

## **HEALTH CARE ADVISORY BOARD**

Meeting Summary

December 10, 2018

### **MEMBERS PRESENT**

Marlene Blum, Chairman  
Bill Finerfrock, Vice Chairman  
Rose Chu, Vice Chairman  
Ellyn Crawford  
Phil Beauchene  
Tim Yarboro, MD  
Rosanne Rodilloso  
Dr. Michael Trahos, DO  
Ann Zuvekas

### **STAFF**

Sherryn Craig

### **MEMBERS ABSENT**

Carol Washington Mizoguchi

### **GUESTS**

Tisha Deeghan, Deputy County Executive, Human Services  
Loriann Putzier, President and Chief Operating Officer, IntegraCare  
Megan Campbell, Senior Vice President of Operations, IntegraCare  
Larry Rouvelas, Principal, Senior Housing Analytics  
Lori Greenlief, Land Use Planner, McGuireWoods LLP  
Dr. Gloria Addo-Ayensu, MD, MPH, Health Director, Health Department  
Rosalyn Foroobar, Deputy Director for Health Services, Health Department  
Stephanie Schnittger, Assistant Vice President, Finance; Inova Health System  
Karen Berube, Assistant Vice President, Population Health Management, Inova Health System  
Dominic Bonaiuto, Director of Advocacy and Community Outreach, Inova Health System

### **Call to Order**

The meeting was called to order by Marlene Blum at 7:30 pm.

### **November 5, 2018 Meeting Summary**

The meeting summary from November 5, 2018 was approved as submitted.

Mary Porter, Mount Vernon representative to the HCAB, has resigned from the board effective immediately.

The Board of Supervisors adopted by unanimous vote the amendments to the Zoning Ordinance and the Comprehensive Plan on December 4, maintaining the role of the HCAB to make recommendations on Special Exception applications to develop assisted living, adult day cares, and continuing care retirement communities.

### **Community Health Care Network**

Tisha Deeghan, Deputy County Executive for Human Services, and Tonya Jackson, Director of Safety Net Operations and Development, announced that on November 20, the County signed contracts with Neighborhood Health and HealthWorks of Northern Virginia to transition the management of CHCN to the FQHCs. FQHCs are required to provide services to all patients regardless of their ability to pay.

Beginning July 1, 2019, both Merrifield and South County will join Neighborhood Health while North County will join HealthWorks. Communication with patients and staff will occur after the first of the year.

In 2016, Inova agreed to take over CHCN's patient care on a temporary basis after the previous provider decided not to renew its contract and the RFP process failed to yield a new provider. The County's contract with Inova was for three years and while Inova will remain a critical partner to the FQHCs, the County is looking forward to developing a cross-discipline (e.g., family, primary, behavioral, dental care), cross-county safety net.

Members of the Board of Supervisors have been briefed on the transition and are universally supportive.

Staff members from the Health Department, Community Services Board, Office of Strategy Management, and Neighborhood and Community Services are developing care coordination teams to support the FQHCs. These teams will work in or adjacent to the existing clinics. Under this new model, comprehensive care will be delivered that addresses the social determinants of health. Teams will address the care needs of the heaviest utilizers with the highest spend, providing wrap-around services (e.g., specialty care, case management, medication, etc.). Deployed throughout the community, care coordination teams will work with patients' primary care providers and ensure that care is coordinated and providers are connected.

The Health Integration Council will also be reconstituted. This council will articulate the mission, vision, values, guiding principles, and determine what will happen if demand is under- or overestimated (i.e., unspent funds will not go back to the General Fund but to the HIC for potential reallocation).

Under the new model, the County will be paying the same amount, with just a small amount for transitional expenses (e.g., electronic medical records, etc.). County funding will help to improve the uninsured to insured ratios of the FQHC's patient population and supplement the FQHC's federal and philanthropic funding sources.

Ms. Deeghan acknowledged that areas in the Sully District, like Centreville, continue to show increasing need and accessibility to other clinic locations remains limited. Discussions with Transportation are ongoing and the potential for creating a new site, especially through a New Access Point, may be considered in the future.

Ms. Deeghan explained that Medicaid penetration in the Fairfax market is not high. Of the 16,000 CHCN patients that will be transferred to the FQHCs, less than 1,000 qualify for expanded Medicaid.

Ms. Deeghan will follow up on Dr. Trahos, DO's recommendation to review the 2016 Virginia General Assembly's HB 900 that provides for the licensure of associate physicians who have not yet entered into internships or general residency.

### **Public Hearing on VIP Walker Rd., LLC (SE-2018-DR-010) to Develop an Assisted Living Facility**

Loriann Putzier, President and Chief Operating Officer, IntegraCare, Megan Campbell, Senior Vice President of Operations, IntegraCare, Larry Rouvelas, Principal, Senior Housing Analytics, and Lori Greenlief, Land Use Planner, McGuireWoods LLP presented VIP Walker Rd., LLC's proposal to the HCAB.

The Residence at Colvin Run will be developed, owned and operated in partnership with Verity Commercial of Reston, a commercial real estate development firm, and IntegraCare, an assisted living operator. Based in Wexford, Pennsylvania, IntegraCare operates properties in Pennsylvania and Maryland with its first Virginia facility, Hunter Woods at Trails Edge, scheduled to open in April of 2019 in Reston, Virginia.

The proposal for the Residence at Colvin Run includes 62 assisted living units, comprised of 42 assisted living and 20 memory care apartments. According to the applicant, the Residence at Colvin Run will provide state of the art facilities and

programming to maximize independence and also provide assistance when needed, with the goal of avoiding or minimizing placement in an institutionalized setting.

The applicant underscored the smaller than average size of the project, relative to other senior living providers in the community. IntegraCare representatives explained that Colvin Run's smaller scale provides a "more cottage like feel" with shorter corridor/walking distances and more intimate common and outdoor spaces.

The LifeStories memory/dementia program will be located on the ground floor. Activities will be tailored to the residents' backgrounds and experiences with staff specially trained to understand the behaviors and concerns of dementia-related conditions.

The applicant described facility's average resident as between 70 to 90-years-old, requiring assistance with one to eight activities of daily living (ADLs), and taking six to 10 medications administered one to three times a day. As residents age in place, 30% to 50% are expected to use a walker or wheel chair.

A representative from Senior Housing Analytics (SHA) reviewed its market analysis to support the proposed development. SHA estimated that 3,197 qualified senior households (aged 75+ and with incomes \$50,000+) and 18,182 households of qualified children-of-seniors (aged 45-64 with incomes \$100,000+) reside in a five-mile radius from the Colvin Run property. Within this same region, there are six senior housing providers operating a combined total of 382 assisted living and 185 memory care units. Occupancy among these units is reported at 92% for AL and 88% for MC. SHA concluded that the data justify the development of the Residence at Colvin Run senior living community.

IntegraCare representatives also stated that its soon-to-be-opened Hunters Woods at Trails Edge in Reston will create operating efficiencies between the two communities, including management, staffing, cross marketing, and shared resident activities and transportation resources.

The proposed site is located near the intersection of Walker and Colvin Run Roads, with the latter intersecting Route 7 Leesburg Pike. The closest Metro stations are Spring Hill and Greensboro. The Fairfax Connector bus from Spring Hill Metro Station runs along Route 7 with stops at Forestville Drive and Baron Cameron Avenue approximately one and one-half miles, respectively, from the site.

IntegraCare also committed to participate in the Virginia Department for Aging and Rehabilitative Services (DARS) Auxiliary Grant Program, providing 4% of the community's assisted living beds (n=1) to residents who are AG recipients. In the event that an assisted living resident in the AG Program requires memory care services, the resident will be able to transition to a higher level of care.

The Director of Resident Care, a Registered Nurse (RN), will be responsible for planning, organizing, and directing the overall operation of the Resident Care Department and ensuring that residents care needs are identified, addressed, and maintained. The Director of Resident Care will be onsite eight hours per day during the week.

Licensed Practical Nurses (LPNs) will be charged with medication administration, supervision and oversight. LPNs will be on-site for 16 hours per day. Resident Care Aides will assist residents with daily life functions such as bathing, dressing, personal hygiene, and other activities identified in the resident's support plan. There will always be at least one direct care team member with First Aid and Adult CPR certification on site. During the overnight shift (11 pm – 7 am), a "seasoned lead medication assistant," certified in First Aid and CPR, will provide supervision and oversight.

The staffing plan for the facility will vary based on residents' acuity levels. However, the maximum number of employees per shift will be approximately 25.

Based on typical acuity levels, IntegraCare projects the following ratio of care associates to residents in general assisted living:

- |    |            |      |
|----|------------|------|
| 1. | 7am – 3 pm | 1-10 |
| 2. | 3pm – 11pm | 1-10 |
| 3. | 11pm – 7am | 1-16 |

Direct care staff will be required to complete an approved 40-hour direct care staff training provided by a licensed health care professional. Annually, all direct care team members will attend at least 16 hours of relevant training, to include CPR and First Aid. IntegraCare provides annual and life-skills elective training through a nationally recognized learning management system, OnCourse Learning. All IntegraCare staff will be trained in applicable laws, regulations, policies, and procedures governing the safe operation of an assisted living residence.

IntegraCare Team Members assigned to the LifeStories Memory Care Program will be required to successfully complete 14-16 hours of memory care training, which includes the disease process, communication techniques, mitigating cognitive losses with remaining strengths, strategies for identifying and minimizing excess disabilities, the Resident Life Story, and activity programming. The Director of LifeStories will oversee the day-to-day operations of the memory care program.

Based on typical acuity levels, IntegraCare projects the following ratio of care associates to residents in memory care:

1. 7am – 3 pm 1-7
2. 3pm – 11pm 1-7
3. 11pm – 7am 1-12

IntegraCare representatives stated its commitment to pay industry wages in the 90th percentile for this region, as surveyed by Argentum in 2018. Additionally, free meals will be offered to all staff as well as courtesy shuttle services from the Spring Hill or Greenboro Metro stations. A daily pay program will also be provided and allows staff to access money how they earn it, instead of waiting every two weeks.

IntegraCare representatives discussed several safety, security, and accessibility features. Given IntegraCare's estimate that 30-50% of its residents will need a walker or wheelchair as they age in place, doors can become barriers or fall risks for residents who are not ambulatory. Therefore, all apartments will have the capability of an auto opener that is activated by a transmitter mounted on the walker or wheel chair.

Apartment doors and certain common area doors, such as medication rooms, will be monitored by IntegraCare's Access Control System. Residents, staff, and families will be given credentials in the form of fobs, bracelets, or cards. The Access Control System avoids traditional key management issues such as re-keying when residents, families or staff leave.

The Access Control System also provides security and deters potential threats by recording the last 500 entries/exits. The system will unlock/activate when a resident moves into proximity of his/her apartment door, generally 18 to 24 inches. Staff will not have to carry keys or spend time unlocking doors that they enter and exit many times a day. This is especially helpful in the memory care setting where "resident intrusion" into other residents' apartments can occur. With The Access Control System, the door will

not open when a confused resident attempts entry to an apartment in which he or she does not live.

Residents who are a wandering risk but do not need to live in a secured memory care unit can wear a bracelet that will notify staff of a potential elopement when residents are "exit seeking."

The facility's theatre will feature a "loop" system that works with a resident's hearing aid, allowing him or her to participate in social events without wearing head phones that can be embarrassing or cumbersome to hearing impaired residents.

Medications will be administered according to physicians' orders or other providers' instructions. Licensed or certified staff will administer drugs to those residents who are dependent on medication administration as documented by the Uniform Assessment Instrument (UAI). Medications will be administered not earlier than one hour before and not later than one hour after the community's dosing schedule except those drugs that are ordered at specific times. Pre-pouring for later administration will not be permitted.

According to the applicant, IntegraCare has procedures in place to ensure that each resident's prescription medications and any over-the-counter drugs and supplements ordered for the resident are filled and refilled in a timely manner to avoid missed dosages; methods for verifying that medication orders have been accurately transcribed to medication administration records (MARs) within 24 hours of receipt of a new order or change in an order; and methods to ensure that MARs are maintained as part of the resident's record and methods to ensure accurate counts of all controlled substances whenever assigned medication administration staff changes.

Residents may be permitted to keep their own medication in an out-of-sight place in their room if their assessment has indicated that they are capable of self-administering medication. Medications and any dietary supplements must be stored so that they are not accessible to other residents. Residents may obtain medication from any pharmacy or provider that adheres to IntegraCare's packaging requirements.

The HCAB received a written statement from the Long Term Care Coordinating Council (LTCCC) recommending development of the Residence at Colvin Run, provided the applicant designates at least 4% of its units as affordable.

Dr. Michael Trahos, DO moved that the HCAB recommend the Board of Supervisors approve the applicant's proposal to develop the Residence at Colvin Run. Dr. Yarboro and Phil Beauchene seconded the motion. The motion passed unanimously.

### **Inova FY 2019 Budget**

Stephanie Schnittger, Assistant Vice President, Finance; Karen Berube, Assistant Vice President, Population Health Management; and Dominic Bonaiuto, Director of Advocacy and Community Outreach presented Inova's FY 2019 Fiscal Plan.

While Inova provided conservative projections about modest growth and a challenging operating environment for the current fiscal year, Inova improved its 2018 performance from budgeted income of \$144.7 million and an operating margin of 4.3% to projected income of \$191.1 million and an operating margin of 5.2%. Inova also reported a 21% increase in cash reserves from \$4.2 billion in 2017 to \$4.7 billion in 2018. Despite its strong financial performance, Inova characterized 2018 as a challenging year operationally.

Inpatient and outpatient activity among Inova's acute care hospitals remained slow at the start of 2018, requiring a reset of its planning models and cost structures. According to Inova, patients appear to be shifting toward lower cost ambulatory care alternatives and providers. Inova noted that many non-hospital companies are entering the market to compete in surgery and urgent care.

Furthermore, Inova presented information showing that its charges have been consistently lower than its regional competitors. Charges were 55% lower than the highest average charge for hospitals in the central region and 18.5% lower than the highest average charge for hospitals in the Northern Virginia region.

Despite declining admissions in 2018, Inova is projecting an increase in revenue in 2019 due to growth in its core businesses as well as Medicaid rate enhancements.

While Medicare rates are expected to be relatively flat in 2019, Medicaid payments are expected to increase. Medicaid rate improvement will result in an estimated annual rate increase of 40%, offset by a 24% provider assessment –one to fund the state costs associated with Medicaid expansion and another to raise Medicaid reimbursement rates for inpatient and outpatient hospital services – for a net increase of approximately 16%.

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 2019 budget includes an 8.9% increase in total operating expenses. In addition to routine inflation, 2019 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 2019, including annual and market adjustments. The total 2019 budget for salaries and benefits is \$1.8 billion. However, achieving 2019 projections is heavily predicated on filling critical positions and reducing premium labor costs (i.e. contract nursing and clinical labor) by 22% in 2019.

Pharmaceutical expenses are expected to increase 7% in 2019 due to higher technology costs associated with new therapies particularly in the area of oncology drugs. To combat this growth, Inova is implementing a robust cost reduction initiative in pharmaceutical expenses including drug replacement programs for indigent patients. In total, budgeted 2019 pharmaceutical expenses will be \$142 million, an increase of 7% over 2018.

Inflationary increases, which will be partially offset by cost reduction initiatives, for supplies and other non-medical categories are budgeted at 1%-5%.

Furthermore, Inova has budgeted \$672 million in capital expenditures in 2019, a 41% increase over 2018. The increase in capital expenditures is largely due to the Inova Center for Personalized Health (ICPH) development, projects at Fairfax and Loudoun hospitals, and technology infrastructure. Inova's forecast anticipates additional capital expenditures and ventures of \$1.55 billion over the three-year period 2019-2021. Inova is scheduled to brief the HCAB on its capital improvement plan at its January 14, 2019 meeting.

In summary, Inova's 7.5% increase in net revenue and 8.9% increase in total operating expenses translates into a nearly \$30.8 million, or 16.1% decrease, in income from operations over the prior year and a projected operating margin of 3.9% in 2019.

Inova is proposing to increase its gross charges 4% in 2019. The rate increase would not affect indigent patients.

Inova is forecasting its 2019 community health benefits spending, which excludes bad debt, to decrease from \$328.9 million in 2018 to \$326.6 million in 2019. Total Community Health Benefits include total uncompensated care costs in addition to research and professional and medical education.

Inova is also continuing to provide outreach and enrollment into Medicaid Expansion. Efforts include outreach to parents of children enrolled in Partnership for Healthier Kids as well as young adults who have aged out of Children's Medicaid. Inova has also deployed Health Access Specialists to follow up with patients discharged from its Emergency Departments.

Finally, Inova Health Advantage is a new service to increase access to primary care services to newly eligible Medicaid beneficiaries. Inova Health Advantage builds on existing resources by co-locating with Inova's three Simplicity Health locations and using available resources such as nurse case managers and social workers. At each of the Simplicity Health locations, Inova will add one advanced practice provider and one medical assistant who will focus on providing care to Medicaid patients. Additional providers and staff will be added as volume grows. Inova Health Advantage is expected to serve 6,000 patients in 2019.

There being no further business, the meeting adjourned at 10:02 pm.