



Training Proposal for:
GHM Management dba Meritage Healthcare, LLC
Agreement Number: ET15-0170

Panel Meeting of: June 27, 2014

ETP Regional Office: San Diego

Analyst: M. Ray

PROJECT PROFILE

Contract Attributes:	SET Priority Rate Retrainee Job Creation Initiative Medical Skills Training HUA	Industry Sector(s):	Healthcare Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Merced, Fresno, and Butte	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 400	U.S.:400	Worldwide: 400
<u>Turnover Rate:</u>	16%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$450,540		\$0	\$0		\$450,540

In-Kind Contribution:	100% of Total ETP Funding Required	\$730,506
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee SET HUA Medical Skills Training	MS Didactic, MS Clinical with Preceptor, Computer Skills, Continuous Improvement	115	8-200	0	\$1,548	\$11.17
				Weighted Avg: 86			
2	Retrainee SET HUA Medical Skills Training Job Creation Initiative	MS Didactic, MS Clinical with Preceptor, Computer Skills, Continuous Improvement	53	8-200	0	\$2,840	\$10.00
				Weighted Avg: 142			
3	Retrainee SET Priority Rate Medical Skills Training	MS Didactic, MS Clinical with Preceptor, Computer Skills, Continuous Improvement	20	8-200	0	\$1,620	\$20.32
				Weighted Avg: 90			
4	Retrainee SET Priority Rate Medical Skills Training Job Creation Initiative	MS Didactic, MS Clinical with Preceptor, Computer Skills, Continuous Improvement	35	8-200	0	\$2,560	\$12.19
				Weighted Avg: 128			

Minimum Wage by County:

Job Number 1: \$11.17 per hour SET/HUA wage in Merced and Fresno Counties.

Job Number 2: \$9.14 per hour SET/HUA Job Creation Wage in Merced and Fresno Counties.

Job Number 3: \$20.32 per hour SET Priority Industry Wage.

Job Number 4: \$12.19 per hour SET Priority Industry Job Creation Wage in Butte County.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Up to \$1.17 per hour for Job Number 1; \$0.07 per hour for Job Number 3; and \$2.13 per hour for Job Number 4 may be used to meet the Post-Retention Wage.

Wage Range by Occupation					
		Estimated Number of Trainees			
Occupation Titles	Wage Range	Job #1 HUA	Job #2 HUA/RJC	Job #3	Job #4 RJC
Registered Nurse (RN)		25	30	5	4
Licensed Vocational Nurse (LVN)		13	3	8	6
Certified Nursing Assistant (CNA)		40	10	-	25
Physical Therapist (PT)		12	2	3	-
Respiratory Therapist (RT)		1	-	-	-
Physical Therapist Assistant (PTA)		7	2	1	-
Physical Therapist Aide (PT Aide)		5	-	-	-
Occupational Therapist (OT)		6	1	1	-
Certified Occupational Therapist Assistant (COTA)		4	2	1	-
Speech Therapist		1	1	1	-
Minimum Data Set (MDS) Coordinator		1	-	-	-
Nursing Supervisor		-	2	-	-

INTRODUCTION

GHM Management dba Meritage Healthcare, LLC (Meritage), founded in 1999 and headquartered in Orange County, owns and operates four affiliated skilled nursing and rehabilitation facilities in California:

1. Anberry Nursing and Rehabilitation Center (www.anberryhospital.com) in Merced County;
2. Anberry Physical Rehabilitation Center (www.anberryhospital.com) in Merced County;
3. Horizon Health and Subacute Center (www.horizonhealthfresno.org) in Fresno County;
4. California Park Rehabilitation Hospital (www.calparkrehab.com) in Butte County.

Meritage provides care to patients who no longer require acute hospitalization but have ongoing medical needs at the skilled nursing level. The facilities specialize in providing short-term and long-term care and rehabilitation services (physical, occupational, and speech therapy). The facilities are certified by Medicare, Medi-Cal, and various Health Maintenance Organizations.

This project will target training for workers at each of the four affiliated facilities. The corporate office located in Huntington Beach will coordinate the implementation; however, it is not included in the proposed training plan. Meritage is eligible for ETP funding under Special Employment Training (SET) for frontline workers.

PROJECT DETAILS

Meritage's mission as a Skilled Nursing Facility (SNF) is to provide quality comprehensive healthcare to return patients to their original state before illness or injury. All services are by referral from an acute care hospital. In the last two years, Meritage experienced steady growth in patient volume. The consistent rise in patient population is expected to continue due to:

- Aging population – the number of geriatric patients are expected to increase which will raise the demand for services for stroke, head injury, and Alzheimer's disease;
- Affordable Care Act – the implementation of the new healthcare reform will increase the number of patients with health insurance;
- Competitive pricing of services – the cost of post-acute, skilled nursing and long-term care can be 25% lower than that of acute care hospitals' service charges; and
- Patient acuity – the majority of Meritage's patients now come in for short-term rehabilitation or skilled nursing care following an acute illness or injury. In the past, patients would have to remain in the hospital following a life-saving surgery, medical complications, or a serious accident. Today, patients are turning to skilled nursing facilities like Meritage for the multi-faceted post-acute care they need.

To support the increased patient volume and the associated demand for services, Meritage has committed to develop new standards for reporting, staffing, and quality. To do this, the Company is poised to increase its Ventilator and Tracheotomy care services; implement system-wide Electronic Medical Records and other software upgrades including International Classification of Diseases-10; and develop Quality Assurance and Performance Improvement programs.

In addition, Meritage has assessed training needs at each of the four facilities and developed a plan for increased training in wound care, congestive heart failure care, gerontology, cardiac care, advanced cardiac life support, and pain management. Overall, the proposed training should reduce or eliminate hospital readmissions, improve the level of care for higher acuity patients, and increase compliance and accuracy for all patient care documentation.

Retrainee - Job Creation

In support of Job Creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Based on increased patient census, unit expansions, and overall strategic plan for new programs and services, Meritage must hire additional staff. The Company is committed to hiring at least 88 additional frontline staff during the term of the Agreement (Job Numbers 2 and 4). To be eligible for reimbursement under these Job Numbers, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

Training Plan

Medical Skills Training (70%)

Medical Skills (MS) training is crucial in supporting Meritage's new healthcare delivery procedures and meeting new regulations and standards concerning quality, safety, and transparency. For this project, approximately 223 trainees including Registered Nurse (RN), Licensed Vocational Nurse (LVN), Certified Nursing Assistant (CNA), Respiratory Therapist (RT), Physical Therapist (PT), Physical Therapist Assistant (PTA), Physical Therapist Aide,

Occupational Therapist (OT), Certified Occupational Therapist Assistant (COTA), Speech Therapist, and Minimum Data Set (MDS) Coordinator will participate in MS training. Trainees will utilize one or both didactic and clinical with preceptor training methodologies as it pertains to their job function.

CNAs are the foundation and the major action unit of the nursing team as they work closely alongside patients. Training will enable CNAs to improve skills necessary to identify patients' conditions and assist RNs and LVNs to determine the best course of action in the patient's overall care. Of equal importance, PT Aides will receive skills to improve quality of patient outcomes, rehabilitation, and equipment operation as well as to prevent patients reinjuring themselves during therapy sessions. CNAs and PT Aides will receive part of the Menu Curriculum relevant to their specific occupations.

Likewise, MDS Coordinators will also receive some MS Didactic training. An MDS Coordinator is an RN who conducts assessments of patient's physical, medical, cognitive, psychosocial, and rehabilitative status. Training will provide the MDS Coordinators the skills necessary to work directly with other licensed nurses and physicians to communicate assessment schedule and determine the proper plan of patient care.

Medical Skills training is reimbursed at a blended rate of \$22 per hour. This blended rate recognizes the higher cost of delivery for clinical training. It will apply to both the Didactic and Preceptor modes of delivery.

Computer Skills (15%) - Training will be offered to all trainees in the use of various medical software solutions. Training will encompass new ICD 10 coding and health records. Also, Intermediate and Advanced Microsoft Office training will be delivered to select trainees.

Continuous Improvement (15%) - Training will be offered to all occupations. Training topics will focus on performance and quality improvements. Training is necessary to improve documentation skills to foster quality and continuity of care and increase effective communication and problem solving abilities.

Commitment to Training

Meritage represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Meritage's spends up to \$55,000 annually on training per facility. Employee training includes basic skills updates, sexual harassment prevention, new hire classroom and preceptor-led training, safety training, fire codes, and mandated compliance training.

ETP funds will allow Meritage to provide a more complete training program, as opposed to prior training model. It will also allow the Company to implement higher performance standards with staff to meet all patient care documentation requirements and improve patient satisfaction scores.

➤ Training Infrastructure

Meritage plans to contract with an administrative subcontractor to assist with ETP project administration. In addition, the Company will provide each facility with a designated staff member to oversee the training and collect and submit training rosters to the administrative subcontractor for data entry into the ETP systems.

Special Employment Training

Under Special Employment Training (SET), an employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

➤ **Priority Industry Wage Modification**

For trainees employed in a priority industry, the Panel may modify the SET wage up to 25% below the statewide average hourly wage to \$20.32. This wage modification is intended to train entry-level healthcare workers in lower wage occupations (Job Number 3 trainees) to provide opportunities for promotion, wage increases, and long-term job security.

➤ **HUA Wage Modification**

Trainees in Job Numbers 1 and 2 (Merced and Fresno Counties) work in High Unemployment Areas (HUA), with unemployment exceeding the state average by at least 25%. These trainees are eligible for a wage modification to the ETP Minimum Wage rather than the Statewide Average Hourly Wage.

The Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post retention wages exceed the start-of-training wages. Meritage is requesting a wage modification to \$11.17 for Job Number 1 (CNA and PT Aide trainees) and \$10.00 for Job Creation Job Number 2 (CNA trainees) in order to serve workers in lower-wage occupations.

Impact/Outcome

Funding will substantially contribute to Meritage's ability to provide enhanced quality of patient care, and implement useful advanced technologies needed to remain competitive. In addition, funding will be a primary financial catalyst for the Company to implement extensive didactic and clinical training for large numbers of RNs, LVNs, and allied health staff. New trainees will gain confidence and experience in role performance. The facilities will provide a supportive environment with experienced healthcare professionals available for consultation, collaboration, and assistance.

Frontline Worker

Meritage will train Nursing Supervisors under SET. According to the information provided by the Company, Nursing Supervisors are not exempt from overtime and less than 50% of their overall job duties are spent managing staff. Therefore, Nursing Supervisors meet the Panel's definition of frontline workers under Title 22, California Code of Regulations (CCR), Section 4400(ee), and consequently, are eligible under SET.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Meritage retained National Training Systems, Inc. (NTS) in Ladera Ranch to assist with development of this proposal for a flat fee of \$24,899.

ADMINISTRATIVE SERVICES

Meritage also retained NTS to perform administrative services in connection with this proposal for an amount not to exceed 10% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-200

Trainees may receive any of the following:

MEDICAL SKILLS TRAINING – DIDACTIC

- Restorative Nursing Program
- Annual Skills Update
- Infection Control
- Basic Life Support
- Body Mechanics
- Patient Transfer Techniques
- Equipment Skills (including, but not limited to pumps, vital monitoring devices, support systems, therapeutic modalities)
- Advanced Cardiac Life Support
- Change of Condition Management
- Interdisciplinary Team Process
- Pain Management (Acute and Chronic)
- Intravenous Therapy
- Enteral Feeding Tube Management
- Respiratory Care
- Wound Management
- Diabetic Management
- Urinary Management (foley catheter, input/output)
- Resident and Family Education
- Medication Administration Management
- Restraint and Restraint Reduction
- Behavior Management
- Psychotropic Medication Management
- Patient Assessment & Care
- Physical, Occupational, Speech Therapy
- End of Life Care
- Patient Fall Prevention
- Dementia/Alzheimer's
- Neurovascular System
- Residents with Special Needs
- Gastrointestinal System
- Laboratory
 - Electrolyte Imbalance
 - Arterial Blood Gas Interpretation
- Cardiac Conditions
- Neurological Conditions
- Resident Emergency Response
- Skeletal/Orthopedic Conditions
- Incontinence Management (colostomy care, urinary catheter care)
- Pro Act Training - Professional Assault Crisis Training and Certification (Pro Act)

MEDICAL SKILLS TRAINING – CLINICAL WITH PRECEPTOR**Inpatient & Outpatient Care Unit**

- Medication Management
- Infection Control
- Patient Safety

- Clinical Skills Review
- Patient Assessment and Care
- Intravenous Therapy
- Enteral Management
 - Bolus
 - Intermittent
 - Continuous
- Feeding Tube
 - Insertion
 - Site Care
 - Removal
- Dementia Care
- Assessing of Tube-Fed Individuals with Diabetes Mellitus
- Preventing and Identifying Complications Related to Tube Feedings
- Respiratory Care
- Wound Management
- Dementia/Alzheimer's
- Managing Patients with Neurovascular Conditions
- Rehabilitation Services
 - Physical Therapy
 - Occupational Therapy
 - Speech Therapy
- Residents with Special Needs
- Gastrointestinal Conditions
- Cardiac Conditions
- Skeletal/Orthopedic Conditions
- Incontinence Management (colostomy care)
- Assisting and Performing Self Care Skills with Patients; Facilitating Functional Gains of Each Patient
- Functional Mobility and Ambulation
- Bowel and Bladder Training of Patients
- Identification of Skin Impairments and Prevention
- Identification of Patient Change in Condition
- Monitoring of Cardiovascular Changes Such As Vital Signs, Endurance, Level of Consciousness
- Breathing Patterns and Respiratory Function
- Pain Management
- Positioning of Patients for Correct Body Alignment
- Monitor Blood Pressure of Patients
- Operate Safety Devices with Patient
- Activities of Daily Living
- Conduct Range of Motion Exercises with Patient
- Patient Care of Foot and Hand
- Infection Control
- Charting
- Colostomy Care
- Hazardous Waste Handling
- Isolation Techniques
- Safe Patient Handling
- Use of the Call Light System
- Safe Linen Handling
- Equipment/Modalities
- Therapeutic Safety
- Proper Use of Exercise Equipment
- Therapeutic Activities

- Therapeutic Exercises
- Assistive Devices
- Procedures for Temperature Check for Hydrocollator/Paraffin

COMPUTER SKILLS

- Electronic Medical Records Application Skills
- Office/Excel/Word/PowerPoint (Intermediate and Advanced)
- Patient Services Billing Software
- Electronic Tablet for Bedside Charting

CONTINUOUS IMPROVEMENT

- Administration
- Medical Records
- Customer Service
- Communication Skills
- Problem Analysis and Problem Solving
- Clinical Services System Management
- Interdepartmental Collaboration
- Interdisciplinary Team
- Incident/Accident Management
- Resident Centered Care
- Mobility Skills
- Documentation
- Continuous Quality Improvement Workshop
- Culturally Appropriate Care
- Team Building

Note: Reimbursement for retraining is capped at 200 total hours per trainee, regardless of method of delivery.