

HEALTH CARE ADVISORY BOARD

Meeting Summary
December 9, 2019

MEMBERS PRESENT

Marlene Blum, Chairman
Rose Chu, Vice Chairman
William Finerfrock, Vice Chairman
Ann Zuvekas
Ellyn Crawford
Philippe Beauchene
Tim Yarboro, MD
Dr. Michael Trahos, DO
Maia Cecire
Rosanne Rodilloso
Shikha Dixit

STAFF

Sherryn Craig

MEMBERS PARTICIPATING REMOTELY

None

MEMBERS ABSENT

None

GUESTS

David Holland, Vice President of Development, Brightview Senior Living Development, LLC
Amy Grossman, Administrator, Brightview Great Falls
Shannon Yunn, Administrator, Brightview Woodburn
Lori Greenlief, Senior Land Use Planner, McGuire Woods
Alice Pope, Chief Financial Officer, Inova Health System
Jeffrey Rosenzweig, Assistant Vice President, Strategic Financial Planning, Inova Health System
Michael Forehand, Vice President, Community and Government Affairs, Inova Health System
Karen Berube, Vice President, Population Health, Inova Health System
Dominic Bonaiuto, Director of Advocacy and Community Outreach, Inova Health System
Jessica Werder, Deputy Director of Public Health Operations, Health Department

Call to Order

The meeting was called to order by Marlene Blum at 7:33 pm.

November 6, 2019 Meeting Summary

The meeting minutes from November 6, 2019 will be revised to include the term “illicit fentanyl.” The minutes were approved as corrected.

Long Term Care Coordinating Council

Ellyn Crawford and Phil Beauchene will share HCAB representation to the Long Term Care Coordinating Council (LTCCC).

Public Hearing on Brightview Senior Living Development, LLC Application RZ 2019-LE-012 to Develop a Continuing Care Facility (CCF), Brightview Alexandria Assisted Living Residence

David Holland, Vice President of Development, Brightview Senior Living Development, LLC; Amy Grossman, Administrator, Brightview Great Falls; Shannon Yunn, Administrator, Brightview Woodburn; and Lori Greenlief, Senior Land Use Planner, McGuire Woods provided an overview of the proposed Continuing Care Facility (CCF).

Brightview Senior Living operates 40 senior living communities in eight states, including Virginia with two located in Fairfax County, Brightview Great Falls and Brightview Woodburn. Brightview Fair Oaks, reviewed by the HCAB in November 2018, is scheduled to open in 2021.

The proposed CCF campus will include 170 units, comprised of approximately 85 independent living, 49 assisted living, and 36 secured memory care units. In addition to a concierge, utilities, housekeeping, laundry and linen services, Brightview Alexandria will provide 24-hour emergency call response systems, wellness programs, scheduled transportation, social and recreational activities, and limited personalized wellness health care management by on-site licensed nurses and the community’s Medical Director. Personal care assistance with activities of daily living such as bathing, dressing, grooming and prescription medications will also be available.

Each assisted living unit will have a kitchenette, including a small refrigerator, sink, microwave, countertop, and cupboards. The kitchenette will not have an oven.

Brightview’s Wellspring Village Program will be located in a separate and secured “neighborhood” on the third floor of the building for seniors experiencing dementia or memory impairment, including Alzheimer’s disease. The goal of the Wellspring Village

Program is to enrich the quality of life for residents with memory impaired diseases by creating a customized plan of support and personalized care services to maintain as much independence as possible.

The applicant cited an internal market study that finds over 20,000 seniors 75+ and over 60,000 adult children 45-64 years old live within 5 miles of the proposed development. These demographics are significantly higher than other Brightview markets where the typical age 75+ senior population is ≥ 5000 and adult children is $\geq 15,000$.

Brightview's payment structure includes a base rent and levels of care, depending on individual care needs. Included in the base rent are three meals per day, weekly housekeeping, daily transportation, social and recreational activities, management of daily medications, and 45 minutes of assistance with activities of daily living. Additional levels of care services are offered if residents require additional assistance. Brightview Alexandria will also offer a variety of unit types and sizes to serve different price points (e.g., smaller units will be available for residents who are more price sensitive). While Brightview stated in writing and during discussion that its rental rates will be "competitive to those offered in similar communities throughout the market area," it is unclear whether prices starting in the \$6,000s per month with additional care starting around \$800 per month are accessible to the service area's target population.

Brightview will meet the Comprehensive Plan's affordability requirements by contributing \$3.00 per square foot of the independent and assisted living Floor Area Ratio (FAR) to the Fairfax County Housing Trust Fund for the provision of affordable accommodations prioritized for older adults and/or persons with disabilities at the discretion of the Department of Housing and Community Development.

Brightview Alexandria will be located on Telegraph Road. A public bus route runs along Telegraph Road with a stop immediately in front of the property. The proposed CCF is also located adjacent to the Lee District Park and Recreation Center.

While the applicant acknowledged recent shortcomings and noted its integrity by self-reporting medication errors, the HCAB found the frequency and severity of Brightview's violations to be systemic rather than episodic. HCAB members found Brightview's failure to administer critical medications – for hypertension, pain management, and memory impairment – for a week's time across both institutions and various care levels – unacceptable. During the HCAB's discussion, the administrator for Brightview Woodburn admitted that the facility is now conducting full audits for all prescription medication

orders in order to comply with the state's plan of correction. However, these same remediation steps have not been implemented at Brightview Great Falls, which had similar medication administration deficiencies. The administrator for Great Falls stated that there are "periodic checks" of prescription medication orders, but that oversight is "not as intensive as Woodburn's."

Further confounding to the HCAB was the lack of awareness of what remediation measures or plans of correction had been implemented at either facility. HCAB members stated that errors, some quite egregious, and the subject of repeated documentation by state inspectors, would warrant a higher level of situational awareness if not a coordinated, corporate-level response to disseminate clear, consistent, and uniform policies.

Besides serious medication administration errors, recent resident elopements were documented for both facilities. One was resolved favorably with law enforcement locating a resident with cognitive impairments 30 minutes after the individual was reported missing. The second, unfortunately, was not. On January 19, 2019 as temperatures ranged between 15-34 degrees Fahrenheit, Brightview care associates located a resident outside an unsecured courtyard more than three hours after video captured her exit and staff noted her absence at dinner. The resident died in the ambulance at the facility.

The administrator for Great Falls explained the procedures and policies implemented after this fatality, which one HCAB member considered similar to provisions that should have been in place at the time of the incident. Doors should have been secured and hourly safety checks conducted. Another HCAB member noted that while the care associate who was responsible for making these rounds admitted that she did not complete them, the staff member nevertheless documented and signed that she had, not once, but three times.

Several HCAB members underscored the importance of recruiting, training, and promoting experienced, qualified caregivers. Brightview representatives explained its hiring procedures, which include background checks, drug testing, TB screening, first aid training, and mandated hours/education for specific certifications (e.g., personal care assistants, certified nursing assistants (CNA), and Medication Aides). While Brightview's onboarding practices comply with state regulatory requirements, the HCAB felt there was room for improvement. One HCAB member, citing her experience in disseminating policies and training staff, recommended that given the pattern of

deficiencies over the last two years, Brightview representatives should consider in-person, facilitated trainings rather than online, computer-based modules.

The HCAB received a written statement from the Fairfax County Long Term Care Coordinating Council noting a substantial difference in the number of affordable independent living units that would have been required under the Affordable Dwelling Unit (ADU) provisions versus what Brightview Senior Living will proffer to under the amended Comprehensive Plan CCF policy.

There was also considerable discussion over Brightview Alexandria's CCF use designation. The Zoning Ordinance defines a Continuing Care Facility as "an integrated continuum of accommodation types and service features that allows for the ability to move between levels of support as an individual's care needs change." In response to HCAB questions, Mr. Holland explained that the assisted living and memory care components of the proposed CCF would be open to the community.

While Mr. Holland indicated that residents requiring a higher level of care, even temporarily, would receive priority over an individual applying from outside the community, placement would be determined by availability and, indirectly, ability to pay as Brightview uses a one-year rental agreement. If a resident in independent living requires additional care and services, but his/her change in health status occurs at any point during the lease agreement and not at the point of renewal, then he/she would be contractually obligated to pay the remaining balance of the Independent living lease as well as a second Assisted Living lease. HCAB members noted that based on this understanding, services are not integrated and therefore, the facility is not a true CCF.

Based on the information provided by Brightview Senior Living and the Virginia Department of Social Services, Maia Cecire moved that the HCAB recommend the denial of Brightview's CCF application to the BOS. Phil Beauchene seconded. During discussion, HCAB members expressed concern regarding the number, nature, and pattern of serious violations documented by DSS in its 2018 and 2019 inspection reports as well as Brightview representatives' inability to answer HCAB questions. The HCAB concluded that until Brightview can demonstrate it is able to consistently meet state regulations and to address the ongoing deficiencies in its current communities, it should not be permitted to develop a new facility in Fairfax County. The motion passed unanimously.

Inova Health System Presentation on Inova FY 2019 and FY 2020 Budget

Alice Pope, Chief Financial Officer; Jeffrey Rosenzweig, Assistant Vice President, Strategic Financial Planning; Michael Forehand, Vice President, Community and Government Affairs; Karen Berube, Vice President, Population Health; and Dominic Bonaiuto, Director of Advocacy and Community Outreach updated the HCAB on Inova Health System's FY 2019 fiscal performance and presented the FY 2020 Fiscal Plan.

Inova improved its 2019 performance from budgeted income of \$160.3 million and an operating margin of 3.9% to projected income of \$172 million and an operating margin of 4.6%. Inova also reported a 5.9% increase in cash reserves from \$4.7 billion in 2018 to \$5.4 billion in 2019. Admissions for Inova's 2019 services increased over prior year, with labor and deliveries continuing to decline, but at a lower rate (1.6%) than prior year (2.6%).

For 2020, Inova anticipates decreasing patient volumes across all its acute hospital service lines: equivalent admissions, inpatient admissions, emergency department visits, inpatient surgeries, outpatient surgeries, and labor and deliveries. Patients appear to be shifting away from inpatient and outpatient acute care utilization and toward lower cost ambulatory care alternatives and providers. According to Inova's representatives, the fiscal performance of Inova's acute care hospitals mirrors trends nationwide. Technological advancements have accelerated the shift toward outpatient care. Federal payment cuts, aging demographics and increasing Medicare volumes, along with rising healthcare costs and increased cost sharing have all contributed to lower profitability for acute care hospitals.

Medicare rates are expected to increase by approximately 3%, and Inova's 2020 goal for its managed care contracts will be to ensure that Inova receives adequate and reasonable compensation for services provided.

While Inova will continue to realize a net positive impact from the combined Medicaid expansion and rate improvement, that amount will be significantly less than it was in the current year. The year-over-year swing is largely attributed to a forecasted increase in total assessments and a decrease in rate improvements.

Inova has made considerable progress in streamlining its cost structure over the last several years to facilitate significant capital reinvestment requirements, strategic priorities, and structural changes in payment systems. However, the 2020 budget includes a 6.9% increase in total operating expenses. In addition to routine inflation, 2020 expenditures are increasing as a result of employee compensation, medical supplies and pharmaceuticals, and depreciation and interest costs.

Wage costs are expected to rise an estimated 3.5% in 2020, including annual and market adjustments. The total 2020 budget for salaries and benefits is \$1.9 billion. However, achieving 2020 projections is heavily predicated on filling critical positions and reducing premium labor costs (i.e. contract nursing and clinical labor) by 23% in 2020. In 2020, Inova will make significant changes to its Total Rewards employee benefit program, including time away enhancements, employee development, and other core health and wellness programs.

Pharmaceutical expenses are expected to increase 4% in 2020 for most drugs and up to 12% for oncology-related drugs associated with new therapies. To combat this growth, Inova is continuing its robust cost reduction initiatives in pharmaceutical expenses. In total, budgeted 2020 pharmaceutical expenses will be \$139 million, which is a 2% decrease over 2019.

Inflationary increases, which will be partially offset by cost reduction initiatives, for supplies and other categories are budgeted at 2%-5% in 2020.

Furthermore, Inova has budgeted \$455 million in capital expenditures in 2020, a 32.3% decrease over 2019. Inova's forecast contemplates total capital expenditures of \$2.5 billion over the five-year period 2019-2023 in order to address significant infrastructure needs within existing facilities, including the elimination of semiprivate inpatient rooms. Inova is scheduled to brief the HCAB on its capital improvement plan at its January 13, 2020 meeting.

Inova's 10.4% decrease in net revenue and 6.9% increase in total operating expenses translates into a nearly \$20.1 million, or 11.7% decrease, in income from operations over the prior year and a projected operating margin of 3.9% in 2020.

Inova is proposing to increase its gross charges 4% in 2020. The rate increase would not affect patients covered under Inova's financial assistance policy who are at or below 400% of the Federal Poverty Guidelines and receive a 100% write-off of charges.

In response to HCAB questions about Inova's bill collection policies, Ms. Pope said that Inova had begun reviewing its patient financial policies and practices prior to the recent news reports about aggressive collection practices at other health systems. She explained that in the past Inova had used a two-tiered collections practice that included multiple notices to patients on past due accounts. In rare circumstances aggressive

practices such as liens or wage garnishment were used by an external, secondary collection agency.

Inova is forecasting its 2020 community health benefits spending, which excludes bad debt, to increase from \$464.4 million in 2019 to \$485.9 million in 2020. Total Community Health Benefits include total uncompensated care costs in addition to research and professional and medical education. Additional community benefit services include clinical programs for low-income residents, donated space and services, and education.

2019 highlights from the Inova Community Health/Community Safety Net Division include Inova Partnership for Healthier Communities, formerly known as the Partnership for Healthier Kids. With Medicaid expansion in Virginia, the program has adapted with a name change and increased staff. It is now able to help more adults as well with increased outreach, sending representatives to community centers and schools to discuss health coverage and services.

Community Health Needs Assessments (CHNAs) were also completed and approved in 2019. Each Inova hospital identified seven to ten issues as significant needs for their respective population, including chronic conditions, economic stability, healthcare access, immunizations and infectious disease, injury and violence, maternal and child health, neighborhood and built environment, obesity, nutrition and physical activity, oral health, sexual and reproductive health, and tobacco and substance use and abuse. Key action areas for the hospitals have been identified and the 2020-2022 implementation strategy will be finalized soon. Inova has agreed to return to the HCAB for an update on the CHNA Implementation Plan on February 10, 2020.

Ann Zuvekas moved that the HCAB send a memo informing the BOS that Inova has complied with the County's Lease Agreement with Inova Health System and summarize the highlights from the projected and proposed FY 2019 and FY 2020 budgets. Ellyn Crawford and Phil Beauchene seconded. The motion passed unanimously.

Other Business

Continuing Care Facility (CCF)

After raising concerns about a recently submitted proposal to change the Crossings at Chantilly's use definition to a CCF, the HCAB has learned that the applicant has requested a deferral of two months to address the Department of Planning and Development's (DPD) findings/recommendations.

Pre-911 Notification

Marlene Blum distributed information on Pre-911 Notification. Ms. Blum will ask Deputy Chief Zosh about this policy when she presents at the January HCAB meeting.

FY 2021 County Budget

Sherryn Craig will survey HCAB members about potential dates and availability for considering the County's FY 2021 budget.

There being no further business, the meeting adjourned at 9:57 pm.