



DEPARTMENT OF HEALTH & HUMAN SERVICES  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF AUDIT SERVICES  
150 S. INDEPENDENCE MALL WEST  
SUITE 316  
PHILADELPHIA, PENNSYLVANIA 19106-3499

**FEB 25 2004**

Report Number: A-03-03-00217

Thomas Kase, Interim Administrator  
Woodland Center for Nursing  
780 Woodland Avenue  
Lewisberry, Pennsylvania 17339

Dear Mr. Kase:

Enclosed are two copies of the Department of Health and Human Services, Office of Inspector General report entitled "Review of Nursing Facility Staffing Requirements at Woodland Center for Nursing." This review was self-initiated and the audit objective was to determine whether Woodland Center for Nursing was in compliance with Federal and State staffing laws and regulations for nursing homes. Should you have any questions or comments concerning the matters commented on in this report, please direct them to the Department official identified on page 2 of this letter.

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, Office of Inspector General reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5).

To facilitate identification, please refer to Report Number A-03-03-00217 in all correspondence relating to this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Virbitsky", with a long horizontal line extending to the right.

Stephen Virbitsky  
Regional Inspector General  
for Audit Services

Enclosure

**Direct Reply to HHS Action Official:**

Sonia A. Madison, Regional Administrator  
Centers for Medicare & Medicaid Services - Region III  
U.S. Department of Health and Human Services  
150 South Independence Mall West, Suite 216  
Philadelphia, Pennsylvania 19106-3499

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF NURSING FACILITY  
STAFFING REQUIREMENTS AT  
WOODLAND CENTER FOR NURSING**



**FEBRUARY 2004**

**A-03-03-00217**

# ***Office of Inspector General***

**<http://oig.hhs.gov>**

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The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

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# *Notices*

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## **THIS REPORT IS AVAILABLE TO THE PUBLIC** at <http://oig.hhs.gov>

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of Inspector General's reports are made available to members of the public to the extent the information is not subject to exemptions in the act. (See 45 CFR Part 5.)

## **OAS FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG. Authorized officials of the HHS divisions will make final determination on these matters.





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OFFICE OF INSPECTOR GENERAL  
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150 S. INDEPENDENCE MALL WEST  
SUITE 316  
PHILADELPHIA, PENNSYLVANIA 19106-3499

February 25, 2004

Report Number: A-03-03-00217

Thomas Kase, Interim Administrator  
Woodland Center for Nursing  
780 Woodland Avenue  
Lewisberry, Pennsylvania 17339

Dear Mr. Kase:

This final report provides the results of our review of Nursing Facility Staffing Requirements at Woodland Center for Nursing (Woodland Center). Woodland Center is located in Lewisberry, Pennsylvania.

The objective of our review was to determine whether Woodland Center was in compliance with Federal and State staffing laws and regulations for nursing homes. Based on our review of 75 direct care employees<sup>1</sup>, Woodland Center complied with Federal staffing laws and regulations, but did not comply with State staffing requirements. Woodland Center did not comply with State background check requirements for 13 direct care employees and did not meet the State required staffing levels for approximately 17 percent of the workdays reviewed. We recommend that Woodland Center review and strengthen its internal controls to assure that it: 1) prohibits direct care employees from working directly with residents if background checks are not received within the required timeframes, and 2) schedules direct care employees to ensure that each day there is a registered nurse on duty for 24 hours and enough nursing staff on duty to provide 2.7 hours of direct care per resident per day.

In a written response to our draft report, Woodland Center agreed to comply with State staffing requirements. Woodland Center acknowledged a challenged compliance history and stated that it was proceeding with closure of the facility. The full text of Woodland Center's response is included with this report as an Appendix.

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<sup>1</sup> For purposes of this review, we defined direct care employees as any nursing staff who were eligible to provide direct care to residents.

## INTRODUCTION

### BACKGROUND

The Omnibus Budget Reconciliation Act of 1987 established legislative reforms to promote quality of care in nursing homes. These reforms require nursing homes have sufficient nursing staff to provide nursing and related services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident. Specifically, Title 42, Code of Federal Regulations, Section 483.30 requires nursing homes to provide sufficient nursing staff on a 24-hour basis. Sufficient nursing staff must consist of licensed nurses and other nursing personnel and include: 1) a licensed nurse designated to serve as a charge nurse on each tour of duty, 2) a registered nurse for at least 8 consecutive hours a day, 7 days a week, and 3) a registered nurse designated to serve as the director of nursing on a full time basis (the director of nursing may serve as a charge nurse only when the home has an average daily occupancy of 60 or fewer residents).

States are required to ensure that nursing homes follow these Federal staffing standards at a minimum. Each State may implement its own staffing requirements that exceed these standards. Through the State survey and certification process, the State Survey Agency in each State is required to conduct periodic standard surveys of every nursing home in the State. Through this process State Survey Agencies measure the quality of care at each nursing home by identifying deficiencies and assuring compliance with Federal and State requirements.

Pennsylvania has established staffing requirements that exceed the Federal standards. Under Pennsylvania State Code, title 28, part IV, subpart C, chapter 211.12, nursing homes are required to provide 2.7 hours of direct nursing care to each resident every day. The nursing homes are also required to provide a ratio of licensed nurses based on their number of residents. For example, a nursing home with between 60 and 150 residents is required to have 1 registered nurse on each shift for 24 hours a day.

The Pennsylvania Older Adults Protective Services Act (Protective Services Act) required nursing homes obtain a State background check on all employees hired after July 1, 1997. For employees hired between July 1, 1997 and June 30, 1998, nursing homes had until July 1, 1999 to obtain the background check. As of July 1, 1998, the nursing home must obtain a State background check within 30 days for any job applicant who has resided in the State within the previous 2 years. If the applicant has not resided within the State at any time during the previous 2 years, the nursing home must also obtain a Federal background check within 90 days. If the applicant provided a background check, it was required to be less than a year old. However, if the background check was not provided at the time of application, the Protective Services Act allowed the nursing home to hire the applicant on a provisional basis for no longer than the 30 or 90 day period while waiting for the background check. If the background check was not received within the required timeframe, the employee was not eligible to work directly

with residents until the background check was received and found in good standing in accordance with the Protective Services Act requirements.

Woodland Center is a 130 bed Medicare and Medicaid certified nursing home managed by Xavier Health Care Services, Inc.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

The objective of our review was to determine whether Woodland Center was in compliance with Federal and State staffing laws and regulations for nursing homes. Based on our analysis of data from the Centers for Medicare & Medicaid Services's Online Survey Certification and Reporting System, we judgmentally selected Woodland Center for review.

To accomplish our objective we:

- Obtained background, staffing and deficiency data for Woodland Center from the Online Survey Certification and Reporting System database through the Centers for Medicare & Medicaid Services's Nursing Home Compare website;
- Reviewed Federal and Pennsylvania State laws and regulations for nursing homes to determine what staffing standards Woodland Center was required to adhere to;
- Obtained staffing schedules, time and attendance records and payroll records to determine the home's direct care hours per resident per day as well as the licensed nurse-to-resident ratio for three 2-week periods;
- Obtained and analyzed background checks for all direct care employees to assure they adhered to the State requirements;
- Conducted inquiries through Pennsylvania's on-line license and certification systems to determine if all direct care employees were in good standing;
- Reviewed the survey and certification process at the Pennsylvania State Survey Agency and analyzed the results of the two most recent standard surveys conducted at Woodland Center; and
- Obtained an understanding of Woodland Centers' procedures for recruiting, retaining and scheduling staff through meetings and discussions with personnel at the home.

Our review was conducted in accordance with the generally accepted government auditing standards. Our review of internal controls was limited to obtaining an understanding of the controls concerning the hiring and scheduling of employees. The

objective of our review did not require an understanding or assessment of the complete internal control structure at Woodland Center.

We conducted our review during January 2003 at Woodland Center in Lewisberry, Pennsylvania.

## **FINDINGS AND RECOMMENDATIONS**

Woodland Center was in compliance with Federal staffing laws and regulations but was not in compliance with Pennsylvania staffing requirements. All but 1 of the 75 direct care employees at Woodland Center were properly licensed and/or certified and were currently in good standing as determined by the State. The one direct care employee whose certification had expired was not working directly with residents pending recertification. However, Woodland Center did not comply with State background check requirements for 13 direct care employees and did not meet the State required staffing levels for approximately 17 percent of the workdays reviewed.

### **Untimely Background Reviews**

Pennsylvania's Protective Services Act required Woodland Center to conduct background checks on 72 of its current 75 direct care employees. The remaining three direct care employees were hired before the effective date of the law. We reviewed personnel records for the 72 direct care employees and found that Woodland Center had obtained a background check for all 72. However, Woodland Center allowed 13 direct care employees to work directly with residents after the 30-day maximum period to obtain background checks had expired, but before the background checks were obtained. The range of time these employees continued to work directly with residents after the initial 30-day period ranged from 2 days to 11 months. Once received, none of the 13 background checks listed any offense that would preclude the employees from working directly with residents.

### **Deficient Staffing Levels**

We selected a 2-week period from each month of May 2001, October 2001 and April 2002 to determine whether Woodland Center was in compliance with State staffing levels. We reviewed the staffing for each of the 42 days to determine whether Woodland Center had the required registered nurse on duty for 24 hours, and whether Woodland Center had scheduled enough direct care staff to provide the required 2.7 hours of direct care per resident per day. Woodland Center did not comply with these State requirements for 7 of the 42 days (17 percent). For each of the 7 days, Woodland Center did not have a registered nurse on duty for all 24 hours and for 1 of the 7 days, Woodland Center did not have enough direct care staff to meet the 2.7 hours of direct care per resident per day.

Woodland Center had internal procedures for obtaining background checks and scheduling employees, but did not follow these procedures for 13 employees and 17 percent of the days reviewed. Woodland Center continued to schedule 13 employees to work directly with residents after their background checks were not received within the 30-day State requirement. Woodland Center also failed to schedule direct care staff in a way that would ensure there was a registered nurse on duty for 24 hours a day and enough staff on duty to meet the 2.7 direct care hour requirement for 17 percent of the days reviewed. Because the 13 employees did not have any offense reported on their background checks that would preclude them from working directly with residents, and because our inquiries through the Pennsylvania State on-line license and certification systems found that all 13 employees were currently in good standing with the State, all 13 employees are eligible to work with residents. However, Woodland Center should review and strengthen its internal controls for employee background checks in order to assure that it does not hire someone who has a criminal history that would preclude them from working in a nursing home and would possibly endanger the residents. Woodland Center should also review and strengthen its internal controls for scheduling employees to ensure that the home has a registered nurse on duty for 24 hours a day and has enough staff on duty to meet the 2.7 direct care hour requirement.

## **RECOMMENDATIONS**

We recommend that Woodland Center review and strengthen its internal controls to assure that it:

- prohibits new employees from working directly with residents if the required background checks are not received within the timeframes specified in the Protective Services Act; and
- schedules direct care employees to ensure that each day there is a registered nurse on duty for 24 hours and enough nursing staff on duty to provide 2.7 hours of direct care per resident per day.

## **WOODLAND CENTER RESPONSE**

In a written response to our draft report, Woodland Center agreed to comply with State staffing requirements. Woodland Center acknowledged a challenged compliance history and stated that it was proceeding with closure of the facility. The full text of Woodland Center's response is included with this report as an Appendix.

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To facilitate identification, please refer to report number A-03-03-00217 in all correspondence relating to this report.

Sincerely,

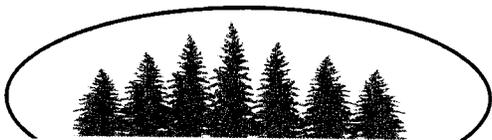
A handwritten signature in black ink, appearing to read "Stephen Virbitsky", with a long horizontal flourish extending to the right.

Stephen Virbitsky  
Regional Inspector General  
for Audit Services

**Direct Reply to HHS Action Official:**

Sonia A. Madison, Regional Administrator  
Centers for Medicare & Medicaid Services - Region III  
U.S. Department of Health and Human Services  
150 South Independence Mall West, Suite 216  
Philadelphia, Pennsylvania 19106-3499

# **APPENDIX**



**WOODLAND CENTER**  
**FOR NURSING**  
780 Woodland Avenue \* Lewisberry, PA 17339 \* 717-938-9370 \* Fax 717-938-5743

November 18, 2003

Mr. Stephen Virbitzky  
Regional Inspector General for Audit Services  
Department of Health and Human Services  
Office of the Inspector General  
Office of Audit Services  
150 S. Independence Mall West, Suite 316  
Philadelphia, Pennsylvania 19106-3499

Re: Draft Report "Review of Nursing Facility Staffing Requirements at Woodland Center for Nursing"  
Report Number: A -03-03-00217

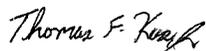
Dear Mr. Virbitzky,

The Woodlands Center for Nursing ("Woodlands") is and will continue to comply with current state staffing ratios at 2.7 or above and does perform criminal background checks on new employees.

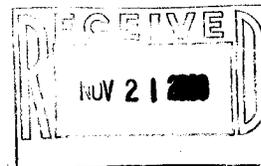
At the time of the audit, January 2003, Xavier Health Care Services, Inc. acted as manager of the facility. Upon Xavier's termination on September 27, 2003, Cathedral Rock Healthcare Management, LP (CRHM) assumed managerial duties. Earlier in the year, the Federal Bankruptcy Court had tentatively identified a purchaser for the facility. However, after a review of the facility's poor financial performance and challenged compliance history, the purchaser elected not to proceed. Subsequently, decision was made to close the facility. CRHM is now proceeding with the systematic closing of the facility for the owner and anticipates the last day to be December 3, 2003.

If you have any questions regarding this issue please contact the facility at (717) 938-9370.

Respectfully submitted



Thomas Kase, Jr.  
Interim Administrator



*PROVIDING QUALITY CARE INCLUDING REHABILITATION, HOSPICE, AND RESPITE SERVICES*

# ACKNOWLEDGMENTS

This report was prepared under the direction of Stephen Virbitsky, Regional Inspector General for Audit Services. Other principal Office of Audit Services staff who contributed include:

Michael Walsh, *Audit Manager*

Leonard Piccari, *Senior Auditor*

William Maxwell, *Auditor-in-Charge*

Anita Anderson, *Auditor*

Lynne Tocci, *Auditor*

For information or copies of this report, please contact the Office of Inspector General's Public Affairs office at (202) 619-1343.