

TRUTH of the MATTER

by Lane Bowen



Continuing our Culture Change

With 2011 underway, we are continuing to meet and embrace the challenges of our industry today. What is certain – we will stay focused on doing the right thing, even when faced with constant changes.

Regulations and reimbursement changes had us

re-tool and re-define our processes – which we did remarkably well with. Thanks to all who have made this a success. You will continue to see updates as they become available and we will communicate those as quickly and concisely as possible.

Our focus on Service Excellence over the last several years has proven a success as we continually score higher on customer satisfaction results. We are ‘bringing delight at the point of contact,’ something that each of us can do with every encounter we have. This type of customer service – a smile, a kind word, a warm response – is available for each of us to share, no matter the situation or setting. It’s that type of caring that we hear about from our patients, residents, families, visitors, and our fellow employees. Folks, you can never be too kind or compassionate when working with people. It’s that caring and compassion that gets you and all of us remembered. It also sets us apart from others.

Our investment in facilities to update our lobbies, common areas, patient rehab, and living areas, have brought rave reviews from those who visit our centers. The warm and welcoming surroundings, coupled with the personal touch, have made us well known in the communities we serve.

These improvements are like icing on the cake and we hope they make **everyone** proud to be a part of Kindred. One more thing about our facilities – be looking for new signage as the names of our facilities are changing. TCCs and TCUs will have Kindred Transitional Care and Rehabilitation as part of their names and our skilled nursing facilities will have Kindred Nursing and Rehabilitation as part of their names – with each having a local name attached that has been selected by your center leadership.

I am also pleased to announce that a new patient care system is coming to Kindred Nursing Centers and will begin implementation during 2011. Point Click Care is an application that will introduce a new electronic medical record and financial system to our centers. This system will eventually replace both RCS and HPAS Financials. We plan to provide our nurses with computers on wheels to document at the “point of care” and CNAs will be recording patient ADLs on kiosks located throughout the building. This will be rolled out to select centers this year.

As you can see, many changes are coming and these will improve our operations, enhance our surroundings, and add value to the special and quality care we provide. I hope you are as excited and enthusiastic about these changes as I am.

Thanks for all that you do each and every day.

A handwritten signature in black ink that reads "Lane Bowen".

Lane Bowen, Executive Vice President and President,
Nursing Center Division

Kindred Healthcare’s mission is to promote healing, provide hope, preserve dignity and produce value for each patient, resident, family member, customer, employee and shareholder we serve.

LOOKING TO THE FUTURE

Point Click Care – The SPARC of our Future

By Kimberly Beach, Vice President of Operational Systems



We've all heard talk of "Electronic Medical Records." Maybe some of you, like me, have gone to the doctor and she recorded your vitals directly into a computer. Maybe you have visited an emergency room where the nurse or physician accesses your information from the

kiosk on the wall. **Now our company has seen the value of this paperless process. SPARC – Systems, People And Records Connecting is the name of our project to install Point Click Care!**

The product itself has many modules and processes in it. So what does that mean to us? Where do we start? The current plan (which may change as we learn more) is to install Point Click Care in three phases.

Phase 1

- Replace the functionality within our current clinical program, RCS (except physician orders). This will include MDS, weights and vitals, progress notes, assessments and care plans.
- Replace HPAS (except the referral module). This includes all aspects of HPAS including billing and month end.
- Set the center to be completely wireless. There will actually be two networks throughout the building – one that will be for the Point Click Care wireless users (the Kindred Network) and another one that will expand the hotspot for our residents and their families (a public network).
- COWS – Computers on Wheels. These will be used at the point of care for entry of assessment information or for accessing of data away from a standard computer.

Phase 2

- Installation of flat screen kiosks throughout the building.
- Replace the ADL flow sheets by the CNAs entering ADLs directly into the system as they are completed. This will allow real-time views into work completed.

Phase 3 (Future Plans)

- Install physician orders – migrating them from RCS.
- Turn off RCS.
- Elimination of paper MARs and TARs. Provide Electronic Medication Records (EMARS) and Electronic Treatment Records (ETARS) via a medication cart that has a wireless laptop installed on it.

An interesting thing about PCC is that it is highly configurable. The system needs to understand our Kindred procedures, forms and terminology. Different assessments for processes associated with clinical programs, unique state regulatory requirements and even determining if a situation mandates a warning or an error must be defined and entered into the system. It also includes determining and entering which roles (for example, a Nurse) will be allowed to do which functions within the system.

Interfaces must be written for any system that either needs information from or sends information to Point Click Care. This will include things such as our Referral System that we will continue to use for a time, SAP for GL Entries, RFMS that records figures in our resident trust, and the Business Warehouse. Each of these interfaces must be created and tested on each side.

Training is also an important part of the startup of any system. And this one is even more so because it will involve so many people changing the way they do their jobs. There will be training needed at different times, different places, using different methods – lots of training!

As you can imagine, all of this will take time to install, prepare and test. And we have a complete team of people that are doing just that. **Stay tuned as we move forward. Watch for the SPARC!**

NCD LEADERSHIP OFFERINGS AND MEASURING SUCCESS

Succession Planning

By **Wayne W. Mackey, SPHR, MS, Vice President of Human Resources**

In 2009, we introduced Succession Planning as a formalized process across the division to include annual discussions with DNSs, EDs, district and regional staff on their goals and aspirations. As a result we have established a database to capture these results electronically.

Our intent is to utilize this database as a means to understand both professional and educational goals of our leaders.

Selection and Orientation

In addition, we have completed our employee portal online to enhance the employee experience when viewing and applying for internal job opportunities. We've made looking and applying for jobs easier for current employees. You will now complete an employee verification page when viewing job postings from Knect or the company website career pages. Your current employee information will automatically appear on the on-line application, which will simplify the process. This also ensures you are identified as an internal applicant.

Simultaneously, in 2010 we piloted a 10-center on-boarding process for hiring staff by paving the way for a paperless application and orientation process, minimizing time spent signing papers and maximizing job specific orientation time. In 2011, our intent is to extend this process to many more centers as we add kiosks as part of the mix.

Training

• Executive Fellowship

Currently, we have a full compliment of trainees across the division and will begin the hiring process in April/ May 2011 as current trainees graduate and are placed as Executive Directors. We have placed 95% of folks we train and we have retention rates exceeding 90% for folks we have hired as Executive Directors over the last three years. We are considering expansion of this program in 2012. Kudos and thanks to all preceptors and division leaders for "growing our own" with tremendous success.

• Top Gun 1 and 2

Since June 2009, we have trained 110 EDs, DNSs, hospital CEOs and Rising Stars. Our turnover rate has only been 15%, which is fantastic. This enterprise-wide training initiative focuses on possibility thinking connected to our TCC, TCU business development and planning process.

In 2011, we are upgrading Top Gun by adding hospital CEOs and subacute unit EDs from the same location to train together. Furthermore Top Gun 2 will be offered in May 2011 where we intend to concentrate our training efforts around execution of business plans in our cluster/shared markets. Top Gun 2 will focus on EDs and DNSs attending together with their peers from the hospital division to grow Kindred markets together.

• District Intensives

Since 2009, we have trained 10 of our 21 districts in NCD. This training is similar to Top Gun regarding possibility thinking; however, a greater emphasis is placed on the diagnostic and planning process of how intact teams function. After 40 hours of working together, teams learn a lot about how they interact and take that back in the day-to-day environment. Our goals in 2011 are to train an additional eight teams. ***The good news is we have 100% retention of all Directors of Operations who have completed the intensives. 75% of the teams have improved their peak ranking.***



6th Top Gun Class – Hospital Division and Nursing Center Division Leaders

FOCUS ON NCD CORE VALUES AND PRINCIPALS

New Admission Process

By Kimberly Beach, Vice President of Operational Systems

The old saying, “you never get a second chance to make a first impression,” really sums up the importance of our Admission Process. Efforts recently took place to make sure that we put our best foot forward with each of our patients and their families.

Not too long ago, a taskforce was formed to look at the Admission Process, the Admission Agreement, materials and policies.

Each area was reviewed in an attempt to streamline steps improve the flow and overall make the experience more user friendly.

The result of this effort includes:

1. Four educational courses that when completed, lead to a Kindred Admission Professional certificate.
 - The Admission Process
 - The Admission Agreement
 - The HPAS Referral System
 - Alternative Dispute Resolution

The first two courses were given via live WebEx and can also be taken online. The HPAS Referral System and Alternative Dispute Resolution are under development and will soon be available.

2. A new Admission Agreement (including attachments) that is shorter, easier to present/understand and contain less signature points.
3. A new inquiry (referral) telephone message pad that acts as a script for the person taking the call to make sure they get the needed information in a way that sells the center.
4. New admission materials including a new welcome booklet, a clear blue Kindred envelope, and a Kindred bag.
5. Updated Policies and Procedures.

Process changes include a formalized greeting team to welcome the new patient upon arrival, getting key forms completed before the patient arrives and a report to the family following the patient’s first night. The actions taken by our employees during the admission can make the experience a good one for each of our customers.

Let’s work together to start off with a great first impression!



KINDRED AND INDUSTRY RELATED NEWS

Audits Are On the Increase – Be Prepared Before They Start

By Tami Johnson, Director of Case Management Services

In the ever-changing world of healthcare, a center should always be prepared to promptly respond to a Request for Additional Information (RFAI) to protect appropriate reimbursement for the care provided and preserve appeal rights for the center. These RFAI requests can come from Medicare, Medicaid and any MCO/Insurance provider, and the frequency of these requests are increasing. In 2010 President Obama released the following statement about healthcare: “We are releasing a new effort to improve accountability and cut down on this waste and fraud through the use of payment recapture audits. These are investigations in which specialized private sector auditors use cutting-edge technology and tools to scrutinize government payments and then find and reclaim taxpayer funds made in error or gained through fraud. These auditors can be compensated based on the amount of improper payments they identify and are reclaimed – providing a powerful incentive to find every error.” All sectors of the industry are seeing increased audit activity. Kindred makes every effort to provide clinically appropriate care to each and every patient we treat, and we monitor the quality of our documentation and billing through our Case Management Compliance Audits. However, the government has stated that it will finance healthcare reform through the identification of inaccurately billed claims so we should anticipate seeing more and more audits. Our best line of defense is simple – ensure that we deliver high quality care and document that care effectively. Make skilled charting a high priority for everyone in the center. These items can have the greatest impact on quality documentation:

- Ensure skilled documentation is written daily, and always use the Clinical Documentation Guidebook as a resource;
- Document the patient’s prior level of function in detail on the Prior Level of Function Assessment before

- beginning Part A, Part B or MCO/Insurance Services;
- Make sure documentation is legible and ensure only approved abbreviations are used;
- Document the patient’s response to treatments, education provided, and titration of medications or treatments;
- Document the impact of co-morbidities, endurance, and discharge goals;
- When refusals or resistance to treatment is noted, document the skilled interventions attempted to improve patient participation or response to treatment.

Most importantly, if your center receives an RFAI, respond immediately, and send the letter to the appropriate people. Document that request in Claims Management Tracker along with the results of the audit. Stay in close communication with your District Director of Case Management and the Area Rehab Director because they will review the packet before it is sent to the reviewer. Check the Case Management Website for guidance on packet preparation, documentation and other helpful tools to improve your program. The district team can also guide you in proactively reviewing your documentation quality, your billing process, and your use of CMT.

Quality care coupled with quality documentation and accurate billing will ensure your reviews are quickly resolved with no denials.

DEPARTMENTAL FOCUS

New Resources to Enhance Sales Messaging

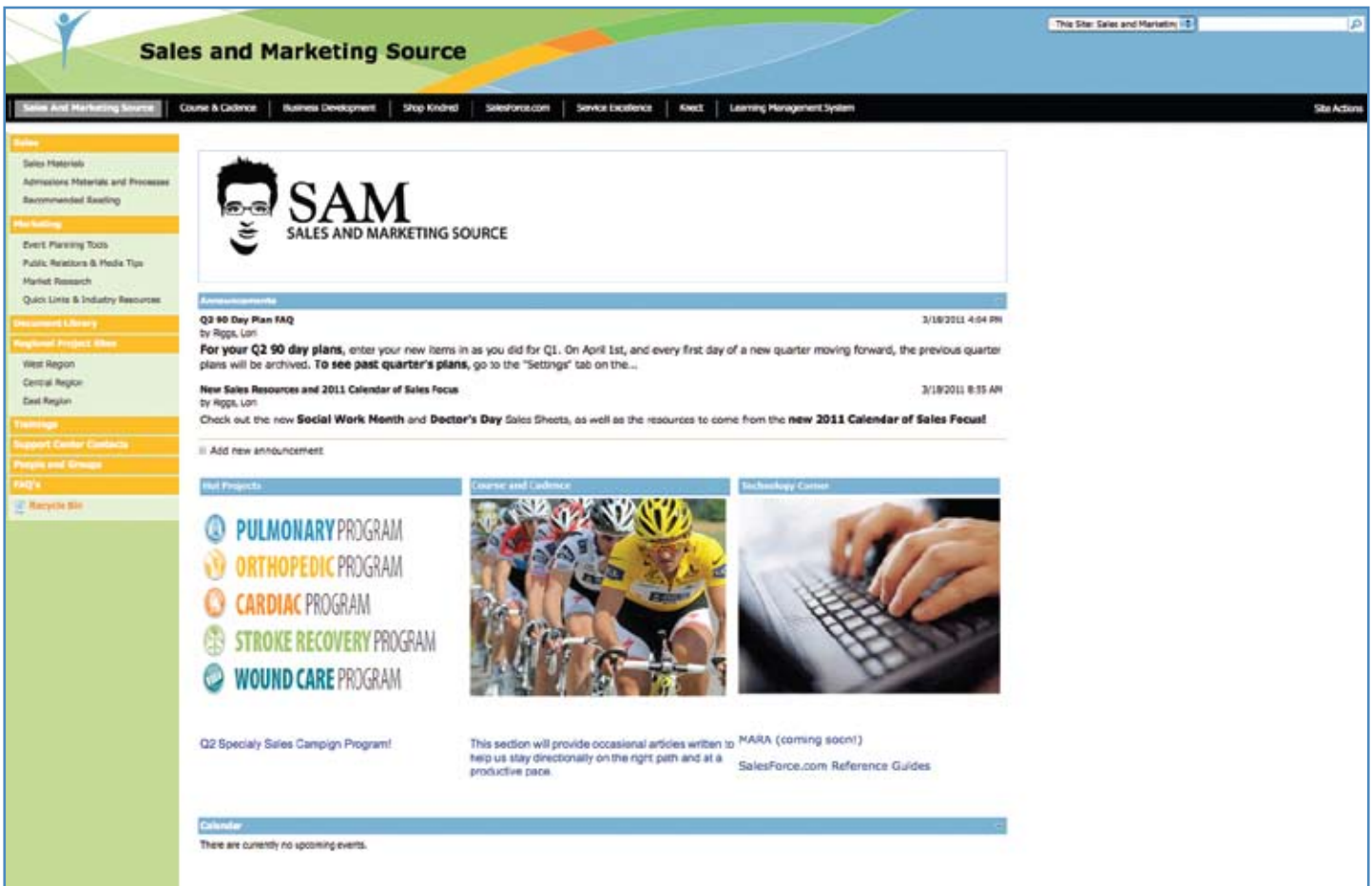
By Lori Riggs, Director of Marketing

A variety of new sales and marketing materials have been developed and updated for the Nursing Center Division. We have some altogether new pieces for the promotion of the specialty programs such as referral source sales sheets and print on demand branded paper and templates, as well as appropriateness referral cards to provide referral sources with quick reference tools outlining the conditions we treat. We have delineated and created separate pieces for referral sources and patient/family members where appropriate.

New templates for open house promotion have been developed. Items such as save the date postcards, fliers and formal invitations are now available on Shop Kindred for

easy personalization for your facility, reducing production time for both the centers and Creative Services. You can access these under the Customized Materials section. Additionally, tools for overall event planning and logistics have been created, streamlining the planning process for centers and sharing best practices from across the division.

These tools and many more are housed on the new Sales and Marketing Website (SAM) that has been developed for the sales team, accessible through KNECT.



The screenshot shows the 'Sales and Marketing Source' website. The header includes the site name and a search bar. A navigation menu lists various categories like 'Sales and Marketing Source', 'Course & Cadence', and 'Shop Kindred'. The main content area features the SAM logo, a list of announcements (e.g., 'Q3 90 Day Plan FAQ'), and a 'Recycle Bin' link. Below the announcements, there are sections for 'Pulmonary Program', 'Orthopedic Program', 'Cardiac Program', 'Stroke Recovery Program', and 'Wound Care Program'. A 'Calendar' section at the bottom indicates there are currently no upcoming events.

ANGELS = Listen carefully and respond, "It's my pleasure."

Update on New Nursing Center Websites

By Leslie Wright, Operational Website Consultant

By now, all of our Nursing Center websites have been updated with new content, features and pictures. A big thank you to all who supplied information, filled out the surveys, provided feedback, and made it happen! This was truly a team effort. We have received numerous compliments on the new look and hope you have had a chance to see for yourself.

Now comes the fun part – keeping them updated. There are two links on Knect → Global → Public Website Maintenance and Nursing Center Division → Public Website Maintenance that contain forms and instructions for submitting updates needed for our websites. Please refer to these sites and the information, instructions, and guidelines located there when requesting changes to your site.

Again, thanks to everyone who was involved!

Impacting ADL Coding

By Tami Johnson, Director of Case Management Services

Proper ADL coding requires teamwork and constant attention. By now, your center has taken the steps necessary to improve the accuracy of ADL coding in your center. Thank you, we appreciate your efforts. As the accuracy of the coding improved, you know doubt saw more accurate RUG scores and changes in your Case Mix Index. Have you maintained that progress or is there more progress to be made? The nursing team has many things that become a focus over time: surveys, wound care, flu season, staffing, etc. This often means that the focus shifts and the progress made in one area drops off as the next new task are undertaken. When was the last time you quizzed the staff to see if they still understood ADL coding? When was the last time you validated the ADL grid by observing the care being rendered? As leaders, it is important to monitor the accuracy of the coding regularly. Ask new hires about the training they received on ADL

coding. Make a concentrated effort to validate learning every week. If you discover that ADL coding has slipped, return to the Quick Catch on “Seven Days to Accurate ADL Coding”. Evaluate where the process stopped and reinvigorate your team. Accurate ADL coding reduces inappropriate survey citations because the care plans are more accurate; it helps to evaluate staffing patterns to meet the patient needs; it ensures the MDSs are accurate and that the center is getting proper reimbursement for the care rendered. It is worth your time to periodically and regularly evaluate staff knowledge and coding. Training, validation, and establishing an ongoing monitoring program takes only seven days to establish and less than 4-5 hours spread over several days. But, most importantly, it takes an hour a week to ensure that the ADLs remain accurate.

NEXT ISSUE

The next NCD Happenings will be published in July 2011. If you have story ideas or content suggestions that could be used for the next newsletter, please submit your entry to leslie.wright@kindredhealthcare.com by May 13, 2011.

NCD Happenings can be found online on KNECT -> Nursing Center Division -> Publications. Please access and print additional copies of the newsletter for distribution as needed.



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ANGELS is a way of thinking and a communication style that is used by everyone in the Nursing Center Division. It lets others know we respect them, that we welcome guests, and it communicates our desire to make our customers happy.