



ROCKY KNOLL  
HEALTH CARE CENTER

*Innovation with Compassion*

February 19, 2016

TO: Adam Payne, County Administrator and  
Honorable Members of the Sheboygan County Board of Supervisors

RE: Rocky Knoll Health Care Center's 2015 Annual Report

Attached please find the 2015 Annual Report for Rocky Knoll Health Care Center. The report is inclusive of our mission statement and responsibilities, the goals and objectives achieved in 2015, a synopsis of our budget status, current issues and challenges we face as a skilled nursing facility, as well as goals and objectives identified as imperative for the year 2016.

Rocky Knoll continues to be a recognized leader in Sheboygan County, for providing outstanding care and services as evidenced by achieving a five star rating in quality measures, as recognized by the Centers for Medicare and Medicaid Services. The employees have worked hard to embark on continual improvement in order to achieve such great success, and thereby enhancing the lives of those we serve on a daily basis.

It is with great pride that Rocky Knoll announces that we have achieved a positive year-end budget variance. This commitment to fiscal responsibility is particularly impressive considering we are in a time of tightening financial resources, and competing with a market place offering various senior care options, as well as an increasing consumer demand for enhanced services.

Please contact me with any questions or requests for further clarification, and feel welcome to come and visit us.

Best regards,

Rachelle Valleskey, RNC, BSN, NHA  
Administrator

## 2015 Annual Report of Rocky Knoll Health Care Center

### Mission Statement and Summary of Responsibilities

**Mission Statement:** The purpose of the Sheboygan County Health Center shall be to establish an integrated system of long term care delivery designed for and dedicated to providing optimal services to its constituents.

The Sheboygan County Health Care Center known as Rocky Knoll Health Care Center is licensed and certified as a Skilled Nursing Facility. The license requires that the Health Care Center complies with state administrative codes and federal regulations established to ensure that residents receive quality care.

**Responsibilities:** The responsibilities of the Health Care Center can be divided amongst six general factors according to priority, they are:

- 1) Proactive approach to anticipating and meeting the needs of our residents
- 2) Devote effort to provide quality care and service to the residents we serve
- 3) Maintain open communication with staff, residents, families and responsible parties
- 4) Maintain fiscal responsibility to the taxpayers of Sheboygan County
- 5) Maintain an open working relationship with the Health Care Center Committee, Foundation Committee, other Committees, members of the County Board, and all other County departments
- 6) Remain nimble in approach and open to improving operations, identifying fiscal challenges, and opportunities for alternative revenue streams

### Goals and Objectives Achieved in 2015

- Facility operations were reviewed with an emphasis on LEAN principles to identify opportunities for gaining greater efficiencies, reducing waste and our imprint on the planet. A robust recycling effort was implemented which has reduced waste and generated more awareness amongst staff. Recycling includes; scrap metals, plastic, paper, and batteries. Unused equipment and furniture were auctioned to after-market buyers.
- The Centers for Medicare and Medicaid Services' updated requirements for reducing use of anti-psychotropic medications were applied and the facility realized a 29% reduction compared to the required 20%. RN staffing ratios continue to be addressed by attrition and replacing open LPN positions with RNs to achieve the expectation of 1 hour of RN time per resident per day, in order to align with State and National averages.
- The Dementia Taskforce has successfully addressed the Dementia Capable residents care area in regards to creation of policies, enhancement of environment, more robust offerings of activities, and emphasis on specialized dementia training for the caregivers.
- Marketing efforts are resident focused with use of testimonials, audio interviews and photos of actual residents. The genuineness is apparent, and recognizable by the community.

- Plans for a Community Based Residential Facility are on hold at this time, with an emphasis being shifted to expansion of the dementia care unit and creation of Hospice suites within the facility.
- Aesthetics were addressed by upgrading the exterior of the facility. Landscaping was accomplished, with plantings of more colorful and attractive shrubbery, plants, and flowers.
- The parking lots were repaved and new curbing created.
- A more home like environment was accomplished interiorly by replacing flooring, adding wall coverings, painting and wall décor, as well as exchanging out two nurses stations for smaller, more approachable and friendly desk areas.

### ***Budget***

Rocky Knoll's total budget for 2015 was set at \$13,236,036, of which \$834,822 had been supplemented with Tax Levy dollars. 2015 year end results are favorable to the budget, with a positive variance of 2.7%. Looking forward to 2016 we expect \$885,197 of Levy usage as part of a \$13,258,535 budget.

Operationally, the facility continues to adhere to a more fiscally responsible approach to spending and department heads remain cognizant of their own budgets and exploring further cost saving measures. Due to a higher than expected annual census and resident case mix, the facility experienced a favorable revenue variance. A continued focus on updating and upgrading the facility and utilizing the remaining funds from a generous outside donation made it possible to enhance the quality of resident lives through the purchase of various resident care needs and upgrades to common living areas.

### ***Issues and Challenges Ahead***

An ongoing reality in the world of long term care is the ever increasing scrutiny from a regulatory and licensing standpoint with raised expectations in regards to; quality outcomes, training requirements for staff, and the need to do more with less as reimbursements are reduced.

As the baby boomer generation ages and moves toward the need for caregivers, and assistance with declining health status, more community options exist which affects the census of long term care facilities. The influx of home care services, assisted living, and group homes, creates a competitive marketplace for housing elders, where skilled nursing remains the most costly option.

The insurgence of antibiotic resistance has led to the creation of medications which are highly expensive to treat super bugs. Likewise, Oncology and Diabetic medications are ever increasing in price and have a detrimental effect on nursing homes being paid at a per diem rate by Medicare, Advantage plans, Managed Care organizations, and Private insurance providers.

The reality of Bundled payments will adversely impact admissions to nursing homes in an effort for hospitals to recoup bonus money from payer sources. A flat rate is to be paid out for certain procedures, which must encompass the payment to all providers of care that the patient encounters. Therefore,

hospitals are incentivized to reduce their costs, and avoid nursing home placement. The payers will then award bonus payments to providers who come in under the capped amount.

***Goals and Objectives for 2016***

- Maintain our Five Star quality rating with Centers for Medicare and Medicaid Services
- Implementation of Performance Improvement projects aimed at addressing quality areas, and suggestions from residents and family members
- Expansion of the 1 North nursing unit from 19 to 28 beds to better serve the increasing population needs for memory care services
- Replacement of the two nurses stations in the North buildings to create a friendlier, more approachable desk area
- Continued work with facility's sustainability and retro commissioning efforts to reduce utility waste and expenditure.