



Iowa Department of Human Services

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

Jerry R. Foxhoven
Director

November 13, 2018

The Honorable Kim Reynolds
Governor
State Capitol Building
LOCAL

W. Charles Smithson
Secretary of Senate
State Capitol Building
LOCAL

Carrmine Boal
Chief Clerk of the House
State Capitol Building
LOCAL

Dear Governor Reynolds, Ms. Boal, and Mr. Smithson:

Enclosed please find a copy of the 2018 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 (82nd 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.

Please feel free to contact me if you need additional information.

Sincerely,

Mikki Stier
Deputy Director

Enclosure

cc: Kim Reynolds, Governor
Senator Mark Costello
Senator Amanda Ragan
Representative David Heaton
Representative Lisa Heddens
Legislative Service Agency
Kris Bell, Senate Democrat Caucus
Josh Bronsink, Senate Republican Caucus
Natalie Ginty, House Republican Caucus
Kelsey Thien, House Democrat Caucus

Iowa Department of Human Services



Direct Care Worker In Nursing Facilities Turnover Report

December 2018

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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 (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 10 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 10 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 the Iowa Medicaid Enterprise (IME) 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 IME. 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 CMS 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 2017. However, due to changes in ownership, closings and openings not all nursing facilities submitted 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.

The Direct Care Worker in Nursing Facilities Turnover Report previously used the total number of nursing facilities reporting as the count in the "Number of Providers" column for each job classification. The Department has changed the way it determined this count beginning with data for the December 2018 report. This change was made to be a more accurate reflection of the number of nursing facilities reporting employees per job classification. The "Number of Providers" now represents the count of providers reporting at least one individual employee per job classification. Individuals within any job classification may be filled by a contract employee and not considered an employee of the facility. The Department feels this will allow for better analysis of employee turnover in nursing facilities.

Table 1, on the next page, provides a summary of the employee turnover rates reported by job classification for cost reports received with fiscal year ends occurring during calendar year 2017. See *Appendix A* for employee turnover rates by job classification for each nursing facility that submitted data.

**Table 1: Summary of Employee Turnover Rates by Job Classification
Calendar Year 2017**

Job Classification	Number of Providers	Number of providers with Zero Turnover	Minimum Turnover Rate	Maximum Turnover Rate	Average Turnover Rate
Administrator	386	328	0%	2400%	32%
Business Office	406	278	0%	267%	25%
Laundry	336	274	0%	1200%	46%
Housekeeping	389	129	0%	1200%	77%
Maintenance	399	269	0%	300%	30%
Director of Nursing	418	283	0%	450%	33%
Registered Nurse	424	46	0%	400%	52%
Licensed Practical Nurse	422	62	0%	400%	47%
CNA	424	6	0%	285%	65%
Activities	418	233	0%	1200%	34%
Social Services	336	333	0%	1200%	25%
Medical Records	172	388	0%	327%	8%
Medical Director	56	419	0%	100%	0%
Dietary	402	43	0%	1200%	89%
Other Staff	240	281	0%	400%	22%
Total Facility	424	4	0%	176%	55%
Total Nursing	424	4	0%	196%	58%

Table 2 below provides a summary of the employee turnover rates by job classification for each nursing facility cost report received from January 2017 through December 2017, (identified as 2018 Report) and cost reports received with fiscal year ends occurring during calendar year 2016 (identified as 2017 Report).

**Table 2: Comparison of 2017 Turnover Report and 2018 Turnover Report
Employee Turnover Rates by Job Classification**

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	
	2017 Report	2018 Report	2017 Report	2018 Report	2017 Report	2018 Report	2017 Report	2018 Report	2017 Report	2018 Report	2017 Report	2018 Report
Administrator	423	386	330	328	78%	85%	0%	0%	400%	2400%	29%	32%
Business Office	423	406	297	278	70%	68%	0%	0%	427%	267%	21%	25%
Laundry	423	336	279	274	66%	82%	0%	0%	1200%	1200%	41%	46%
Housekeeping	423	389	123	129	29%	33%	0%	0%	1800%	1200%	63%	77%
Maintenance	423	399	266	269	63%	67%	0%	0%	436%	300%	31%	30%
Director of Nursing	423	418	286	283	68%	68%	0%	0%	600%	450%	39%	33%
Registered Nurse	423	424	48	46	11%	11%	0%	0%	764%	400%	54%	52%
Licensed Practical Nurse	423	422	64	62	15%	15%	0%	0%	441%	400%	48%	47%
CNA	423	424	8	6	2%	1%	0%	0%	336%	285%	63%	65%
Activities	423	418	234	233	55%	56%	0%	0%	467%	1200%	32%	34%
Social Services	423	336	332	333	78%	99%	0%	0%	600%	1200%	22%	25%
Medical Records	423	172	393	388	93%	226%	0%	0%	600%	327%	10%	8%
Medical Director	423	56	420	419	99%	748%	0%	0%	300%	100%	1%	0%
Dietary	423	402	37	43	9%	11%	0%	0%	1418%	1200%	74%	89%
Other Staff	423	240	284	281	67%	117%	0%	0%	606%	400%	27%	22%
Total Facility	423	424	6	4	1%	1%	0%	0%	243%	176%	53%	55%
Total Nursing	423	424	6	4	1%	1%	0%	0%	272%	196%	58%	58%

III. Appendices

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