

Audit Report

Selected Memory Care Facilities

Matagorda House Healthcare Center



**Inspector
General**

Texas Health
and Human Services

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Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of Matagorda House Healthcare Center (Matagorda House), a nursing facility licensed by Texas Health and Human Services Commission (HHSC). OIG Audit's annual risk assessment included risks regarding whether nursing facilities are (a) advertising as providing memory care services without disclosing if the facility holds a certification to serve residents with Alzheimer's disease or related disorders, and (b) providing services in accordance with the facilities' disclosure statement outlining the nature of its care and treatment of residents with Alzheimer's diseases and related disorders.

Summary of Review

The audit objective was to determine whether Matagorda House, advertising as a memory care facility, provided services and operated in compliance with applicable, laws, rules, and guidelines.

The audit scope covered the period from September 1, 2020, through November 30, 2021.

Conclusion

Matagorda House Healthcare Center (Matagorda House) complied with some of the Texas Health and Human Services Commission's (HHSC's) health and safety requirements tested during the Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division's (OIG Audit's) unannounced site visit. However, the facility did not comply with select requirements related to (a) direct care staffing and training, (b) exterior facility safety, (c) medication storage, and (d) providing the Alzheimer's disclosure statement to applicable individuals.

Key Results

Based on the unannounced site visit on November 15, 2021, Matagorda House complied with requirements related to having fully furnished resident rooms, secured access to the memory care unit, and secured handrails throughout the facility. Additionally, Matagorda House had most of the required postings on display, including HHSC contacts, resident rights, and suspected abuse, neglect, or exploitation notice.

However, Matagorda House did not consistently comply with all health and safety requirements. Specifically, it did not:

- Comply with direct care staffing requirements, including:
 - Ensuring direct care staff were properly trained.
 - Retaining staffing records to verify compliance with staff-to-resident ratios.
 - Retaining direct care staff records to verify compliance with pre-employment qualifications.

Not ensuring staff are adequately trained, staff coverage is sufficient, and staff are appropriately qualified prior to employment increases the risk that direct care staff may not provide adequate care to residents, which could jeopardize the health and safety of residents with Alzheimer's or related disorders.

- Eliminate safety hazards around the exterior of the facility. On the date of the unannounced site visit, several areas of the exterior of Matagorda House were in disrepair. Specifically, the wrought iron fencing in resident courtyards was rusted and broken at the bottom, roofing supports throughout the exterior of the facility were rotting,

Background

All nursing facilities in Texas must be licensed by HHSC. Texas nursing facilities have the option to seek HHSC certification for providing specialized care for residents with Alzheimer's disease or related disorders. The Texas Legislature updated the Texas Health and Safety Code in 2021 to require that nursing facilities provide written notice of whether they hold certification from HHSC to offer specialized care and treatment to residents with Alzheimer's disease or related disorders.

Matagorda House provides nursing services to residents, including those with Alzheimer's disease or a related diagnosis. During the audit scope period, Matagorda House also held an Alzheimer's certification from HHSC to provide specialized care for individuals with Alzheimer's disease or related disorders. Matagorda House was licensed to provide nursing services to 120 total residents and certified to provide specialized care for up to 28 residents with Alzheimer's disease or a related disorder within the memory care unit. At the time of the unannounced site visit on November 15, 2021, Matagorda House had 16 residents in the memory care unit.

Management Response

OIG Audit presented preliminary audit results, issues, and recommendations to new facility management in a draft report dated July 1, 2022. Facility management agreed with the recommendations and planned to complete applicable corrective actions by August 15, 2022.

Management responses are included in the report.

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and courtyard locking mechanisms were not functioning properly to ensure the courtyard exits were secure. Insufficient facility maintenance, including courtyard gates that are not properly secured, increases the risk to residents with Alzheimer's disease and related disorders, which jeopardizes their health and safety.

- Properly store and secure medications. Matagorda House did not comply with all medication storage requirements, including locking the medication destruction box and securing overflow medications. When medications are not appropriately secured, there is an increased risk for misappropriation or misuse.
- Provide the Alzheimer's disclosure statement prior to admission to prospective residents and individuals assisting prospective residents. Not providing the required disclosure statement prior to admission increases the risk that residents and their families may make placement decisions based on incomplete information surrounding the level of care provided for individuals with Alzheimer's disease or related disorders.

Recommendations

Effective April 1, 2022, Trinity Healthcare bought Matagorda House, which was previously under the management of Pinnacle Health Facilities of Texas. Trinity Healthcare renamed the facility Colonial Living and Rehabilitation of Bay City. New facility management should have a process to:

- Ensure facility and temporary agency staff comply with applicable training requirements including receiving all required trainings.
- Make sure staff-to-resident ratios comply with requirements and retain documentation to support daily nurse staffing levels.
- Perform all required pre-employment checks.
- Timely identify and address maintenance concerns to ensure the exterior areas of its nursing facility are secure and free of safety hazards.
- Ensure the medication destruction box is secure and staff are trained in medication security.
- Securely store overflow resident medications and perform medication reconciliations, as needed.
- Ensure prospective residents and individuals assisting prospective residents receive the Alzheimer's disclosure statement prior to admission.

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Audit Overview

Overall Conclusion

Matagorda House Healthcare Center (Matagorda House) complied with some of the Texas Health and Human Services Commission's (HHSC's) health and safety requirements tested during the Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division's (OIG Audit's) unannounced site visit. However, the facility did not comply with select requirements related to (a) direct care staffing and training, (b) exterior facility safety, (c) medication storage, and (d) providing the Alzheimer's disclosure statement to applicable individuals.

Objective

The audit objective was to determine whether Matagorda House, advertising as a memory care facility, provided services and operated in compliance with applicable laws, rules, and guidelines.

Scope

The audit scope covered the period from September 1, 2020, through November 30, 2021.

Key Audit Results

Matagorda House, a nursing facility licensed by HHSC, provided nursing services to residents, including those with Alzheimer's disease or a related diagnosis. During the audit scope period, Matagorda House also held an Alzheimer's certification from HHSC to provide specialized care for individuals with Alzheimer's disease or related disorders. Matagorda House was licensed to provide nursing services to 120 total residents and certified to provide specialized care for up to 28 residents with Alzheimer's disease or a related disorder within the memory care unit. At the time of the unannounced visit on November 15, 2021, Matagorda House had 16 residents in the memory care unit.

Effective April 1, 2022, Trinity Healthcare bought Matagorda House, which was previously under the management of Pinnacle Health Facilities of Texas. Trinity Healthcare renamed the facility Colonial Living and Rehabilitation of Bay City (Colonial Living).

On the day of the unannounced visit, Matagorda House complied with requirements related to having fully furnished resident rooms, secured access to the memory care unit, and secured handrails throughout the facility. Additionally, Matagorda House had most of the required postings on display, including HHSC contacts, resident rights, and suspected abuse, neglect, or exploitation notice.

However, Matagorda House did not consistently comply with all selected health and safety requirements. Specifically, it did not:

- Comply with direct care staffing requirements, including:
 - Ensuring direct care staff were properly trained.
 - Retaining staffing records to verify compliance with staff-to-resident ratios.
 - Retaining direct care staff records to verify compliance with pre-employment requirements.
- Eliminate certain safety hazards around the exterior of the facility.
- Properly store and secure medications.
- Provide the Alzheimer's disclosure statement to prospective residents and individuals assisting prospective residents to disclose the facility's Alzheimer's certification status.

The "Detailed Audit Results" section of this report presents additional information about the audit results. Audit issues identified in this report may be subject to administrative enforcement measures,¹ including administrative penalties.²

OIG Audit presented preliminary audit results, issues, and recommendations to Colonial Living in a draft report dated July 1, 2022. Colonial Living agreed with the audit recommendations and indicated applicable corrective actions would be completed by August 15, 2022. Colonial Living's management responses are included in the report following each recommendation.

OIG Audit thanks management and staff at Matagorda House for their cooperation and assistance during this audit.

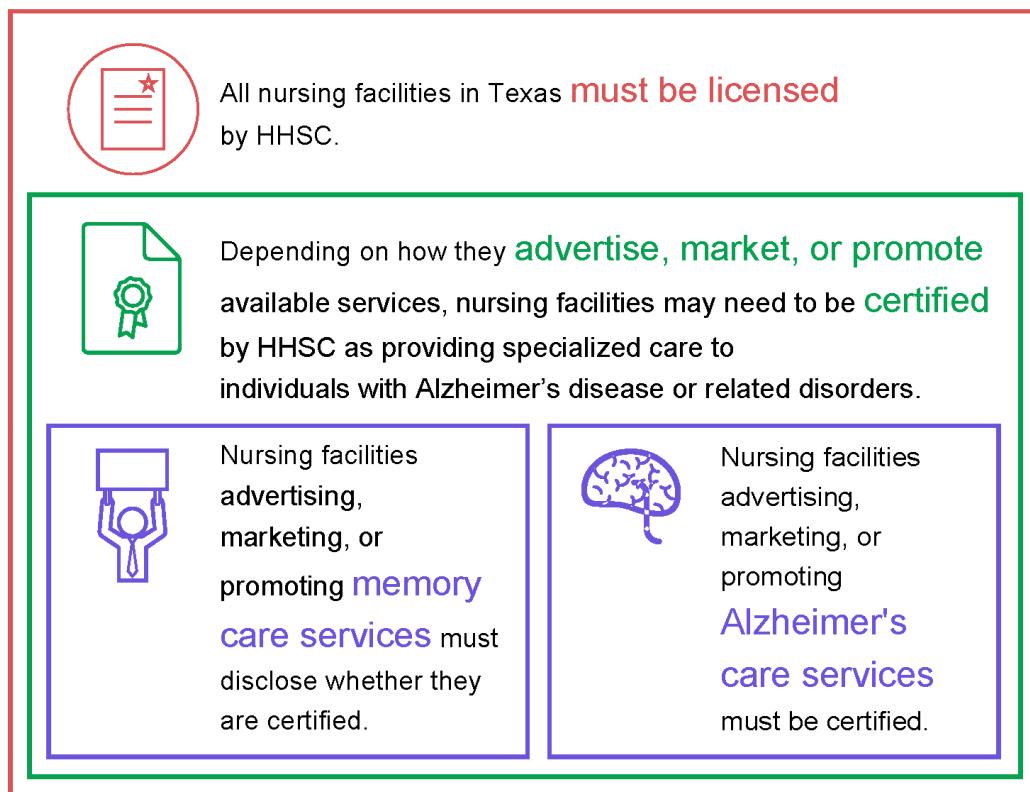
¹ 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

² 26 Tex. Admin. Code § 554.2112 (Jan. 15, 2021).

Background

OIG Audit's annual risk assessment included risks regarding whether nursing facilities are (a) advertising as providing memory care services without disclosing if the facility holds a certification to serve residents with Alzheimer's disease or related disorders and (b) providing services in accordance with the facilities' disclosure statement outlining the nature of its care and treatment of residents with Alzheimer's diseases and related disorders. All nursing facilities in Texas must be licensed by HHSC. Texas nursing facilities have the option to seek HHSC certification for providing specialized care for residents with Alzheimer's disease or related disorders. The Texas Legislature updated the Texas Health and Safety Code in 2021 to require that nursing facilities provide written notice of whether they hold certification from HHSC to offer specialized care and treatment to residents with Alzheimer's disease or related disorders. Figure 1 represents the licensing, certification, and disclosure requirements for nursing facilities.

Figure 1: Nursing Facility Licensing, Disclosure, and Certification Requirements



Source: OIG Audit

Auditing Standards

Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Detailed Audit Results

OIG Audit visited Matagorda House on November 15, 2021, to assess compliance with selected Texas Administrative Code requirements for nursing facilities. The audit team also conducted additional testing related to staff training and qualifications and nursing staff-to-resident ratios.

The following sections provide additional detail about the results of the audit. OIG Audit communicated other less significant issues to Matagorda House in a separate written communication.

During OIG Audit's unannounced visit and follow-up testing, Matagorda House asserted it was experiencing disruptions due to COVID-19, including staffing shortages that strained facility resources.

Chapter 1: Matagorda House Did Not Comply with all Staffing Requirements for Alzheimer's-Certified Facilities

Alzheimer's-certified nursing facilities must follow specific direct care staffing requirements outlined in Texas Administrative Code. This includes training requirements and licensed nursing staff-to-resident ratio minimums. Matagorda House did not provide the minimum number of Alzheimer's-related trainings during orientation and annually to its facility direct care staff. In addition, for the training it did provide, Matagorda House could not show compliance with all training requirements for the direct care staff tested due to a lack of support that certain staff attended.

Matagorda House was unable to support that it complied with staff-to-resident ratios for Alzheimer's-certified facilities. The facility administrator asserted that, due to employee turnover and a lack of policies from the prior management company on how to document and retain records, insufficient record management led to Matagorda being unable to demonstrate training and staff-to-resident ratio compliance.

Matagorda House Did Not Ensure Staff Were Properly Trained

Staff at Alzheimer's certified nursing facilities are subject to (a) training requirements that apply to all nursing facilities and (b) additional training requirements for the care of residents with Alzheimer's and related disorders.³ In addition, temporary agency staff are required to obtain general dementia training annually.⁴

³ 26 Tex. Admin. Code § 554.2208 (b)(1)(Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.2208 (Mar. 22, 2018).

⁴ 26 Tex. Admin. Code § 554.1929 (2) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1929 (2) (Mar. 24, 2020).

General Training Requirements for Nursing Facilities

Nursing facilities must provide orientation and annual trainings to all facility direct care staff addressing how to care for residents.⁵ Specifically, auditors tested the following orientation and annual training requirements:

- Dementia management and resident abuse prevention.
- Restraint reduction and prevention of falls.
- Identifying and reporting incidents of abuse, neglect, exploitation, or misappropriation of resident property.

Overall, Matagorda House could not provide support that staff received required orientation for 8 of 22 (36 percent) new employees tested. In addition, for staff employed for at least one year, Matagorda House could not provide support to show staff consistently received required annual training. Table 1 shows the detailed results of that testing.

Table 1: Matagorda House-Employed Staff General Training Requirement Testing Results

Requirement	Staff with Documented Training	Staff without Documented Training	Total Tested ⁶
Orientation: Dementia management and resident abuse prevention	14	8	22
Orientation: Restraint reduction and prevention of falls	14	8	22
Orientation: Abuse, neglect, and exploitation	14	8	22
Annual: Dementia management and resident abuse prevention	10	7	17
Annual: Restraint reduction and prevention of falls	8	9	17
Annual: Abuse, neglect, and exploitation	14	3	17

Source: OIG Audit

⁵ 26 Tex. Admin. Code § 554.1929 (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1929 (Mar. 24, 2020).

⁶ Auditors only tested annual training requirements for facility staff that have been employed for at least one year. Staff that have been employed for less than one year may not have obtained annual trainings as of the date of audit testing while also being on track to comply with applicable requirements.

Specific Training Requirements for Alzheimer's-Certified Facilities

In addition to the general training requirements for nursing facilities, direct care staff at certified Alzheimer's facilities must complete four hours of annual instruction regarding Alzheimer's or related disorders, and eight hours of orientation that covers:⁷

- Facility Alzheimer's policies
- Etiology and treatment of dementias
- Stages of Alzheimer's disease
- Behavior management
- Communication

During the audit scope, Matagorda House offered fewer than the number of training hours required for certified Alzheimer's facilities. Specifically, Matagorda House offered:

- Three of the required eight orientation hours of training on care and handling of Alzheimer's residents. The facility's Alzheimer's policies and stages of dementia topics were not covered in the facility's orientation trainings.
- Two of the required four annual training hours on Alzheimer's disease or related disorders.

After auditors informed facility management of these requirements, the facility's executive director provided evidence that Matagorda House added the additional required Alzheimer's-related trainings to comply with health and safety training requirements.

⁷ 26 Tex. Admin. Code § 554.2208 (b)(1)(Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.2208 (Mar. 22, 2018).

OIG audit tested 22 facility direct care staff for compliance with the required orientation training for staff at certified Alzheimer's facilities. Of the 22 facility direct care staff tested:

- Six did not have documentation to support any of the required orientation training was completed.
- Two did not have documentation to support etiology and treatment of dementias training.
- One did not have documentation to support behavior management training.
- Two did not have documentation to support communication training.

For the 17 facility direct care staff who had been employed for at least one year, OIG Audit tested annual training requirements for Alzheimer's facilities. Of those:

- Seven did not have documentation to support any Alzheimer's or related disorders training was completed.
- Ten completed some of the required training related to Alzheimer's or related disorders, but not the required four hours.

Temporary Agency Staff Training Requirements

Matagorda House also used temporary agency staff during the audit period. Temporary agency staff who are a registered nurse, vocational nurse, or nurse aide and provide nursing services must receive at least one hour of training each year in caring for people who have dementia. Auditors tested a random sample of 19 temporary agency staff for compliance with annual dementia training.

Matagorda House could not provide documentation to support that any of those 19 temporary agency staff completed the required dementia training.

The facility administrator asserted that there was not a process in place to ensure that any direct care staff, whether employed by the facility or a temporary agency, complied with training requirements.

Not completing the required trainings increases the risk that direct care staff may not provide adequate care to residents, which could jeopardize the health and safety of residents with Alzheimer's or related disorders.

Matagorda House Was Unable To Demonstrate Compliance with Staff-to-Resident Ratios

Alzheimer's-certified nursing facilities must maintain minimum staffing ratios for direct care staff to ensure residents' health and safety.⁸ Facilities must post a staff listing that details the licensed and unlicensed personnel directly responsible for resident care in an area of the facility that is readily available to residents, staff, and visitors. This information must be posted daily and retained for at least two years.⁹

Matagorda House was unable to provide the daily staffing records for any of the days selected for testing. The facility administrator asserted that the daily staffing records were not retained for the audit scope period. As a result, Matagorda House could not demonstrate compliance with the staff-to-resident ratio requirements. The audit scope was within the previous two years, which fell within the required record retention period.

Although the daily staffing records were unavailable, auditors assessed the staffing ratio during the unannounced site visit. At the time of day of the unannounced site visit, Texas Administrative Code requires one staff for every six residents.¹⁰ During the site visit, there were two staff assigned to the memory care unit, which had 16 residents. Coverage at the time of the visit was one staff for every eight residents, which fell short of the required ratio. Without appropriate staffing ratios, there is an increased risk that there may not be enough staff to provide sufficient care to residents with Alzheimer's disease and related disorders.

⁸ 26 Tex. Admin. Code § 554. 2208(b)(4) (Jan. 15, 2021 previously 40 Tex. Admin. Code § 19.2208(b)(4) (Mar. 22, 2018).

⁹ 26 Tex. Admin. Code § 554. 1001(b)(Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1001 (b) (Mar. 24, 2020).

¹⁰ 26 Tex. Admin. Code § 554. 2208(b)(4) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.2208 (b)(4) (Mar. 22, 2018).

Matagorda House Could Not Provide Support to Verify Certain Direct Care Staff Qualifications

Professional staff must be licensed, certified, or registered in accordance with applicable state laws¹¹ and the facility must ensure that personnel records are correct and contain sufficient information to support placement in the assigned position.¹² Prior to employing an applicant, facilities must perform a criminal history check, Employee Misconduct Registry check, and, for nurse aides, a Nurse Aide Registry check.¹³

For all 22 staff tested, Matagorda House provided documentation to support that license or certification checks and criminal history checks were verified prior to employment. However, the facility was unable to provide documentation to support that all qualifications for employability were verified prior to employment. Specifically, of the 12 nurse aides tested, one did not have a documented Employee Misconduct Registry check and Nurse Aide Registry check.

In addition to facility direct care staff, a facility must also ensure that temporary agency nurse aides employed by the facility are qualified to work in the facility by conducting an employability status check in the Nurse Aide Registry.¹⁴

Employee Misconduct Checks

A facility may not employ an applicant if the facility determines that the applicant is on the Employee Misconduct Registry as having a finding entered into the registry concerning abuse, neglect, or mistreatment of an individual, or misappropriation of the property of an individual.

Nurse Aide Registry Checks

If the applicant is a nurse aide, a facility may not employ an applicant until the facility verifies that the applicant is listed in the Nurse Aide Registry and is not designated in the registry as having abused, neglected, or exploited an individual, or misappropriated the property of an individual.

Source: Tex. Health & Safety Code § 250.003
(Jan. 1, 2014)

¹¹ 26 Tex. Admin. Code § 554.1905(b) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1905(b) (May 1, 1995).

¹² 26 Tex. Admin. Code § 554.1920(c) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1920 (c) (Oct. 28, 2018).

¹³ Texas Health & Safety Code § 250.003 (a) (Jan. 1, 2014).

¹⁴ 26 Tex. Admin. Code § 554.1001(a)(4)(D) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1001(a)(4)(D) (Mar. 24, 2020).

Matagorda House could not provide documentation to show that it verified the employability status for any of the nine temporary agency direct care nurse aides. Not ensuring staff members are employable increases the risk that residents with Alzheimer's disease or related disorders could be subject to abuse, neglect, and exploitation.

Recommendation 1a

New facility management should have a process to ensure facility and temporary agency staff comply with applicable training requirements including receiving all required trainings.

Recommendation 1b

New facility management should have a process to ensure staff-to-resident ratios comply with requirements and retain documentation to support daily nurse staffing levels.

Recommendation 1c

New facility management should have a process to ensure all required pre-employment checks are performed.

Management Response

Action Plan

- 1a. The system is in place for staff and temporary agency staff to receive the required training. We are auditing the system.
- 1b. Daily staffing pattern is posted daily and maintained. No required staffing for unit since it is not certified. We are auditing the system.
- 1c. Colonial has a process in place to conduct required pre-employment checks. We are auditing the system.

Responsible Manager

Administrator

Target Implementation Date

August 15, 2022

Chapter 2: Matagorda House Complied With Most Physical Facility Requirements; However, It Did Not Maintain the Facility to Ensure the Health and Safety of Residents

Nursing facilities must be designed, constructed, equipped, and maintained to protect the health and ensure the safety of residents, personnel, and the public.¹⁵ In addition, for Alzheimer's-certified nursing facilities, access to outdoor areas must be provided and such areas must have suitable walls or fencing that do not allow climbing or present a hazard.¹⁶ Disorientation and wandering are symptoms for people with Alzheimer's disease and related disorders, which can be dangerous if the resident wanders out of the facility. The Alzheimer's Association estimates six in ten people living with Alzheimer's disease and related disorders will wander at least once.¹⁷ Certified Alzheimer's facilities provide security and safety measures to prevent residents from leaving designated outdoor areas without proper supervision.¹⁸ OIG's unannounced site visit included assessing the physical environment. Matagorda House generally had a clean and accessible facility that included properly furnished resident rooms, handrails throughout the facility, and a pest-free environment in accordance with applicable requirements.

However, on the date of the unannounced site visit, certain areas of the exterior of Matagorda House were in disrepair, which could jeopardize the health and safety of residents. Specifically, the wrought iron fencing in resident courtyards was rusted and broken at the bottom, roofing supports throughout the exterior

¹⁵ 26 Tex. Admin. Code § 554.1701 (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1701 (Mar. 22, 2018).

¹⁶ 26 Tex. Admin. Code § 554.2208 (a) (6) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.2208 (a)(6) (Mar. 22, 2018).

¹⁷ "Wandering," The Alzheimer's Association, <https://www.alz.org/help-support/caregiving/stagesbehaviors/wandering> (accessed Apr. 21, 2022).

¹⁸ 26 Tex. Admin. Code § 554.2208 (a) (2) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.2208(a)(2) (Mar. 22, 2018).

of the facility were rotting, and courtyard locking mechanisms were not functioning properly to ensure the courtyard exits were secure.

Matagorda House had two courtyards accessible from resident hallways, including the memory care unit, available for residents to spend time outdoors. One exterior gate in each of the two courtyards was unlocked and opened freely on the day of the unannounced visit. The first gate, which led to the unsecured facility parking lot, had an electronic latch and keypad, which was broken. The second gate, which led to the laundry facility building, was unlocked.

OIG Audit informed the facility administrator of the issue with the disabled electronic latch and keypad, and a manual latch was added to the gate to keep the gate shut; however, this repair did not secure access to adequately prevent residents from leaving the designated area because it did not have a locking mechanism.

The facility administrator asserted that the process to identify and report maintenance issues was not well defined and larger maintenance repairs were required to be approved by the prior management company, which takes time and frequently leads to overdue maintenance. Insufficient facility maintenance, including courtyard gates that are not properly secured, increases the risk to residents with Alzheimer's disease and related disorders, which jeopardizes their health and safety.

Recommendation 2

New facility management should have a process to timely identify and address maintenance concerns to ensure the exterior areas of its nursing facility are secure and free of hazards.

Management Response

Action Plan

Daily monitoring and checks to ensure the physical plant is in safe working condition by staff.

Identified issues will be addressed by staff or outside resources if needed. We are auditing the system.

Responsible Manager

Administrator

Target Implementation Date

August 15, 2022

Chapter 3: Matagorda House Did Not Secure Resident Overflow Medications and Medications to be Destroyed

Nursing facilities must establish procedures for storing and disposing of drugs in accordance with federal, state, and local laws.

Matagorda House stored medications in locked medication carts that can be moved through resident halls for medication administration and stored controlled substances in additional locked compartments. However, Matagorda House did not comply with all medication storage requirements, including locking the medication destruction box and securing overflow medications.

The Medication Destruction Box Was Not Locked

Medications that are expired or no longer needed must be secured and reconciled to ensure all medications are accounted for.¹⁹ The facility administrator asserted that the medications are secured in the locked destruction box until the facility pharmacist can take custody of the medications. When medications were identified to be destroyed, Matagorda House staff were instructed to place them into a medication destruction box, which should be locked. However, on the date of the unannounced site visit the medication destruction box was unlocked. The facility administrator asserted that due to employee turnover there is a lack of training. Additionally, there was not a documented policy related to securing the medication destruction box. When medications are not appropriately secured for disposal, there is an increased risk for misappropriation or misuse.

Overflow Medications Were Not Properly Secured

When all medications did not fit in the locked medication carts, the excess medications were stored on the overstock shelving in the locked medication room. The medication room was secured with a locked door, which should have

¹⁹ 26 Tex. Admin. Code § 554.1504 (g) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1504 (g) (Sept. 1, 2003).

only been accessible by the nurses and medication aides. However, the facility administrator stated the access code to the medication room was commonly given out to unauthorized staff out of convenience. Additionally, there was not a process in place to reconcile overflow medications. When medications are not appropriately secured or accounted for, there is an increased risk of misuse or misappropriation of those medications.

Recommendation 3a

New facility management should have a process to ensure (a) the medication destruction box is secure and (b) staff are trained in medication security.

Recommendation 3b

New facility management should have a process to ensure resident overflow medications are securely stored and perform medication reconciliations, as needed.

Management Response

Action Plan

- 3a. Staff trained in medication security and the process for keeping medications to be destroyed secure. We are auditing the process.
- 3b. Overflow medications are being securely stored in accordance with industry standards and reconciliations are done by pharmacy compliance and checked monthly by pharmacist. We are auditing the process.

Responsible Manager

Administrator

Target Implementation Date

August 15, 2022

Chapter 4: Matagorda House Did Not Distribute Required Alzheimer's Disclosure Statements

A facility that advertises, markets, or otherwise promotes that it provides services to residents with Alzheimer's disease and related disorders is required to provide a disclosure statement to individuals who are:²⁰

- Seeking to become residents of the facility.
- Assisting those who are seeking to become a resident of the facility.
- Seeking information about the facility's care and treatment of residents with Alzheimer's disease and related disorders.

Matagorda House was certified to provide specialized care to residents with Alzheimer's disease and related disorders. The facility administrator asserted that Matagorda House was not providing the Alzheimer's disclosure statements prior to admission to prospective residents or individuals assisting prospective residents. Not providing the required disclosure statement prior to admission increases the risk that residents and their families may make placement decisions based on incomplete information surrounding the level of care provided for individuals with Alzheimer's disease or related disorders.

Recommendation 4

New facility management should ensure there is a process that prospective residents and individuals assisting prospective residents receive the Alzheimer's disclosure statement prior to admission.

²⁰ 26 Tex. Admin. Code § 554.1921 (f) (Jan. 15, 2021) previously 40 Tex. Admin. Code § 19.1921 (f) (July 21, 2016).

Management Response

Action Plan

The facility no longer has a certified Alzheimer's unit; we requested from NF & DAHS [Nursing Facility and Day Activity Health Services] Licensing unit manager that as of 4/1/2022 we no longer wish to participate in that program and to please decertify the unit.

Responsible Manager

Administrator

Target Implementation Date

August 15, 2022

Auditor Comment

OIG Audit verified with HHSC Long Term Care Regulatory Licensing and Credentialing that Matagorda House, now named Colonial Living and Rehabilitation of Bay City, no longer holds a certification to provide specialized care to residents with Alzheimer's disease or related disorders, effective July 13, 2022.

Appendix A: Objective, Scope, and Criteria

Objective and Scope

The audit objective was to determine whether Matagorda House, advertising as a memory care facility, provided services and operated in compliance with applicable, laws, rules, and guidelines.

The audit scope covered the period from September 1, 2020, through November 30, 2021. The audit scope included a review of internal control components, including testing of controls that were significant within the context of the audit objectives.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 42 CFR § 483.90 (2021)
- Texas Health & Safety Code §§ 242.0405 (2021), 250.003 (2014), 250.004 (2011), and 250.006 (2021)
- 26 Tex. Admin. Code Chapter 554 (2021) previously 40 Tex. Admin. Code Chapter 19 (1995 through 2021)
- COVID-19 Response for Nursing Facilities issued by HHSC Regulatory Services (2021)

Appendix B: Methodology and Data Reliability

OIG Audit conducted fieldwork from November 2021 through May 2022, including an unannounced site visit November 15, 2021, to test compliance with selected requirements relating to the physical environment to ensure the safety and wellbeing of residents, including:

- General Observations
 - Exterior conditions
 - Required postings
- Facility Safety
 - Interior conditions
 - Locking mechanisms
 - Fire safety
- Facility Administration
 - Resident rooms
 - Common areas
- Resident Care
 - Infection control
 - Resident safety
 - Medication storage

In addition to the unannounced on-site visit, OIG Audit tested direct care staff records for memory care related training requirements, required staffing ratios, and verification of applicable certifications.

Auditors conducted interviews with Matagorda House's management and staff and reviewed:

- Relevant documentation, such as policies, procedures.
- Supporting documentation, including but not limited to, training records and employee files.
- Matagorda House's system of internal controls, including components of internal control,²¹ within the context of the audit objective.

Sampling Methodology

Auditors selected nonstatistical samples, primarily through random and risk-based selections, relating to facility direct care staff and temporary agency direct care staff. The sample items were generally not representative of the populations; therefore, it would not be appropriate to project the test results to the population.

Facility Direct Care Staffing

Auditors obtained a population of 97 direct care staff who worked in the facility during the audit scope. OIG Audit selected 22 employees from the population to test for selected requirements.

Temporary Agency Direct Care Staffing

Auditors obtained a population of 91 temporary agency staff who provided direct care to Matagorda House residents during the audit scope. OIG Audit selected 19 temporary agency staff to test for selected requirements.

Data Reliability

To assess the reliability of data used to select samples, auditors (a) analyzed the data for reasonableness and completeness, (b) reviewed the source database and extraction methodology, and (c) interviewed facility staff who were knowledgeable about the data. OIG Audit determined that the data was

²¹ For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

sufficiently reliable for the facility direct care staffing testing. Additionally, auditors determined the temporary agency staff data was of undetermined reliability; however, this was the best source of data available for the purpose of this audit.

Appendix C: Summary of Recommendations

For all recommendations, the responsible manager is the facility administrator, and the target implementation date is August 15, 2022.

Table C: Summary of Recommendations to Matagorda House

No.	Recommendation
1a	New facility management should have a process to ensure facility and temporary agency staff comply with applicable training requirements including receiving all required trainings.
1b	New facility management should have a process to ensure staff-to-resident ratios comply with requirements and retain documentation to support daily nurse staffing levels.
1c	New facility management should have a process to ensure all required pre-employment checks are performed.
2	New facility management should ensure there is a process to timely identify and address maintenance concerns to ensure the exterior areas of its nursing facility are secure and free of hazards.
3a	New facility management should have a process to ensure (a) the medication destruction box is secure and (b) staff are trained in medication security.
3b	New facility management should have a process to ensure resident overflow medications are securely stored and perform medication reconciliations, as needed.
4	New facility management should ensure there is a process that prospective residents and individuals assisting prospective residents receive the Alzheimer's disclosure statement prior to admission.

Source: OIG Audit

Appendix D: Related Reports

- Selected Memory Care Facilities: Silverado Barton Springs Memory Care Community, [AUD-22-013](#), June 3, 2022
- Selected Memory Care Facilities: Le Rêve Rehabilitation and Memory Care, [AUD-22-011](#), May 10, 2022
- Selected Memory Care Facilities: Village Green Alzheimer's Care Home—Cypress, [AUD-22-005](#), February 28, 2022

Appendix E: Report Team and Distribution

OIG staff members who contributed to this audit report include:

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- Cody Redmond, CPA, Audit Project Manager
- Kathryn Wolf, Staff Auditor
- Christine Alexander, Staff Auditor
- Karen Mullen, CGAP, Quality Assurance Reviewer
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Colonial Living and Rehabilitation of Bay City (Formerly Matagorda House Healthcare Center)

- Theresa Libby, Executive Director
- Samantha McCain, Regional Director of Operations
- Brad Dorer, Director of Operations
- David Montgomery, Facility Administrator

Appendix F: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Audrey O'Neill, Principal Deputy Inspector General, Chief of Audit and Inspections
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
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