

Testimony on Value Based Care
Healthcare Committee
May 30, 2024

Good morning, Chairman Davison and Members of the Health Care Committee. My name is Tim Kennedy. For the past 15 years I have been the administrator of Parkside Lutheran Home in Lisbon ND which is a 46-bed facility comprised of 40 skilled beds and 6 basic care beds. Since last July I have also been the administrator of Four Seasons Healthcare Center, a 33 Bed Skilled Nursing facility in Forman.

The Nursing Facilities Incentive Program which I'll call the incentive program, was developed through the last legislative session. The program has elevated quality measures as a high priority or focus for facilities. Quality has always been a priority for skilled nursing facilities. However, with the implementation of the incentive program, facilities are now being recognized and rewarded for taking the important initiative to improve quality. The funding has provided us with the opportunity to make a significant impact and we thank you.

I can speak more to the efforts at Parkside as I've been there much longer and have more history with the quality improvement programs at that facility. For my entire career at Parkside, we would review the quality measures each quarter at our quality assurance (QA) meetings. Areas that ranked higher than National averages were discussed and at times specific performance improvement projects were initiated to improve a particular score on an individual quality measure. We had some successful improvements with some of the performance improvement projects we initiated, but often once the focus was taken off a particular measure we would slowly revert to old habits and the improvement would not be sustained or maintained. With the selection of the four quality indicators used to calculate and reward performance in the incentive program, the focus has been on improvements in these four specific areas; however, with improvements in these areas it naturally drives improvements in other areas. A couple of examples of this are with an improvement in urinary tract infection (UTI) scores it can have an improvement in the person's independence with activities of daily living (ADL).

The same holds true with a reduction in antipsychotic use, this naturally leads to a decrease in falls as well as a decreasing need for assistance with ADLs.

When the incentive program was implemented, Parkside's quality measure report for "falls" was at the 89th percentile. We have shown marked improvement, now standing at the 75th percentile. "Falls resulting in major injury" previously at the 95th percentile, have decreased significantly to the 73rd percentile. Our facility's ranking for antipsychotic medication use has notably improved from the 81st percentile to an impressive 58th percentile. It is easy to see with just these few examples the overall quality indicator scores have improved and I believe it is a direct result of focusing our attention and improvements where there can be a financial impact for the facility.

In addition to the Quality Measures (QM) there is a built-in mechanism to encourage facilities to implement and achieve the American Healthcare Association's Baldrige awards. The Bronze award adds an additional 50 points to a facilities QM score, Silver adds 100 points and Gold would add 150 "bonus" points. These awards are not easy to obtain, and we are proud to strive for them. At Parkside we applied for the bronze award and should have the results of that application later today. If we are successful, we will be adding 50 points to our score for next year and would move us from Tier 2 to Tier 1 increasing our per day incentive payment. I anticipate that we will work towards achieving the silver award this next year. With the silver award process, it requires that every department in the facility participates with a quality improvement project. For example, Dietary may work on improving food serving temperatures or Housekeeping may choose to work on reducing the number of lost or unclaimed items. While these examples do not appear on any quality measure report they will certainly enhance the quality of life for residents at Parkside.

In conclusion I truly believe that implementing the Nursing Facilities Incentive Program has achieved its intended desired outcomes, and as I have shown, the unintended outcomes do have just as much impact on improving the quality of life for residents in skilled nursing facilities.

I'd be happy to take questions.

Tim Kennedy