

Inspections Report

Nursing Facility Staffing Hours Verification

Winchester Lodge Healthcare Center



**Inspector
General**

Texas Health
and Human Services

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Nursing Facility Staffing Hours Verification

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Results in Brief

Why OIG Conducted This Inspection

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) conducted an inspection of Winchester Lodge Healthcare Center (Winchester), a skilled nursing facility.

In 2020, the U.S. Department of Health and Human Services Office of Inspector General conducted a review of nursing facility staffing levels for 2018. The report revealed staffing levels varied considerably from day to day, which raised concerns some facilities may not fully meet the needs of their residents.

OIG Inspections initiated this inspection because of potential health and safety concerns caused by staffing shortages at nursing facilities.

Summary of Review

The inspection objective was to determine whether the direct care licensed nursing hours recorded at Winchester supported the hours reported to the U.S. Centers for Medicare and Medicaid Services (CMS) in compliance with federal requirements.

The inspection scope covered the period from January 1, 2021, through June 30, 2021.

Key Results

Winchester Lodge Healthcare Center (Winchester), a skilled nursing facility, accurately reported direct care licensed nursing hours to the U.S. Centers for Medicare and Medicaid Services (CMS) for 88 percent of the 514 payroll records reviewed as part of this inspection. However, Winchester did not:

- Have documented processes for reporting complete and accurate direct care licensed nursing hours to CMS through the Payroll-Based Journal reporting system. As a result, Winchester (a) both overreported and underreported some direct care licensed nursing hours worked and (b) inconsistently accounted for required meal break deductions.
- Consistently maintain complete payroll records to document (a) all direct care licensed nursing hours worked or (b) the number of direct care hours worked by administrative staff.

Recommendations

Winchester should:

- Develop, document, and apply a consistent process for application of its seven-minute rule.
- Implement a quality review process to ensure the direct care hours worked are accurately reported to the Payroll-Based Journal as required by CMS.
- Implement quality review processes to ensure payroll records are complete.
- Document, in the payroll records, direct care hours worked by administrative staff before reporting licensed nursing hours to CMS through the Payroll-Based Journal.

Management Response

Winchester agreed with the inspection recommendations and indicated corrective actions would be fully implemented by September 2022.

For more information, contact: OIGInspectionsReports@hhs.texas.gov

Table of Contents

Inspection Overview	1
Overall Results	1
Objective	1
Scope	2
Background	2
What Prompted This Inspection	4
Detailed Results	5
Observation 1: Winchester Did Not Have Documented Processes for Correctly Reporting Direct Care Hours to CMS	5
Observation 2: Winchester Did Not Consistently Maintain Complete Payroll Records	9
Appendix A: Methodology, Standards, and Criteria	11
Appendix B: Summary of Recommendations	13
Appendix C: Related Reports.....	14
Appendix D: Resources for Additional Information.....	15
Appendix E: Report Team and Distribution.....	16
Appendix F: OIG Mission, Leadership, and Contact Information	18

Inspection Overview

Overall Results

Winchester Lodge Healthcare Center (Winchester), a skilled nursing facility, accurately reported direct care licensed nursing hours to the U.S. Centers for Medicare and Medicaid Services (CMS) for 88 percent of the 514 payroll records reviewed as part of this inspection. However, Winchester did not:

- Have documented processes for reporting complete and accurate direct care licensed nursing hours to CMS through the Payroll-Based Journal reporting system. As a result, Winchester (a) both overreported and underreported some direct care licensed nursing hours worked and (b) inconsistently accounted for required meal break deductions.
- Consistently maintain complete payroll records to document (a) all direct care licensed nursing hours worked or (b) the number of direct care hours worked by administrative staff.

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Inspections) offered recommendations to Winchester, which, if implemented, will help ensure that Winchester reports accurate and complete direct care licensed nursing hours to CMS.

OIG Inspections presented preliminary inspection results, observations, and recommendations to Winchester in a draft report dated July 14, 2022. Winchester agreed with the inspection recommendations and indicated corrective actions would be fully implemented by September 2022. Winchester's management responses are included in the report following each recommendation.

OIG Inspections thanks management and staff at Winchester for their cooperation and assistance during this inspection.

Objective

The inspection objective was to determine whether the direct care licensed nursing hours recorded at Winchester supported the hours reported to CMS in compliance with federal requirements.

Scope

The inspection scope covered the period from January 1, 2021, through June 30, 2021.

Background

Winchester, owned by OakBend Medical Center and managed by SavaSeniorCare Administrative Services, LLC (SavaSeniorCare), is a skilled nursing facility located in Alvin, Texas, and licensed for 94 beds.

Winchester provides institutional care to individuals whose medical conditions regularly require the skills of a licensed nurse. Winchester accepts Medicaid and Medicare to offer services such as:

- Postoperative care
- Medication management
- Nutrition and hydration management
- Pain management
- Respiratory care
- Wound care
- Other special services

Direct Care Licensed Nursing Hours Reported to CMS

Nursing facilities must electronically submit payroll data to CMS quarterly through the Payroll-Based Journal reporting system,¹ which is a web-based system developed by CMS to document nursing facility payroll data, census information, and staffing levels.

All nursing facility data reported to CMS must include:

- Each direct care staff member's category of work.
- The hours of care provided by each category of staff.

¹ The U.S. Centers for Medicare and Medicaid Services, Electronic Staffing Data Submission Payroll-Based Journal: Long-Term Care Facility Policy Manual, § 1.2, v. 2.5 (Oct. 2018).

- Full resident census data.
- Staff turnover and tenure information, including hours worked and length of employment.²

Staff Timekeeping and the Payroll-Based Journal Submission Process

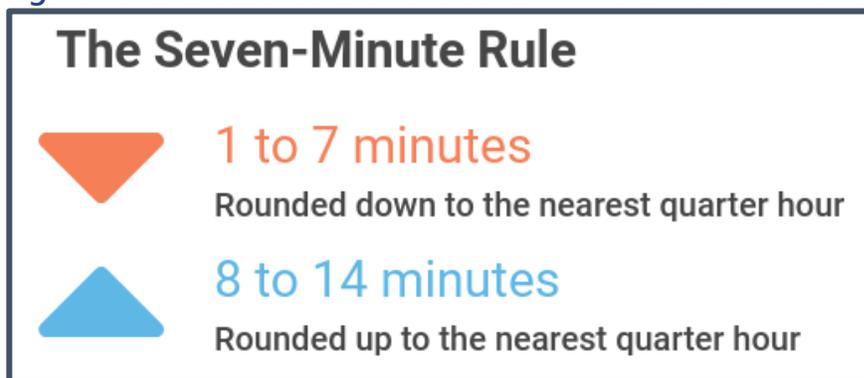
Winchester utilizes Kronos, an electronic timekeeping system, to capture staff time entries through a fingerprint scan. Staff clock in and out by scanning their fingerprint in the Kronos system, which records each staff member’s time entry. Timekeeping records from Kronos automatically interface with the Payroll-Based Journal system.

Quarterly, SavaSeniorCare checks that all hours reported in Kronos have uploaded to the Payroll-Based Journal reporting system, validating that there are hours for each day.

The Seven-Minute Rule

By default, Kronos is programmed to capture payroll time using the seven-minute rule, which rounds staff time to 15-minute increments. Specifically, Kronos records staff time (a) worked from one to 7 minutes as rounded down to the nearest quarter hour and (b) worked from 8 to 14 minutes as rounded up to the nearest quarter hour. For example, if a staff member clocks in at 7:07 a.m., Kronos rounds the time down to 7:00 a.m., and if a staff member clocks out at 4:55 p.m., Kronos rounds the time up to 5:00 p.m. Figure 1 summarizes the characteristics of the seven-minute rule in Kronos.

Figure 1: Characteristics of the Seven-Minute Rule in Kronos



Source: OIG Inspections

² 42 C.F.R. § 483.70(q) (Sept. 16, 2019).

What Prompted This Inspection

In 2020, the U.S. Department of Health and Human Services Office of Inspector General conducted a review of nursing facility staffing levels for 2018.³ The report revealed staffing levels varied considerably from day to day, which raised concerns some facilities may not fully meet the needs of their residents.

OIG Inspections initiated this inspection because of potential health and safety concerns caused by staffing shortages at nursing facilities.

³ U.S. Department of Health and Human Services Office of Inspector General, *Some Nursing Homes' Reported Staffing Levels in 2018 Raise Concerns; Consumer Transparency Could be Increased*, OEI-04-18-00450 (Aug. 3, 2020).

Detailed Results

OIG Inspections compared 514 Winchester facility payroll records, for 60 specific dates during the scope period, to the direct care licensed nursing hours Winchester reported to CMS in the Payroll-Based Journal for the following direct care positions:

- Director of Nurses
- Registered Nurses
- Licensed Vocational Nurses

The following sections of this report identify instances of noncompliance observed by OIG Inspections.

Observation 1: Winchester Did Not Have Documented Processes for Correctly Reporting Direct Care Hours to CMS

Winchester did not have documented processes for reporting complete and accurate direct care licensed nursing hours to CMS through the Payroll-Based Journal. As a result, Winchester (a) both overreported and underreported some direct care hours worked and (b) inconsistently accounted for required meal break deductions.

Overreporting and Underreporting of Direct Care Hours

For the 514 payroll records reviewed as part of this inspection, OIG Inspections found Winchester both overreported and underreported direct care hours to CMS.

OIG Inspections could not definitively quantify the number of direct care hours overreported and underreported because of the inconsistent process information Winchester provided. Winchester management provided multiple methodologies for how the seven-minute rule is applied by Kronos and was ultimately unable to provide a clear, consistent methodology. All methodologies provided resulted in errors. For example, testing one methodology resulted in 34 of 514 (6.6 percent) payroll records overreporting direct care hours worked and 10 of the 514 (1.9 percent) payroll records underreporting direct care hours worked.

Inconsistent Accounting for Meal Break Deductions

CMS requires nursing facilities to deduct a 30-minute meal break for each 8- to 12-hour shift staff record on time sheets even if staff did not take a meal break. A one-hour meal break deduction is required for a shift of 16 hours or more.^{4,5} Winchester was unable to provide a clear explanation for how it applied the seven-minute rule to meal break deductions.

Of the 44 payroll-record errors, OIG Inspections identified 32 (72.7 percent) that had meal break deduction errors when applying the seven-minute rule at each punch in and punch out.

When reporting a staff time entry without a recorded meal break to the Payroll-Based Journal, Winchester programmed Kronos to automatically deduct (a) 30 minutes when staff worked 5.5 consecutive hours or more or (b) 60 minutes when staff worked 13.5 consecutive hours or more. However, Kronos does not deduct a meal break as required by CMS if the hours in a shift are not consecutive due to staff clocking in and out for short breaks mid-shift. Specifically, if a staff member clocks out for a break for any amount of time during their shift but does not clock out for a meal break, Kronos incorrectly interprets the break as a full meal break and does not deduct the 30 minutes or 60 minutes as required by CMS, which may result in incorrect reporting to the Payroll-Based Journal.

Recommendation 1a

Winchester should develop, document, and apply a consistent process for application of its seven-minute rule.

Management Response

The company uses a 15-minute rounding rule when accumulating hours to report to the Payroll-Based Journal. The 15-minute rounding rule is applied to the punch in of the shift and to the punch out of from the shift. Punch ins/outs that occur from 1 – 7, 16 – 22, 31 – 37, and 46 – 52 (minutes past the hour) are rounded to the previous quarter hour. Punch ins/outs that occur from 8 – 14, 23 – 29, 38 – 44, and 53 – 59 (minutes after the hour) are rounded to the next quarter hour. For example, an employee who punches in for the day at 7:07 AM

⁴ The U.S. Centers for Medicare and Medicaid Services, *Electronic Staffing Data Submission Payroll-Based Journal: Long-Term Care Facility Policy Manual*, § 2.2, v. 2.5 (Oct. 2018).

⁵ The U.S. Centers for Medicare and Medicaid Services, *Electronic Staffing Data Submission Payroll-Based Journal (PBJ) Frequently Asked Questions* (Nov. 19, 2018).

and punches out for the day at 3:38 PM has their punch in/out times rounded to 7:00 AM (punch in) and 3:45 PM (punch out).

Each employee who works more than 5.5 hours in a single shift is expected to take a meal break of at least 30 minutes. For Payroll-Based Journal reporting purposes, meal breaks are rounded to the nearest 15 minutes for the duration of the break. For example, an employee who punches out for a meal at 11:35 AM and punches back in from their meal at 12:13 PM (38 minutes in duration) has their meal break rounded to 45 minutes.

The Payroll-Based Journal reporting calculation takes the rounded punch in/out times for the day and subtracts the rounded meal break. In the above example, we would report 8 hours on the Payroll-Based Journal submission (8.75 hours total shift less a 0.75 hour meal break).

Employees whose shift spans two calendar days have Payroll-Based Journal data reported for both calendar days with midnight being the “punch out” time for day 1 and the “punch in” time for day 2. For example, an employee who punches in for their shift at 10:13 PM, takes a meal break from 2:30 AM – 3:12 AM, and punches out at 6:36 AM would have 1.75 hours reported for day 1 (10:15 – midnight) and 5.75 hours reported for day 2 (midnight – 6:30 AM, less a 0.75 hour meal break). The meal break is assigned to the first calendar day if at least 5.5 hours were worked on that day. If not, the meal break is auto-assigned to calendar day 2.

Employees who work 5.5 hours in a single shift and fail to punch in/out for a meal break will have 30 minutes auto-deducted for a meal break from the Payroll-Based Journal. Employees who work 13.5 hours in a single shift and fail to punch in/out for meal breaks will have 60 minutes auto-deducted for meal breaks from the Payroll-Based Journal. If an employee’s shift spans two calendar days and they fail to punch in/out for meal break(s) the auto-deduction will be applied to the calendar day that had the most hours worked. For example, if an employee punched in at 9:30 PM, punched out at 6:45 AM, and did not punch in/out for a meal, the auto-30 minute meal deduction would be applied to calendar day 2.

Action Plan

See previous paragraphs that document seven minute rounding rules. The provider acknowledges an error in the Payroll-Based Journal reporting specific to employees whose meal breaks were 22 minutes or less in duration. Breaks from

1 – 7 minutes were rounded to 0.0 hours for Payroll-Based Journal reporting and breaks from 8 minutes – 22 minutes were rounded to 0.25 hours. All breaks of 30 minutes or less should be rounded to 0.5 hours. Sava has the ability to alter the programming language to correct this error and will do so. Documentation of seven-minute rounding rule is complete. Programming change to the Payroll-Based Journal data accumulation process must be written and tested.

Responsible Managers

Senior Vice President of Finance

Senior Analyst, Human Resources Time and Payroll

Target Implementation Date

Target implementation date is September 30, 2022.

Recommendation 1b

Winchester should implement a quality review process to ensure the direct care hours worked are accurately reported to the Payroll-Based Journal as required by CMS.

Management Response

Action Plan

The Human Resources Department at the facility conducts a quality review of time records for accuracy bi-weekly. Approved time records are submitted to the Payroll Department with SavaSeniorCare Administrative and Consulting, LLC for a secondary review. Review procedures have been written and are complete.

Responsible Manager

Vice President of Payroll-Based Journal Process and Information Technology

Target Implementation Date

Complete

Observation 2: Winchester Did Not Consistently Maintain Complete Payroll Records

Winchester did not maintain complete payroll records for 20 of 514 (3.9 percent) payroll records reviewed by OIG Inspections. These 20 payroll records either contained missing staff time entries or did not identify the direct care hours provided by licensed staff whose primary current role at the facility is administrative. As a result, OIG Inspections could not verify the accuracy of the 20 payroll records or compare these payroll records to the Payroll-Based Journal.

Missing Time Entry

Per Winchester's policy, staff must clock in and clock out for each shift. If a staff member fails to clock in or clock out, the staff member must complete a Time Clock Correction form for the time entry.

Winchester did not document a complete time entry for one payroll record reviewed as part of this inspection. This payroll record documented the end of the shift but not the beginning. Winchester was unable to provide the Time Clock Correction Form for the missing time entry.

Administrative Staff Providing Direct Care

Of the 514 payroll records reviewed as part of this inspection, 19 were for administrative staff who also provided direct care. Winchester reported direct care hours in the Payroll-Based Journal for these records; however, Winchester's payroll records did not differentiate between the number of hours that staff spent performing administrative duties versus direct care services. Since the direct care hours were not identified on the payroll records, the information reported on the Payroll-Based Journal cannot be verified.

Recommendation 2a

Winchester should implement quality review processes to ensure payroll records are complete.

Management Response

Action Plan

The identification and correction of the reporting errors noted above are an indication of the quality review performed on Payroll-Based Journal data. The reviews are done periodically by information technology staff and also are double checked by audits from other states. Missed punches by staff should be

identified and corrected by the facility team (Human Resources or designee). In order for missed punches to be corrected and properly reported to the Payroll-Based Journal, an in-service will be held at the facility to confirm their understanding of how to identify and correct missed punches before the hours are reported to payroll for processing. Attendees will include Human Resources, Nursing Home Administrator, and a back-up role.

Responsible Manager

Vice President, Human Resources

Target Implementation Date

September 30, 2022

Recommendation 2b

Winchester should document, in the payroll records, direct care hours worked by administrative staff before reporting licensed nursing hours to CMS through the Payroll-Based Journal.

Management Response

Action Plan

The process to capture Payroll-Based Journal hours for direct care worked by administrative employees is done through the Labor Level transfer process. This process can accommodate the proper reporting for employees who are “home based” in one facility, but work shifts at another SavaSeniorCare facility and also will properly account for hours worked by a non-direct care nursing personnel in a direct care role. An in-service will be held at the facility to retrain on this process.

Responsible Manager

Vice President, Human Resources

Target Implementation Date

September 30, 2022

Appendix A: Methodology, Standards, and Criteria

Detailed Methodology

To achieve the inspection objective, OIG Inspections collected information through (a) discussions and interviews with HHS Long Term Care Regulation staff and Winchester staff and (b) a review of:

- Regulations, policies, and procedures that address the objective.
- Payroll records for Winchester licensed nursing staff.
- Daily postings by Winchester stating the current number of licensed and unlicensed nursing staff, per shift, directly responsible for resident care.
- Payroll-Based Journal data.
- Provider information data used in the Five-Star Quality Rating System.⁶

In June 2021, there were 1,209 nursing facilities located in Texas. To choose the nursing facility to inspect, OIG Inspections considered the following criteria:

- CMS quality rating score.
- Ownership and organization type, such as private owned, corporate-owned, for-profit, and nonprofit.
- Facility size.

OIG Inspections generated a random sample of ten dates for each of the six months from January 1, 2021, through June 30, 2021, for review as part of this inspection.

⁶ The U.S. Centers for Medicare and Medicaid Services' Five-Star Quality Rating System gives each nursing facility participating in Medicare or Medicaid a rating between one and five stars for staffing, quality of care, and health inspection results. Nursing facilities with one-star ratings are considered to have below-average quality, and nursing facilities with five-star ratings are considered to have above-average quality.

Standards

OIG Inspections conducts inspections of Texas HHS programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspections typically result in observations and may result in recommendations to strengthen program effectiveness and efficiency. OIG Inspections conducted the inspection in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

Criteria

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

- 42 C.F.R. §§ 483.35(g) (2016) and 483.70(q) (2019)
- 40 Tex. Admin. Code § 19.1001(b) (2020) and 26 Tex. Admin. Code § 554.1001(b) (2021)
- The U.S. Centers for Medicare and Medicaid Services, *Electronic Staffing Data Submission Payroll-Based Journal: Long-Term Care Facility Policy Manual*, v. 2.5 (2018)
- The U.S. Centers for Medicare and Medicaid Services, *State Operations Manual*, Appendix PP, "Guidance to Surveyors for Long Term Care Facilities," revision 173 (2017)
- The U.S. Centers for Medicare and Medicaid Services, *Electronic Staffing Data Submission Payroll-Based Journal (PBJ) Frequently Asked Questions* (2018)

Appendix B: Summary of Recommendations

Table B.1: Summary of Recommendations to Winchester

No.	Recommendation
1a	Winchester should develop, document, and apply a consistent process for application of its seven-minute rule.
1b	Winchester should implement a quality review process to ensure the direct care hours worked are accurately reported to the Payroll-Based Journal as required by CMS.
2a	Winchester should implement quality review processes to ensure payroll records are complete.
2b	Winchester should document, in the payroll records, direct care hours worked by administrative staff before reporting licensed nursing hours to CMS through the Payroll-Based Journal.

Source: OIG Inspections

Appendix C: Related Reports

- Nursing Facility Staffing Hours Verification: Westchase Health and Rehabilitation Center, INS-22-006, August 9, 2022
- Nursing Facility Staffing Hours Verification: The Villa at Mountain View, [INS-22-001](#), February 17, 2022

Appendix D: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

To view the U.S. Department of Health and Human Services Office of Inspector General Report OEI-04-18-00450, Some Nursing Homes' Reported Staffing Levels in 2018 Raise Concerns; Consumer Transparency Could Be Increased:

"Some Nursing Homes' Reported Staffing Levels in 2018 Raise Concerns; Consumer Transparency Could be Increased," U.S. Department of Health and Human Services Office of Inspector General,
<https://oig.hhs.gov/oei/reports/OEI-04-18-00450.asp>
(accessed July 13, 2022)

For more information on Winchester Lodge Healthcare Center:

Homepage, Winchester Lodge Healthcare Center,
<https://www.savaseniorcare.com/winchester-lodge-healthcare-center>
(accessed July 13, 2022)

For more information on SavaSeniorCare Administrative Services, LLC:

Homepage, SavaSeniorCare Administrative & Consulting, LLC,
<https://savaseniorcare.com/> (accessed July 13, 2022)

For more information on OakBend Medical Center:

Homepage, OakBend Medical Center, <https://www.oakbendmedcenter.org/>
(accessed July 13, 2022)

Appendix E: Report Team and Distribution

Report Team

OIG staff members who contributed to this inspection report include:

- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
- Bruce Andrews, CPA, CISA, Director of Inspections
- James Aldridge, Manager of Inspections
- Giovanna Gutierrez, Lead Inspector
- Casey Gibson, Senior Inspector
- Bridney Jones, Senior Inspector
- Kenin Weeks, Senior Inspector
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Report Distribution

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- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Jordan Dixon, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Director of Internal Audit
- Wayne Salter, Deputy Executive Commissioner, Access and Eligibility Services
- Jose Garcia, Deputy Director of Compliance Division
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Winchester Lodge Healthcare Center

- Rosalind Lewings, Administrator
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- Kathy M. Hurst, Vice President of Payroll-Based Journal Process and Information Technology
- Ginger Pennington, Vice President, Human Resources
- Randy Swords, Senior Analyst, Human Resources Time and Payroll

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
- Steve Johnson, Chief of Investigations and Reviews

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- Phone: 1-800-436-6184

To Contact OIG

- Email: OIGCommunications@hhs.texas.gov
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