



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General
Office of Audit Services

FEB 5 2004

REGION IV
61 Forsyth Street, S.W., Suite 3T41
Atlanta, Georgia 30303

Report Number: A-04-04-04004

Barbara Matthews, Administrator
Luverne Health and Rehabilitation
142 West 3rd Street
Luverne, Alabama 36049

Dear Ms. Matthews:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), Office of Audit Services' (OAS) report entitled *Effect of Staffing on Quality of Care at Nursing Facilities – Luverne Health and Rehabilitation*. Should you have any questions or comments concerning the matters commented in the report, please direct them to the HHS official named below.

The objective of our review was to determine whether Luverne Health and Rehabilitation was in compliance with Federal and State staffing laws and regulations for nursing homes.

Luverne Health and Rehabilitation was in compliance with Federal and Alabama State staffing laws and regulations. Federal staffing regulations are contained in Title 42, Code of Federal Regulations, Section 483.30. Alabama has not established staffing requirements that exceed the Federal standards. For three selected 2-week periods, we determined that Luverne scheduled its direct care employees in compliance with Federal staffing standards. All 116 current direct care employees at Luverne were properly licensed or certified and were currently in good standing as determined by the State. Although not an Alabama State requirement, Luverne obtained background checks on current direct care employees. Also, we found material agreement in the direct hours of care that we calculated and the hours of care reported in the Nursing Home Compare website.

In accordance with the principles of the Freedom of Information Act, OIG, OAS 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.

To facilitate identification, please refer to report number A-04-04-04004 in all correspondence.

Sincerely,

Charles J. Curtis
Regional Inspector General
for Audit Services, Region IV

Enclosure

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Direct Reply to HHS Action Official:

Rose Crum-Johnson, Regional Administrator
Centers for Medicare & Medicaid Services
61 Forsyth Street, S.W., Suite 4T20
Atlanta, Georgia 30303-8909



February 5, 2004

Report Number: A-04-04-04004

Barbara Matthews, Administrator
Luverne Health and Rehabilitation
142 West 3rd Street
Luverne, Alabama 36049

Dear Ms. Matthews:

This Office of Inspector General (OIG) report provides the results of our review of the *Effect of Staffing on Quality of Care at Nursing Facilities – Luverne Health and Rehabilitation* (Luverne). Luverne is a 151 bed nursing facility located in Luverne, Alabama.

The objective of our review was to determine whether Luverne was in compliance with Federal and State staffing laws and regulations for nursing homes. Federal staffing regulations are contained in Title 42, Code of Federal Regulations, Section 483.30. Alabama has not established staffing requirements that exceed the Federal standards. Based on our review of 116 current direct care employees¹, we found that Luverne complied with Federal and State staffing laws and regulations. We also noted substantial agreement in the direct care hours per resident per day that we calculated and the hours of care reported in the Nursing Home Compare website.

INTRODUCTION

BACKGROUND

The Omnibus Budget Reconciliation Act of 1987 established legislative reforms to promote quality of care in nursing homes. This act requires nursing homes to 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.”

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 director of nursing on a full time basis. The director of nursing may serve as a charge nurse only when the facility has an average daily occupancy of 60 or fewer residents.”

¹ Direct care employees are any nursing staff who are eligible to provide direct care to the residents.

As part of the survey and certification process, the Survey Agency is required to conduct periodic standard surveys of every nursing home in the State. Through this process the Survey Agency measures the quality of care at each nursing home by identifying deficiencies and assuring compliance with Federal and State requirements. At the conclusion of its review, the Survey Agency posts its results, including direct care staffing data, to the Nursing Home Compare website. This computer generated information is made available to the general public.

At a minimum, States are required to ensure that nursing homes follow these Federal staffing standards. Each State may also implement its own staffing requirements that exceed these standards. Alabama has not established staffing requirements that exceed the Federal standards.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to determine whether Luverne was in compliance with Federal and State staffing laws and regulations for nursing facilities.

Based on analysis of data from the Centers for Medicare & Medicaid Services's (CMS) Online Survey Certification and Reporting System, we selected a sample of nursing facilities for review, including Luverne.

To accomplish our objective we:

- obtained data for Luverne from CMS's Nursing Home Compare website which we reviewed for background, staffing and deficiency information;
- reviewed Federal and Alabama State laws and regulations for nursing homes to determine the staffing standards Luverne was required to adhere to;
- obtained staffing schedules and payroll records to determine the facility's direct care hours per resident per day as well as the employee-to-resident ratio for three 2-week periods;
- obtained verification of licensure and certification for all direct care employees to assure that the facility adheres to Federal and State requirements;
- conducted inquiries through Alabama's on-line certification system to determine if all Certified Nursing Assistants (CNA) were in good standing;
- reviewed the survey and certification process at the Survey Agency and analyzed the results of the two most recent standard surveys conducted at Luverne to identify deficiencies and causes; and
- met with the administrator of the facility to obtain an understanding of Luverne's policies and procedures for recruiting and retaining staff.

Our review was conducted in accordance with 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 Luverne.

We performed our review at Luverne, the OIG Birmingham Field Office, and the OIG Atlanta Regional Office from April 2003 through December 2003. Our review covered a 2-year period from January 1, 2001 through December 31, 2002.

We reviewed the results of the two most recent standard surveys preceding our audit. These surveys were performed by the Survey Agency during August 2001 and August 2002. In addition, we reviewed the information, such as hours of care, for the same periods of time as the surveys and for February 2002, which was a mid-point between the last two surveys. We also reviewed other information pertaining to Luverne that was current as of April 2003.

FINDINGS AND RECOMMENDATIONS

Luverne was in compliance with Federal and Alabama State staffing laws and regulations. Federal staffing regulations are contained in Title 42, Code of Federal Regulations, Section 483.30. Alabama has not established staffing requirements that exceed the Federal standards. For three selected 2-week periods, we determined that Luverne scheduled its direct care employees in compliance with Federal staffing standards. All 116 current direct care employees at Luverne were properly licensed or certified and were currently in good standing as determined by the State. Although not an Alabama State requirement, Luverne obtained background checks on current direct care employees. Also, we found material agreement in the direct hours of care that we calculated and the hours of care reported in the Nursing Home Compare website.

Compliance with Federal and State Laws and Regulations

The Federal regulations discuss what nursing staff criteria nursing homes must meet to participate in the Medicare and Medicaid programs. Basically, Title 42, Code of Federal Regulations, Section 483.30 requires three elements to be met for a facility to be considered as having sufficient staffing:

- (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 director of nursing on a full time basis. The director of nursing may serve as a charge nurse only when the facility has an average daily occupancy of 60 or fewer residents.”

We determined that Luverne, which was a 151 bed nursing facility, was in compliance with the elements of the Federal and State regulations for three 2-week periods we tested. During the three 2-week periods occurring in August 2001, February 2002, and August 2002, we determined

that a charge nurse was assigned for each 8-hour shift. We also determined that the facility had at least one Registered Nurse (RN) for at least 8 consecutive hours per day for each 7-day period. We then determined that an RN was designated to serve as the Director and was also different from the charge nurse. The following table illustrates Luverne’s compliance with the regulations:

Federal and State Staffing Requirements	August 2001	February 2002	August 2002
Charge nurse assigned for each 8-hour shift	Yes	Yes	Yes
At least 1 RN 8 hours/day for each 7-day period	Yes	Yes	Yes
Director different from the charge nurse	Yes	Yes	Yes

At the time of our review, Luverne had 116 direct care staff. We verified that all RNs and Licensed Practical Nurses (LPN) had a current license and that all CNAs at Luverne had a current certificate. We also verified the licenses of the RNs and LPNs and the certifications of CNAs online. The staffing allocations for nurses and assistants of the direct care staff as well as the licensure and certification standings were:

	RN	LPN	CNA
Current License	6 – Yes	26 – Yes	N/A
Current Certification	N/A	N/A	84 – Yes
Good Standing on State CNA Registry	N/A	N/A	84 – Yes

Based on the results of our review, Luverne met the critical elements of the Federal and State regulations. Therefore, we concluded that the facility was in compliance with Federal and State requirements.

Agreement Between the Nursing Home Compare Website and OIG Calculations

Luverne prepares a Facility Staffing form (CMS-671) and a Resident Conditions and Census form (CMS-672) for each survey period. The Survey Agency then inputs information on direct care hours shown on these forms into the Nursing Home Compare website. Key data regarding Luverne and other public nursing facilities is accessible by computer on the Nursing Home Compare website.

There should be agreement between the direct care hours shown in the official nursing daily hour records and the information made available to the general public. We determined that the information contained in the forms agreed with the information in the website. We also found that the hours in the website materially agreed with the hours that we calculated relying on information for the same period furnished by the facility.

We calculated the direct care hours for the survey period, August 2002, using the CMS-671 and the CMS-672. The 3.65 direct care hours we calculated using the CMS-671 and CMS-672 materially agreed with the hours on the Nursing Home Compare website that showed 3.66 hours. We also noted material agreement in the direct care hours that we calculated using the staff schedules and payroll records when compared to the direct care hours reported on the Nursing Home Compare website.

Based on staff schedules and payroll records provided by Luverne, we determined that Luverne provided 3.62 direct care hours during the time of the Alabama State Agency’s August 2002 survey. The 3.62 direct care hours we calculated using facility data was slightly less than the 3.66 hours shown in the Nursing Home Compare website for the same time period – an insignificant difference of .04 direct care hours per resident per day or 1 percent.

	OIG Calculation	CMS-671 and CMS-672	Nursing Home Compare Website
August 2002	3.62	3.65	3.66

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To facilitate identification, please refer to Report Number A-04-04-04004 in all correspondence related to this letter.

Sincerely,



Charles J. Curtis
Regional Inspector General
for Audit Services, Region IV

Enclosure

ACKNOWLEDGMENTS

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

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