

LASATA CARE CENTER 2007 ANNUAL REPORT

There were several major projects that Lasata Administration and the Aging and LTC Committee focused on during the year. Many hours and several meetings, trips and discussions were held with Pathway Senior Living regarding the development of their Assisted Living project. At year-end Pathway and the Committee decided to part ways as an agreement could not be reached on how best to proceed. The Committee is again reviewing options for development of Assisted Living on our campus.

Other major projects included transitioning from an in-house Pharmacy to an outside contracted service. We installed a new financial billing system that is integrated to our electronic medical records and resident charts.

The State of Wisconsin is expecting all nursing homes to transition from a medical model to an individual resident model of care. All programs and services must be resident-centered and not institutionally driven. As an example instead of us setting meal times or bathing times or waking and sleeping times and telling the resident which time slot they fit into, the resident can choose when they want to do these activities and we must adapt our procedures, staffing, etc. to fit into their schedule. Our first major change was that we restructured our meal to a resident centered dining-by-choice program. We will soon be adapting our bathing times, sleeping and waking times as well as activity, therapy, etc.

At year-end we started to explore and study ideas and options for renovations to the facility in anticipation of updating our 40 year-old physical plant to meet the needs and requirements of our residents now and in the future. Lasata was built in the early 1960's and was designed as an institutional model with very little personal warmth for residents or convenience for staff. Lasata was, and still is a very solid and sound building but no longer meets the needs of our resident population and is inefficient for staff.

While the physical plant and building structurally has decades of use left we must consider renovations to enable us to provide quality service to residents. Some examples of changes that are needed would be to offer more private rooms and larger bathrooms that can accommodate assistive lifts and staff. We need more electrical outlets for increased usage of equipment such as wheelchairs, lifts and medical machinery like pressure beds, electric beds, food pumps, oxygen pumps, etc.

We must consider decentralized bathing areas, toileting areas, visiting areas and meal preparation areas as well as resident computer and cable TV access. With the ever increasing usage and requirements of electronic records we must redesign our nursing stations and staff/family conference areas.

Lasata's 2007 budgeted operating deficit was \$155,279. The un-audited year-end operating deficit was \$633,120. This deficit will be covered with Lasata Reserves and transfers from the Lasata Heights surplus.

Total Operating Revenues were 1.2% (\$167,500) below budget and 0.8% (\$103,750) below 2006 revenue totals. We had a lower than expected number of Private Pay residents and our State Medicaid rates actually dropped by 1% from

the previous year resulting in room and board revenues being \$255,000 below budget.

State and federal reimbursement for Medicaid actually decreased. Our daily rate decrease resulted in reimbursement being \$55 per day below actual expenses. We did receive \$23.50 per day in Supplemental Payment funds (previously known as IGT funds) to offset these losses but our net loss for each Medicaid resident was \$31.50 per day. Statewide the average County Home loses about \$79 per day before and \$59 per day per resident after Supplemental Payment funds are made.

Total Operating Expenses were 2.3% (\$310,300) over budget and 0.7% (\$97,700) over 2006 expenses. Utilities were \$42,000 over budget due a 35% increase in electric and natural gas costs. In cooperation with the Cedarburg Light and Water Utility we received a State of Wisconsin Public Benefits Program credit of \$20,000 towards our electric bill. This lowered our total electric bill by 22% and helped offset some of the large increases we encountered from other utilities. We have received \$151,000 in credits from this program in the past 7 years.

Wages and fringes were \$541,400 over budget due to a \$330,000 shortage in budgeting and an increase in overtime costs to cover for continued shortages from an inability to hire and retain enough staff to meet our resident needs.

Major capital improvement projects included completion of a nurse-call system on the west side of the building, additions and upgrades to our electrical wiring and outlets, replacement of cabinetry in resident rooms and upgrading of several central air conditioning and HVAC units.

Occupancy levels in Wisconsin nursing homes continued to average about 89% but Lasata's average occupancy was 97% (196 beds filled daily). Twenty percent of our residents were Private Pay funded, 75% were Medicaid (T19), and 5% were Medicare (T18).

A total of 93 new residents were admitted during the year. Sixty one came from an acute care hospital with Medicare coverage. Ten came from the Lasata Heights apartments and 6 stayed here permanently. One hundred percent of our new admissions were Ozaukee County residents or had a relative that was a County resident.

A total of 102 residents were permanently discharged during the year. Forty one were discharged to their home, or went to some type of Assisted Living facility.

Thirty seven percent of our residents had Alzheimer's, Dementia or some other brain disorder as their primary diagnosis and 24% were diagnosed with some form of cardiovascular disease, 9% had arthritis, 5% had a fracture, 5% had anemia, 5% ad Parkinson's disease, 4% had Multiple Sclerosis, 4% had a respiratory disease and the remaining 7% had a variety and mixture of individual illnesses and diseases.

At year-end the average age of all residents was 86.3 years, the youngest was 42 and the oldest was 103 years old. There were 4 residents under the age

of 55 and 4 residents over 100 years old, requiring our staff to meet the physical, medical and social needs of a very diverse population.

Lasata staffing levels in the nursing department were above State required minimum levels but below the average level of other nursing homes. Our turnover rate for nursing assistants was 20% but this was well below the State average of 60%. Our turnover rate for nurses was 27% compared to the State average of 66%.

As the acuity of our residents increases we will be required to increase staffing levels to meet the needs of our residents. This will continue to be challenging as we compete with hospitals and other facilities to attract qualified employees from the same labor pool.

Goals for 2008 include recruitment of qualified licensed nurses and nursing assistants, finalizing and presenting design plans and budget estimates for major physical plant renovations to begin in 2009, and review and recommendations for an Assisted Living facility on our campus.

Submitted by the Ozaukee County Aging and Long Term Care Committee and the Lasata Care Center Administrator.