a process to collect data for measurements and develop a program to increase nursing facility payments effective July 1, 2002 based on achievement of multiple favorable outcomes.

Following passage of the legislation, DHS convened a workgroup comprised of industry representatives, advocacy groups, state agency representatives and others interested in long-term care. The charge to the workgroup was to refocus reimbursement on quality, encourage compliance with the Health Care Financing Association (HCFA) (now the Centers for Medicare and Medicaid Services, or CMS) quality indicators and survey process, and to do so in a format that was measurable. Per the legislation, a portion of the Medicaid rates under the new case mix system would be based on a facility's achievement of certain accountability measures that would, in turn, link to reimbursement.

The workgroup ultimately settled on ten measures which then went through the administrative rule review process resulting in enactment of 441 IAC 81.6(16)g. Each measure developed was designed to be an "objective" and "measurable" nursing facility characteristic that indicated quality care, efficiency or a commitment to care for special populations. Members of the workgroup recognized that no single measure ensured a "good facility". There was also recognition that the measures would need to be reviewed and modified as more data became available.

One of the ten measures implemented was High Employee Retention Rate. This data was not available prior to the implementation of the Accountability Measures. Therefore, the cost report form, (DHS Form 470-0030, Financial and Statistical Report) was modified to include an additional schedule (Schedule I) to collect employee retention data. All nursing facilities are required to submit the Financial and Statistical Report to Iowa Medicaid Enterprise on an annual basis within three months after the nursing facilities fiscal year end.

A workgroup made up of industry representatives, advocacy groups, state agency representatives and other interested parties, met annually to review the Accountability Measures in context of the goals developed when the Accountability Measures were initially implemented in SFY 2001. In early 2008 the workgroup concluded, based on research

completed, that a measure based on employee turnover would better align with the work being completed by Medicare. This would allow Iowa data to be compared to national data.

In order to determine if a change of the measure to Employee Turnover rather than Employee Retention was warranted, additional data was needed. In order to collect the needed information, a new employee turnover form was developed by the workgroup and sent to nursing facilities requesting that they complete the form and voluntarily submit to the Iowa Medicaid Enterprise. Nursing facilities were requested to complete the form for the period January 1, 2007 through December 31, 2007. This would allow the department and workgroup to collect and analyze the information to allow for future recommendations to the Accountability Measures.

The 2008 general assembly acknowledged in House File (HF) 2539, Section 71 that employee turnover rates in nursing facilities should be documented but also recognized that this information was not currently being collected. The department was directed to modify the nursing facility cost report to capture information on the turnover rates of direct care and other employees of nursing facilities. The department was also required to submit a report on an annual basis to the governor and general assembly which provides an analysis of direct care worker and other nursing facility employee turnover by individual nursing facility, a comparison of the turnover rate in each individual nursing facility with the state wide average, and an analysis of any improvement or decline in meeting any accountability goals or other measures related to turnover rates. The annual report was to include any data available regarding turnover rate trends, and other information the department deemed appropriate.

The department provided public notice on November 13, 2008 of the changes to the cost report and submission requirements. The cost report was modified to include a new schedule that required nursing facilities to report turnover rates of direct care and other employees of the nursing facility. This schedule is identified as Schedule I-1 and is required to be submitted for all cost reports completed on or after December 1, 2008. The department submitted a Medicaid State Plan Amendment reflecting this change to the Centers for Medicare and Medicaid and received approval effective December 1, 2008.

The 2009 general assembly further required in House File (HF) 811, Section 32, that the department implement a system to recognize nursing facilities that provide improved quality of life and appropriate access to medical assistance program beneficiaries in a cost-effective manner. The department adopted administrative rules which rename the program as the "Pay for Performance" program and would direct its implementation. As part of the pay for performance program, the employee retention benchmark was changed to a measure of employee turnover. The legislature did not provide funding for the program in 2010 and has not funded the program since that time; however, employee turnover data continues to be collected annually.

## II. Observations

The summary below uses data from nursing facilities who submitted Schedule I-1 of the Financial and Statistical Report, Form 470-0030. The data represents Schedule I-1 forms received with fiscal year ends occurring during calendar year 2015. However, not all nursing facilities complied with the requirements or did not submit complete data that could be used in the analysis.

Schedule I-1 collects data for the following job classifications: administrator, business office, laundry, housekeeping, maintenance, director of nursing, registered nurse, licensed practical nurse, certified nurse's aide, activities, social services, medical records services, medical director, dietary and other. An employee turnover rate is calculated for each job classification, a facility-wide rate and a nursing only rate. The nursing only rate includes the director of nursing, registered nurse, licensed practical nurse and certified nurse's aide. Contracted employees are not reported. Therefore the number of providers reporting data for each job classification varies.

The table below provides a summary of the employee turnover rates by job classification for cost reports received with fiscal year ends occurring during calendar year 2015. See *Appendix A* for employee turnover rates by job classification for each nursing facility that submitted data.

Job Classification	Number of Providers	Number of providers with Zero Turnover	Minimum Turnover Rate	Maximum Turnover Rate	Average Turnover Rate
Administrator	429	340	0%	1250%	27%
Business Office	429	294	0%	1250%	27%
Laundry	429	273	0%	677%	31%
Housekeeping	429	137	0%	1176%	51%
Maintenance	429	289	0%	1250%	26%
Director of Nursing	429	307	0%	400%	31%
Registered Nurse	429	60	0%	500%	53%
Licensed Practical Nurse	429	76	0%	1163%	45%
CNA	429	6	0%	663%	67%
Activities	429	254	0%	333%	28%
Social Services	429	348	0%	448%	18%
Medical Records	429	394	0%	1250%	17%
Medical Director	429	424	0%	1250%	4%
Dietary	429	32	0%	533%	65%
Other Staff	429	291	0%	1250%	28%
<b>Total Facility</b>	429	4	0%	409%	53%
<b>Total Nursing</b>	429	4	0%	655%	59%

The table below provides a summary of the employee turnover rates by job classification for each nursing facility cost report received from January 2015 through December 2015, (identified as 2016 Report) and cost reports received with fiscal year ends occurring during calendar year 2014 (identified as 2015 Report).

Job Classification	Number of Providers		Number of providers with Zero Turnover		Percent of Providers With Zero Turnover		Minimum Turnover Rate		Maximum Turnover Rate		Average Turnover Rate	
	2015 Report	2016 Report	2015 Report	2016 Report	2015 Report	2016 Report	2015 Report	2016 Report	2015 Report	2016 Report	2015 Report	2016 Report
Administrator	411	429	335	340	82%	79%	0%	0%	400%	1250%	23%	27%
Business Office	411	429	283	294	69%	69%	0%	0%	600%	1250%	23%	27%
Laundry	411	429	261	273	64%	64%	0%	0%	1200%	677%	33%	31%
Housekeeping	411	429	141	137	34%	32%	0%	0%	1200%	1176%	42%	51%
Maintenance	411	429	268	289	65%	67%	0%	0%	218%	1250%	24%	26%
Director of Nursing	411	429	319	307	78%	72%	0%	0%	353%	400%	24%	31%
Registered Nurse	411	429	48	60	12%	14%	0%	0%	240%	500%	48%	53%
Licensed Practical Nurse	411	429	64	76	16%	18%	0%	0%	364%	1163%	43%	45%
CNA	411	429	8	6	2%	1%	0%	0%	223%	663%	58%	67%
Activities	411	429	242	254	59%	59%	0%	0%	200%	333%	27%	28%
Social Services	411	429	339	348	82%	81%	0%	0%	900%	448%	19%	18%
Medical Records	411	429	387	394	94%	92%	0%	0%	240%	1250%	6%	17%
Medical Director	411	429	409	424	100%	99%	0%	0%	100%	1250%	0%	4%
Dietary	411	429	37	32	9%	7%	0%	0%	500%	533%	61%	65%
Other Staff	411	429	279	291	68%	68%	0%	0%	300%	1250%	20%	28%
Total Facility	411	429	5	4	1%	1%	0%	0%	162%	409%	48%	53%
Total Nursing	411	429	6	4	1%	1%	0%	0%	169%	655%	52%	59%



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### **III. Appendices**

#### **Appendix A: Employee Turnover Rates by Job Classification for Nursing Facilities**