



OAG

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Doug A. Ringler, CPA, CIA
Auditor General

April 11, 2019

The Honorable Winnie Brinks
Michigan Senate
Connie B. Binsfeld Building
Lansing, Michigan
and
The Honorable Jon Hoadley
Michigan House of Representatives
Anderson House Office Building
Lansing, Michigan

Dear Senator Brinks and Representative Hoadley:

Enclosed is the information that you requested related to staffing, overtime, and serious incidents at the Kalamazoo Psychiatric Hospital. We compiled this information from data provided by the Hospital. Although we have no reason to question its accuracy, we did not audit the data.

We appreciate the opportunity to assist you. If you have further questions, please do not hesitate to contact our office.

Sincerely,

Doug Ringler
Auditor General

Enclosure

Report Fraud/Waste/Abuse

Online: audgen.michigan.gov/report-fraud/

Hotline: (517) 334-8060, Ext. 1650



Background:

The Kalamazoo Psychiatric Hospital (KPH) operates under the jurisdiction of the Michigan Department of Health and Human Services (MDHHS) to provide inpatient psychiatric services for persons with severe mental illness.

The following table identifies KPH's appropriations, actual expenditures, and average patient census.

| Fiscal Year | Expenditures (in millions) | | | Average Patient Census |
|-------------|----------------------------|--------|------------|------------------------|
| | Appropriated | Actual | Difference | |
| 2016 | \$64.4 | \$59.8 | \$4.7 | 134 |
| 2017 | \$65.7 | \$61.9 | \$3.8 | 142 |
| 2018 | \$68.1 | \$61.8 | \$6.3 | 141 |

Direct care staff include employees in the following areas and occupations:

- Activity therapy
- Barber
- Clinical social worker
- Clinical director
- Dental
- Developmental disability
- LPN (nursing staff)
- Music therapy
- Nutrition
- Occupational therapy
- Physician
- Psychiatrist
- Psychologist
- Recreational therapy
- RN (nursing staff)
- RCA (nursing staff)
- Special education teacher
- Teacher aide

Information Requested and Responses:

Identify the following information for KPH for fiscal years 2016, 2017, and 2018:

1. The total number of full-time equated (FTE) employees appropriated and the total number of FTE direct care nursing staff appropriated.

Response:

| Fiscal Year | Number of FTE Employees | | | | |
|-------------|-------------------------|--------------|------------------|--------|------------|
| | Total Appropriated | Actual | | Total* | Difference |
| | | Direct Care* | Non-Direct Care* | | |
| 2016 | 466.1 | 393.5 | 149.9 | 543.4 | (77.3) |
| 2017 | 466.1 | 380.0 | 151.2 | 531.1 | (65.0) |
| 2018 | 482.1 | 407.5 | 125.4 | 532.9 | (50.8) |

* Calculated based on actual hours charged including overtime. Appropriation acts do not break down FTEs by direct care and non-direct care.

2. The average number of direct care workers employed.

Response:

| | Fiscal Year | | | Overall Average |
|---|--------------|--------------|--------------|-----------------|
| | 2016 | 2017 | 2018 | |
| Average number of direct care staff - Nursing | 270.2 | 250.4 | 275.3 | 265.3 |
| Average number of direct care staff - Other | 48.5 | 49.6 | 49.7 | 49.3 |
| Total average number of direct care staff | <u>318.7</u> | <u>300.0</u> | <u>325.0</u> | <u>314.6</u> |

Required staffing levels are dictated by the patient population and the patients' acuity levels, medical appointments, hospital stays, etc. However, KPH indicated that its minimum staffing levels for direct care nursing staff within each of its 8 housing units were as follows:

- 6:30 a.m. to 3:00 p.m. shift - 1 registered nurse (RN), 1 licensed practical nurse (LPN), and 6 resident care aides (RCAs).
- 2:30 p.m. to 11:00 p.m. shift - 1 RN, 1 LPN, and 6 RCAs.
- 10:45 p.m. to 6:45 a.m. shift - 1 RN and 4 to 6 RCAs.

We estimated that KPH would need at least 268 to 280 direct care nursing staff based on the above minimum staffing levels, a utilization rate to factor in employee leave usage, and a 10% to 15% expected overtime rate. This estimate does not include staffing needed for patients with increased acuity levels (some patients require 1:1 supervision; some may require 3:1 supervision, etc.) or patients being transported to and attending medical appointments or hospital stays.

3. The total amount of overtime incurred and the percentage to total payroll for direct care workers and non-direct care workers.

Response:

| | Overtime Wages | Total Wages | Percentage of Overtime Wages To Total Wages |
|-------------------|--------------------|---------------------|---|
| Fiscal Year 2016: | | | |
| Direct care | \$4,689,366 | \$21,665,386 | 21.6% |
| Non-direct care | 483,674 | 7,397,246 | 6.5% |
| Total | <u>\$5,173,040</u> | <u>\$29,062,632</u> | 17.8% |
| Fiscal Year 2017: | | | |
| Direct care | \$5,602,654 | \$21,333,552 | 26.3% |
| Non-direct care | 656,554 | 7,691,295 | 8.5% |
| Total | <u>\$6,259,208</u> | <u>\$29,024,847</u> | 21.6% |
| Fiscal Year 2018: | | | |
| Direct care | \$6,617,392 | \$23,333,470 | 28.4% |
| Non-direct care | 367,889 | 6,124,833 | 6.0% |
| Total | <u>\$6,985,281</u> | <u>\$29,458,303</u> | 23.7% |

4. The total overtime hours worked and related number of employees for direct care workers and non-direct care workers.

Response:

| | Overtime Hours | Total Hours | Percentage of Overtime to Total Hours | Total Number of Staff Who Charged Hours | Staff Whose Overtime Hours Exceeded 25% of Regular Hours | |
|--------------------------|----------------|------------------|---------------------------------------|---|--|----------------|
| | | | | | Number | Percentage |
| Fiscal Year 2016: | | | | | | |
| Direct care | 137,044 | 824,694 | 16.6% | 341 | 139 | (40.8%) |
| Non-direct care | 14,583 | 314,232 | 4.6% | 290 | 13 | (4.5%) |
| Total | 151,627 | 1,138,926 | 13.3% | 631 | 152 | (24.1%) |
| Fiscal Year 2017: | | | | | | |
| Direct care | 158,626 | 790,302 | 20.1% | 329 | 169 | (51.4%) |
| Non-direct care | 18,246 | 314,473 | 5.8% | 285 | 20 | (7.0%) |
| Total | 176,872 | 1,104,775 | 16.0% | 614 | 189 | (30.8%) |
| Fiscal Year 2018: | | | | | | |
| Direct care | 183,155 | 847,662 | 21.6% | 374 | 226 | (60.4%) |
| Non-direct care | 11,139 | 260,792 | 4.3% | 215 | 6 | (2.8%) |
| Total | 194,294 | 1,108,454 | 17.5% | 589 | 232 | (39.4%) |

5. The number of direct care workers who worked double shifts.

Response:

| Number of staff who worked: | Fiscal Year | | |
|--|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 |
| 1 - 10 double shifts | 25 | 30 | 15 |
| 11 - 25 double shifts | 51 | 42 | 43 |
| 26 - 50 double shifts | 87 | 61 | 81 |
| 51 - 100 double shifts | 78 | 80 | 100 |
| 101 - 250 double shifts | 40 | 64 | 77 |
| 251 - 260 double shifts | 0 | 0 | 1 |
| Total number of staff who worked at least 1 double shift | 281 | 277 | 317 |
| Total number of direct care staff | 341 | 329 | 374 |
| Total number of double shifts worked by direct care staff | 15,329 | 18,078 | 21,888 |

For the purpose of this analysis, we considered a double shift to be 12 or more consecutive hours worked in one calendar day. Timekeeping records were not maintained in a manner to allow us to efficiently identify double shifts that involved more than one calendar day. However, we believe the table identifies most of the double shifts worked as it accounts for 78.3% of the total overtime hours.

6. The number of direct care workers who have taken a medical leave of absence and the overtime hours and double shifts worked for each person.

Response:

| | Fiscal Year | | |
|---|-------------|---------|---------|
| | 2016 | 2017 | 2018 |
| <u>Direct Care Staff</u> | | | |
| Number of direct care staff who charged time to FMLA | 91 | 105 | 130 |
| Number of direct care staff who charged 40 or more hours to FMLA | 69 | 89 | 117 |
| Number of direct care staff who charged 40 or more FMLA hours in any single pay period | 40 | 51 | 73 |
| <u>Overtime Worked</u> | | | |
| Number of overtime hours worked by direct care staff who charged 40 or more FMLA hours in any single pay period | 16,479 | 25,137 | 34,496 |
| Total number of overtime hours worked by direct care staff | 137,044 | 158,626 | 183,155 |
| <u>Double Shifts Worked</u> | | | |
| Number of double shifts worked by direct care staff who charged 40 or more FMLA hours in any single pay period | 1,808 | 2,837 | 4,117 |
| Total number of double shifts worked by direct care staff | 15,329 | 18,078 | 21,888 |

We utilized time charged to Family Medical Leave Act (FMLA) to identify staff medical leave of absences. We determined that FMLA time can be used for extended or short-term medical related leave and identified FMLA usage for as little as 3 minutes. We did not evaluate whether FMLA usage was the result of working overtime or double shifts.

7. The number of direct care workers who worked in positions outside of their qualifications.

Response:

Gathering this information would require observation of direct care staff on all shifts. Because each shift utilizes approximately 60 to 80 direct care staff, this was not feasible.

However, based on discussions with KPH staff and our review of daily assignment work sheets for July 2018, we noted that KPH utilized RNs to fill LPN positions when necessary. Our analysis indicated that KPH employed an average of 12.3 LPNs per day during fiscal year 2017. Minimum staffing levels required 16 LPNs per day. Also, union contract language allows LPNs to be utilized as RCAs if they were previously employed as an RCA.

8. How many serious incidents involved direct care workers on overtime?

Response:

We analyzed serious incidents as follows:

1) Incidents resulting in a serious **patient** injury

KPH's patient serious injury reports for calendar years 2016, 2017, and 2018 disclosed 160 incidents in which a patient was injured and required medical treatment, including 8 (5%) sentinel events. A sentinel event is an unanticipated event in a healthcare setting resulting in death or serious physical or psychological injury to a patient or patients, not related to the natural course of the patient's illness.

- Sentinel event incidents - We reviewed the 8 sentinel event incidents for which 48 direct care staff were identified on the incident reports as being directly involved. We noted that 9 of the direct care staff were working overtime, including 7 who were working a double shift, when the incident occurred. Based on the investigations conducted by KPH and reviewed by the Joint Commission, none of the staff directly involved with these incidents were determined to be a contributing factor to the incidents.
- Non-sentinel event incidents - We reviewed 29 non-sentinel event incidents for which 120 direct care staff were identified on the incident reports as being directly involved. We determined that 24 of the direct care staff were working overtime, including 17 who were working a double shift, when the incident occurred. We did not evaluate whether working overtime or double shifts was a contributing factor to these incidents.

2) Incidents resulting in a serious **staff** injury

Our analysis of KHP's log of work related injuries and illnesses and payroll records identified the following number of incidents that involved direct care staff who were injured, resulting in the employee missing at least one day of work or being placed on restricted duty. We did not evaluate whether working overtime or double shifts was a contributing factor to the incidents.

| Calendar Year | Number of Incidents in Which Staff Were Injured | Number of Incidents Involving Staff Who Worked | | Work Days | |
|----------------------------|---|--|--|--------------------------|--------------------------------------|
| | | Overtime the Day the Injury Occurred | Double Shift the Day the Injury Occurred | Missed Due to the Injury | On Restricted Duty Due to the Injury |
| | | | | | |
| 2016 | 56 | 22 | 14 | 1,980 | 454 |
| 2017 | 51 | 20 | 12 | 2,226 | 480 |
| 2018 | 61 | 32 | 23 | 1,914 | 519 |
| Total | 168 | 74 | 49 | 6,120 | 1,453 |
| Percent of total incidents | | 44.0% | 29.2% | | |

9. An accounting of mandated overtime vs. voluntary overtime.

Response:

State timekeeping records do not indicate whether overtime is voluntary or mandatory. However, based on KPH's electronic records of voluntary and mandatory overtime assignments, we calculated the following breakdown of voluntary and mandatory hours worked, by direct care nursing staff:

| | Calendar Year 2017 | | | Calendar Year 2018 | | |
|---------------|--------------------|------------------|-------------|--------------------|------------------|-------------|
| | Overtime Hours | Percent of Total | FTEs | Overtime Hours | Percent of Total | FTEs |
| RCAs: | | | | | | |
| Voluntary | 81,616 | 65.4% | 39.2 | 83,522 | 61.4% | 40.2 |
| Mandatory | 43,110 | 34.6% | 20.7 | 52,506 | 38.6% | 25.2 |
| Total | <u>124,727</u> | | <u>60.0</u> | <u>136,028</u> | | <u>65.4</u> |
| LPNs: | | | | | | |
| Voluntary | 8,716 | 75.0% | 4.2 | 10,151 | 84.8% | 4.9 |
| Mandatory | 2,903 | 25.0% | 1.4 | 1,820 | 15.2% | 0.9 |
| Total | <u>11,619</u> | | <u>5.6</u> | <u>11,971</u> | | <u>5.8</u> |
| RNs: | | | | | | |
| Voluntary | 13,342 | 64.4% | 6.4 | 11,796 | 61.8% | 5.7 |
| Mandatory | 7,389 | 35.6% | 3.6 | 7,304 | 38.2% | 3.5 |
| Total | <u>20,731</u> | | <u>10.0</u> | <u>19,100</u> | | <u>9.2</u> |
| Total: | | | | | | |
| Voluntary | 103,674 | 66.0% | 49.8 | 105,469 | 63.1% | 50.7 |
| Mandatory | 53,402 | 34.0% | 25.7 | 61,630 | 36.9% | 29.6 |
| Total | <u>157,076</u> | | <u>75.5</u> | <u>167,099</u> | | <u>80.3</u> |

Note: Recorded voluntary and mandatory overtime totals varied from State payroll records and daily assignment work sheets because of variances in how KPH staff recorded overtime on the electronic daily assignment work sheets and changes in staffing needs during a shift.

Nursing staff may volunteer to work overtime. However, if shifts are not covered by volunteers, overtime can be mandated. For RCA staff, KPH informed us that it will attempt to call in staff before mandating overtime. Union contract language prohibits KPH from mandating that an employee work more than 16 consecutive hours or 2 consecutive shifts and does not limit the amount of overtime staff can volunteer for. Although we identified instances in which staff worked more than 16 consecutive hours, none of those instances involved mandatory overtime.

10. Assigned outside positions - The number of direct care workers assigned tasks outside their job descriptions.

Response:

Gathering this information would require observation of direct care staff on all shifts. Because each shift utilizes approximately 60 to 80 direct care staff, this was not feasible.

Based on discussions with KPH staff and our review of staffing records for July 2018, we did not identify any assignments of tasks outside the employees' job descriptions. As mentioned in Response 7, we noted that KPH utilized RNs to fill LPN positions when necessary. Also, union contract language allows LPNs to be utilized as RCAs if they were previously employed as an RCA.