



MICHELLE LUJAN GRISHAM
Governor

DAVID R. SCRASE, M.D.
Acting Cabinet Secretary

Date: September 20, 2022

To: Legislative Finance Committee and Staff

From: New Mexico Department of Health (DOH)

Subject: Department of Health Response to LFC Facilities Evaluation Progress Report, September 2022

The New Mexico Department of Health (NMDOH) has wholly supported and participated in coordinating and staffing all visits deemed necessary for the LFC to conduct a thorough progress report on its original 2021 evaluation of all seven NMDOH facilities (*Department of Health Facilities: Oversight, Capacity, and Performance*). Recognizing the importance of carefully considering the LFC's follow up assessment of progress made on the original recommendations, we appreciate this opportunity to address the committee directly.

DOH has made significant progress since last year's report. The administration and legislature have agreed that novel solutions and sustained investment are necessary to significantly improve facility operations over the long-term. The LFC made twelve key recommendations for over-all improvement, which the Department agreed to in significant measure. Now a year since our last meeting, the Department is pleased to see the updated LFC report reflect significant strides being made to resolve many of the report's original recommendations. The Department also recognizes long-term strategies, which emphasize sustained and durable dedication are indicated when contemplating more chronic, systemic challenges. The New Mexico Department of Health values the opportunity to address our accomplishments in the past year:

DOH Believes that it is Critical to Rebuild Facility Infrastructure for Quality, Access, and Cost; This Will Take Time and Money

For a variety of reasons, and with no blame implied, DOH facilities have been underfunded and under-resourced for decades when compared to the average level of capital and other investments made by most healthcare facilities. While the current report highlights the many things that have not been fully accomplished in the one-year period since the last report, we believe that our progress has been remarkable.

We deliberately chose to prioritize putting experienced leaders in place over all of our facilities, and in each facility, understanding that this would create a six-month delay. Without strong leadership, all other plans will fail.

For a healthcare delivery system like ours, we believe that changes in physical plant and equipment, including maintenance, is a five-to-twenty-year effort. Building systems to ensure high quality patient care can take three to seven years or more and must be an ongoing effort of primary importance. Consolidating billing systems and financial strategy can be accomplished in one year but will take several years to mature. The level of difficulty addressing staffing issues will always vary directly with the degree to which the market pays its healthcare workers more than DOH does. And, at present, the nation is in the midst of its worst healthcare staffing crisis in decades. The cost of agency (travelling or temporary) staff is breaking the budgets of all major healthcare facilities in our State.

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We at DOH are very proud of our progress over the past year and believe that we may have made more improvement than could reasonably have been expected by individuals familiar with the complexity of running healthcare facilities and building the infrastructure needed to manage quality of care, access to care, and cost of care.

DOH is Improving NMDOH Facility Utilization

DOH facilities ran at much lower census during the pandemic due to the primacy of patient safety concerns in our high-risk populations. Now, the challenge to increase census faces our facilities and we understand the need to overcome the same large barriers faced by all other healthcare facilities in New Mexico. For the purpose of this report, procuring stable staffing is the predominant factor, as census invariably decreases without staff to support patients. Despite this, we have seen increases in census at Turquoise Lodge, Fort Bayard Medical Center and New Mexico Behavioral Health Institute/The Meadows as evidenced by our daily census reports established in March 2022.

Front line staff such as behavioral health techs and CNAs provide care for the some of our most vulnerable New Mexicans, many of whom suffer from severe mental illness. These caregivers are often the lowest paid and hardest to retain. The work of a tech is emotionally and physically taxing, and burnout is increasingly common. Facilities are expanding and creating their own internal training programs to address the interconnection between facility utilization and stable staffing of CNAs and techs. At the Fort Bayard Medical Center, we are strengthening our CNA training and certification program to provide CNA certifications for employees at our six other facilities.

Admission and exclusionary criteria are being revised at both clinical and administrative levels to ensure New Mexicans in need of care can access it promptly and with minimal barriers. Clinical specialists have been deployed to both Turquoise Lodge and New Mexico Rehabilitation Center to provide an objective clinical overview and make recommendations for aligning admissions criteria, policies, and processes with nationally recognized, evidence-based best practices.

Working directly with the NMDOH Director of Marketing, hired in March of 2022, DOH facilities are developing marketing materials and social media campaigns to increase awareness, cultivate referral patterns, and increase census. Facility administrators are increasing their attendance at healthcare conferences and taking part in local networking opportunities in their respective communities to increase facility visibility and promote their unique service lines. Membership in chambers of commerce, New Mexico Hospital Association, New Mexico Healthcare Association, and other healthcare organizations is being encouraged and will assist with community outreach.

DOH is Stabilizing Staffing

Five of our facilities are in rural New Mexico, which presents barriers to recruitment. Strategic partnerships are being cultivated with community colleges, four-year universities, and vocational institutions around New Mexico to build staffing pipelines into the facilities. We currently have partnerships with community colleges such as Eastern New Mexico University, Luna Community College, and Western New Mexico University to develop training curriculum to support healthcare in New Mexico.

Facilities are expanding and creating their own internal training programs. At the Fort Bayard Medical Center, we are strengthening our CNA training and certification program to provide CNA certifications for employees at our six other facilities.

Facilities are developing individualized recruitment plans and are working with the NMDOH Director of Marketing to assist with recruitment campaign development focusing on the importance of public healthcare as a career as well as the benefits of working for the State of NM (PERA). NMDOH leadership is also reviewing current staffing ratios to determine necessary staffing for regulatory compliance.

DOH is Driving a Culture of Quality at Facilities

Quality and performance improvement (QUAPI) processes have been strengthened in some facilities and implemented in others. Facilities have been introduced to Root Cause Analysis tools that ascertain and analyze the causes of problems to determine what can be done to solve or prevent them.

Intensive training programs are being implemented at the facility level to address deficits in infection control, de-escalation, trauma informed care, diabetic management, abuse and neglect, standardized reporting, and survey readiness.

We have implemented monthly nursing, quality/performance improvement, and budgetary meetings with facility directors to create an environment of cohesiveness and support amongst peers in each facility.

A pharmacy service has been implemented at New Mexico State Veterans Home, Fort Bayard Medical Center, and Turquoise Lodge to mitigate medication errors and alleviate expensive staffing contracts necessary due to retiring pharmacists.

Facilities will participate in professional organizations such as the New Mexico Hospital Association and New Mexico Healthcare Association to keep current on updated quality measures, goals and processes.

DOH is Centralizing the Facility Financial System

At the recommendation of the LFC, NMDOH began a reorganization of the facility finance by moving towards a more centralized structure. A facilities fiscal officer within ASD was assigned in June 2022 to strengthen the financial processes at the facility level including budget projections, receivables, utilization review, procurement, and healthcare contract negotiations. The fiscal officer discovered several challenges related to billing and claims management and as a result a new claims management system, is being implemented across all facilities. Fort Bayard Medical Center is currently implementing the new system, with the New Mexico State Veterans Home and the New Mexico Behavioral Health Institute following. Facility chagemasters, the comprehensive listing of items billable to a patient or a patient's health insurance provider, have been updated to reflect up to date pricing.

DOH is Building an Innovative Veterans Home for the Future

A June 2022 Centers for Medicare and Medicaid Services (CMS) report found deficiencies in patient care at NMVH. In response to those deficiencies, NMDOH has worked diligently to develop and submit Plans of Correction (POC) to address every concern identified in the CMS report by December 2022.

The Department took swift action holding top administrators responsible for the deficiencies that caused resident harm or equated to substandard care. The administrator was terminated and reported to the New Mexico Regulations and Licensing Department's Nursing Home Administrator Board, and the

medical director resigned. The deputy administrator was appointed as interim administrator and an interim medical director was appointed while an executive search commenced to appoint a permanent medical director.

A subject matter expert was brought in to coordinate the efforts of the Plan of Care and has been proactively working with the Centers for Medicare & Medicaid Services to ensure that its provider agreement with Medicaid and Medicare is intact for the Veterans Home. NMDOH leadership currently participate in meetings two to three times per week to review progress on each of the 31 CMS findings and work to remove barriers to quality care and utilization. Staff have been participating in extensive trainings in infection control, diabetic management, resident rights, trauma informed care, abuse and neglect, and other regulatory systems and processes to ensure our veterans are receiving the best possible care.

We are confident that we are well on our way toward coming back into compliance and moving into a modern greenhouse model as the Veteran's new homes are completed.

Sincerely,

A handwritten signature in blue ink that reads "David R. Scrase M.D." in a cursive style.

David R. Scrase, M.D.
Acting Secretary, New Mexico Department of Health

And

A handwritten signature in black ink that reads "Lea J. Harrison" in a cursive style.

Lea J. Harrison
Deputy Secretary, New Mexico Department of Health