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PERFORMANCE REVIEW

JACKIE WITHROW HOSPITAL

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

AUDIT OVERVIEW

Jackie Withrow Hospital Has Decreased Its Annual Patient Costs Since 2013, However, Its Expenditures and Maintenance Costs Remain High.

Jackie Withrow Hospital Is Determined to Be ADA Compliant by the Centers for Medicare and Medicaid Services.



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EXECUTIVE SUMMARY

The Performance Evaluation and Research Division (PERD) within the Office of the Legislative Auditor conducted an Agency Review of the Department of Health and Human Resources (DHHR) pursuant to West Virginia Code §4-10-8. As part of this process, an Update and Further Inquiry Performance Review of the Jackie Withrow Hospital, in Beckley, West Virginia, was conducted. The objectives of this review were to determine to what extent have the patient costs at Jackie Withrow Hospital increased or decreased compared to other comparable state health facilities since 2013, and whether the facility complied with the Americans with Disabilities Act (ADA). The issues of this report are listed below.

Frequently Used Acronyms in This Report:

ADA – Americans with Disabilities Act

BRIM – Board of Risk and Insurance Management

CMS – Centers for Medicare and Medicaid Services

DHHR – Department of Health and Human Resources

FIMS – Financial Information Management System

OHFLAC - Office of Health Facility Licensure and Certification

OASIS - Our Advanced Solution with Integrated Systems

PERD – Performance Evaluation and Research Division

Report Highlights:

Issue 1: Jackie Withrow Hospital Has Decreased Its Annual Patient Costs Since 2013, However, Its Expenditures and Maintenance Costs Remain High.

- As of February 24, 2020, Jackie Withrow Hospital has a patient bed-capacity of 199 beds with a patient census of 72 patients, with the ability to serve 130 patients if needed. Of the four long-term healthcare facilities, Jackie Withrow Hospital had the third highest cost-per-patient at \$109,597 and the highest overall expenditures at \$8,637,706 for FY 2018.
- The high costs at Jackie Withrow Hospital can be attributed to the size of the facility far exceeding its current use, and the age of the facility resulting in continuous costly repairs and upgrades. The facility was constructed in the 1930's to hold over 600 tuberculosis patients. The utility costs needed to operate Jackie Withrow Hospital are the highest of the four long-term healthcare facilities, and the maintenance and repair costs are second only to Hopemont Hospital. Although the entire facility is required to be heated due to the age of the building, only 50-percent of the facility is currently capable of treating patients.

- Although Jackie Withrow Hospital has not treated a patient for tuberculosis since 2006, part of the facility was renovated in 2009 to for tuberculosis treatment for \$1,299,750. The renovated section has never been used for treatment.
- As reported in PERD’s 2013 report, the estimate to build a new, appropriately sized facility to replace Jackie Withrow Hospital would be considerably less than the estimated cost to completely repair the facility. In addition, the costs for building a new size-appropriate facility would be offset in the long-run by the cost-savings realized by the decrease in operational and maintenance costs. In 2013, DHHR concurred with the Legislative Auditor’s recommendation that it complete and submit a proposal for a new building. However, DHHR has not taken decisive action in order to obtaining a more cost-effective facility. DHHR should start the process by obtaining a current cost-estimate for a facility. The governor makes the decision on what to include in an agency’s budget request, which is a formal process that can take up to a year. The fact that it could take a year is reason for DHHR to start working on a formal request now.

Issue 2: Jackie Withrow Hospital Is Determined to Be ADA Compliant by the Centers for Medicare and Medicaid Services.

- During a standard Centers for Medicare and Medical Services survey of general hospitals, federal guidelines require the surveyor to check the facility for compliance with applicable federal laws related to the health and safety of patients, including the ADA since it is a federal law by definition. Based on this standard, a successful CMS survey without any noted deficiencies pertaining to the applicable federal laws is indicative of compliance with the ADA.
- CMS survey procedures for confirming compliance with the ADA-related code require surveyors to report noncompliance to the appropriate agency having jurisdiction. In the case of Jackie Withrow Hospital, there have not been reports of noncompliance.
- The most recent CMS survey of Jackie Withrow Hospital, dated October 2, 2019, did not find any ADA-related deficiencies.

PERD’s Response to the Agency’s Written Response

On June 17, 2020, PERD received a written response to the report from the DHHR’s Cabinet Secretary, which can be found in Appendix C. DHHR mostly concurs with the report’s conclusions and recommendations reflected.

DHHR agrees that a new, size-appropriate, facility for Jackie Withrow Hospital would better serve patients and save the State money due to the high costs associated with the current facility. However, DHHR states that it is reluctant to request funding for such a facility in its next

budget proposal to the Legislature because 1) of the time and costs needed to put together a formal proposal, and 2) the agency wants to take the “route the Legislature wishes DHHR to take.” DHHR further states that it would be “happy” to discuss the matter further internally, with members of the Legislature, and the Office of the Governor to obtain their perspectives and opinions on the matter. However, the DHHR has a fiduciary responsibility to take the initiative and inform the Legislature and governor of the issues and best course of action, given its knowledge and expertise. This is the intent of the Legislative Auditor’s recommendation.

As indicated in the report, the Legislature has introduced legislation in the past, however, none of the legislation has been signed into law and DHHR has not initiated further action. In addition, three years ago, Metro News reported that the governor had requested DHHR prepare a comprehensive statewide plan for all the state hospital facilities that would benefit patients, employees, and generate economic development with new construction in the communities where the facilities are located. However, DHHR did not provide the Legislative Auditor with this statewide plan. DHHR’s lack of action results in continued inefficiencies and higher costs for the State.

The Legislative Auditor agrees with DHHR that it needs current information for it to make an appropriate funding request. This will take effort, time, and money. However, DHHR is accountable for the care of persons in the State’s hospital facilities and it has the fiduciary responsibility for the efficient use of state funds appropriated for that care. DHHR’s written response implies that it will not take definitive action unless the Legislature or governor directs it to act. DHHR has insight that comes from the daily care of persons in the State’s hospital facilities and maintaining those facilities. DHHR should act on its knowledge to advise the Legislature and governor of the issues and options that are in the State’s best interests. Although the governor makes the ultimate decision on what to include in an agency’s budget request, DHHR should start the process by obtaining a current cost-estimate for a new facility. Since the process could take up to a year, this is more reason for DHHR to start working on a formal request now.

DHHR concurs with the findings and recommendation in Issue 2. The agency states Jackie Withrow Hospital will continue to comply with all standards related to the Americans with Disabilities Act, even in the event of future renovations or construction projects.

Recommendations

1. *The Legislative Auditor recommends that DHHR make a formal request to the Legislature in its next budget proposal for the necessary funds needed for a new size-appropriate facility for Jackie Withrow Hospital.*
2. *The Legislative Auditor recommends that Jackie Withrow Hospital continue to comply with all ADA standards applicable to its facility.*

ISSUE 1

Jackie Withrow Hospital Has Decreased Its Annual Patient Costs Since 2013, However, Its Expenditures and Maintenance Costs Remain High.

Issue Summary

The state of West Virginia operates four long-term healthcare facilities throughout the state. In February 2013, PERD presented a report indicating that the Jackie Withrow Hospital, located in Beckley, West Virginia, had the highest cost-per-patient and operational costs of the four state-run long-term healthcare facilities. Since the 2013 PERD report, the cost-per-patient for Jackie Withrow Hospital has declined, however; the actual overall expenditures remain highest of the four state-run long-term healthcare facilities. The utility costs needed to operate Jackie Withrow Hospital are the highest of the four long-term healthcare facilities, and the maintenance and repair costs are second only to Hopemont Hospital.

The higher costs at Jackie Withrow Hospital can be attributed to the size of the facility far exceeding its current use, and the age of the facility resulting in continuous costly repairs and upgrades. The facility was constructed in the 1930's to hold over 600 tuberculosis patients. However, the facility has not treated a patient for tuberculosis since 2006. In December 1970, the facility initiated the transition from tuberculosis treatment to long-term care for the elderly. In 2009, an area of the hospital was remodeled and upgraded specifically for the purpose of appropriately treating patients for tuberculosis. Nevertheless, this newly remodeled tuberculosis area has never been used for treatment. As of February 24, 2020, Jackie Withrow Hospital has a patient bed-capacity of 199 beds with a patient census of 72 patients, with the ability to serve 130 patients if needed. The average daily census for Jackie Withrow Hospital from FY 2013 through FY 2018 has been 85 patients. The hospital is comprised of approximately 208,000 square feet. In comparison, Lakin Hospital which has a comparable average patient census, but was more recently constructed in 1974 with several additions in the mid 1990's, consists of approximately 69,700 square feet. Given that the building size is so great in comparison to its patient census, the State is paying unnecessary costs due to inefficiencies that are a result of operating and maintaining a facility of its size and age for the number of patients it houses. In 2013, the Legislative Auditor recommended that the DHHR construct a new size-appropriate facility for Jackie Withrow Hospital which agency estimates showed would be less expensive than what it would cost to conduct all the needed maintenance and repairs at the facility. At the time, DHHR concurred this would be the best option available. Although there has been some legislation introduced to address this issue, no definitive action has been enacted in order to eliminate

The higher costs at Jackie Withrow Hospital can be attributed to the size of the facility far exceeding its current use, and the age of the facility resulting in continuous costly repairs and upgrades.

Although there has been some legislation introduced to address this issue, no definitive action has been enacted in order to eliminate the inefficient expenditures at Jackie Withrow Hospital.

the inefficient expenditures at Jackie Withrow Hospital. Therefore, **the Legislative Auditor recommends that DHHR make a formal request to the Legislature in its next budget proposal for the necessary funds needed for a new size-appropriate facility for Jackie Withrow Hospital.**

Although the Cost-Per-Patient at Jackie Withrow Hospital Has Decreased, the Overall Expenditures and Maintenance Costs Remain High.

Although the cost-per-patient at Jackie Withrow Hospital is not the highest of the state-run long-term healthcare facilities in West Virginia, its operational costs remain the highest. In February 2013, PERD presented a report indicating that Jackie Withrow Hospital had the highest cost-per-patient¹ and operational costs of the four state-run long-term healthcare facilities in West Virginia. The 2013 PERD report concluded that for FY 2010 through FY 2012, Jackie Withrow Hospital's total annual expenditures averaged \$10,043,592 with an average daily census of 84 patients resulting in an average annual cost-per-patient of \$120,118. Table 1 shows that since the 2013 PERD report, the annual cost-per-patient for Jackie Withrow Hospital has declined to the point it is now third highest. However, its actual overall expenditures remain highest of the four state-run long-term healthcare facilities. In addition, when compared to Lakin Hospital which has a comparable daily census average for patients, the average annual expenditures for FY 2016 through FY 2018 at Jackie Withrow Hospital were greater by \$876,340.

Table 1 shows that since the 2013 PERD report, the annual cost-per-patient for Jackie Withrow Hospital has declined to the point it is now third highest. However, its actual overall expenditures remain highest of the four state-run long-term healthcare facilities.

¹ PERD determined the cost-per-patient by dividing the expenditures by the average daily patient census.

Table 1				
Average Cost-Per-Patient at State-Run Long-Term Healthcare Facilities				
FY 2016 through FY 2018*				
	FY 2016	FY 2017	FY 2018	Average
Hopemont Hospital				
Total Expenditures	\$9,746,819	\$8,823,921	\$8,506,402	\$9,025,714
Average Daily Census	63	56	55	58
Average Cost-Per-Patient	\$153,669	\$157,285	\$155,717	\$155,557
Lakin Hospital				
Total Expenditures	\$8,519,253	\$8,723,994	\$8,447,029	\$8,563,426
Average Daily Census	93	94	85	90
Average Cost-Per-Patient	\$92,058	\$93,262	\$99,692	\$95,004
John Manchin Sr.				
Total Expenditures	\$4,539,120	\$4,511,952	\$3,778,073	\$4,276,382
Average Daily Census	27	31	33	30
Average Cost-Per-Patient	\$167,707	\$147,847	\$115,989	\$143,848
Jackie Withrow Hospital				
Total Expenditures	\$10,210,828	\$9,470,763	\$8,637,706	\$9,439,766
Average Daily Census	87	91	79	86
Average Cost-Per-Patient	\$117,034	\$104,310	\$109,597	\$110,314
<i>Source: PERD analysis of expenditures for each hospital obtained from Our Advanced Solution with Integrated Systems (OASIS). Daily patient census numbers were obtained from DHHR.</i>				
<i>*The total expenditures consist of the total of all expenditures attributed to each individual hospital.</i>				

Table 2 shows a comparison of the average amounts for total expenditures, daily patient census, and the cost-per-patient for each state-run long-term healthcare facility for the years reviewed in the previous 2013 PERD report (FY 2010 through FY 2012) and the recent period of FY 2016 through FY 2018. Table 2 indicates that Jackie Withrow Hospital is the only long-term healthcare facility that has reduced its overall expenditures and cost-per-patient. The three other long-term healthcare facilities have increased their average overall expenditures and cost-per-patient, while at the same time showing a reduction in their average daily patient census numbers. Hopemont Hospital and John Manchin Sr. Hospital show the largest increase in cost-per-patient with an increase of \$61,508 and \$46,766 respectively. The increases at these two facilities can be largely attributed to the decrease in the average daily patient census numbers combined with the increase in the overall expenditures.

Table 2
Comparison of Averages for
State-Run Long-Term Healthcare Facilities
FY 2010 through FY 2012 to FY 2016 through FY 2018

	Average FY 2010-12	Average FY 2016-18	Difference
Hopemont Hospital			
Total Expenditures	\$8,838,399	\$9,025,714	\$187,315
Average Daily Census	94	58	-36
Average Cost-Per-Patient	\$94,049	\$155,557	\$61,508
Lakin Hospital			
Total Expenditures	\$8,521,427	\$8,563,426	\$41,999
Average Daily Census	94	90	-4
Average Cost-Per-Patient	\$90,681	\$95,004	\$4,322
John Manchin Sr.			
Total Expenditures	\$3,883,246	\$4,276,382	\$393,135
Average Daily Census	40	30	-10
Average Cost-Per-Patient	\$97,081	\$143,848	\$46,766
Jackie Withrow Hospital			
Total Expenditures	\$10,043,592	\$9,439,766	-\$603,826
Average Daily Census	84	86	2
Average Cost-Per-Patient	\$120,118	\$110,314	-\$9,805
<i>Source: PERD analysis of expenditures for each hospital obtained from OASIS and the Financial Information Management System (FIMS). Daily patient census numbers were obtained from DHHR.</i>			

PERD reviewed expenditures for Jackie Withrow Hospital and determined that utilities, building maintenance and repairs, and payroll costs were the main causes for the high overall expenditures. Table 3 shows the total annual expenditures and cost-per-patient for each long-term healthcare facility for FY 2016 through FY 2018 when adjusting the actual expenditures to include only the costs for utilities, building maintenance and repairs, and payroll costs. Again, when compared to Lakin Hospital, which has a comparable daily census average for patients, the average adjusted expenditures for Jackie Withrow Hospital were greater by \$673,909.

PERD reviewed expenditures for Jackie Withrow Hospital and determined that utilities, building maintenance and repairs, and payroll costs were the main causes for the high overall expenditures.

Table 3
Average Cost-Per-Patient at State-Run Long-Term Healthcare Facilities
Utilities, Building Maintenance and Repairs, and Payroll Costs Only
FY 2016 through FY 2018*

	FY 2016	FY 2017	FY 2018	Average
Hopemont Hospital				
Total Expenditures	\$5,300,871	\$4,868,783	\$5,128,962	\$5,099,539
Average Daily Census	63	56	55	58
Average Cost-Per-Patient	\$83,574	\$86,785	\$93,890	\$88,083
Lakin Hospital				
Total Expenditures	\$6,485,652	\$6,367,276	\$5,682,545	\$6,178,491
Average Daily Census	93	94	85	90
Average Cost-Per-Patient	\$70,083	\$68,068	\$67,065	\$68,406
John Manchin Sr.				
Total Expenditures	\$2,990,583	\$3,047,127	\$2,532,862	\$2,856,857
Average Daily Census	27	31	33	30
Average Cost-Per-Patient	\$110,493	\$99,848	\$77,761	\$93,315
Jackie Withrow Hospital				
Total Expenditures	\$7,413,792	\$7,082,016	\$6,061,390	\$6,852,400
Average Daily Census	87	91	79	86
Average Cost-Per-Patient	\$84,975	\$78,000	\$76,908	\$79,961

Source: PERD analysis of expenditures for each hospital obtained from OASIS. Daily patient census numbers were obtained from DHHR.

Adjusted expenditures for each individual hospital include only expenditures for general utilities, sewer, water, electricity, natural gas, building and equipment repair, routine building maintenance, building improvements, personal services, temporary employees, overtime, employee benefits, and contractual professionals.

One of the main contributors for the high expenditures at Jackie Withrow Hospital is the cost for needed facility maintenance and repairs. Table 4 provides the difference in total amounts spent on maintenance, building repair, and building improvements for FY 2013 through FY 2018 at Jackie Withrow Hospital compared to the other three long-term healthcare facilities. Table 4 illustrates that the costs at Jackie Withrow Hospital are significantly higher than the other facilities except for Hopemont Hospital. However, it should be noted that in FY 2018, Hopemont Hospital had a one-time expenditure for building improvements where the cost exceeded \$520,000. As a result, the total amount spent on maintenance, building repair, and building improvements for FY 2013 through FY 2018 at Hopemont Hospital increased considerably.

One of the main contributors for the high expenditures at Jackie Withrow Hospital is the cost for needed facility maintenance and repairs.

Table 4
Total Amount Spent on Maintenance,
Building Repair and Building Improvements at
State-Run Long-Term Healthcare Facilities
FY 2013 through FY 2018

Facility	Total Amount Spent	Difference from Jackie Withrow Amount Spent
Jackie Withrow Hospital	\$1,390,337	-
Hopemont Hospital	\$1,486,728	\$96,391
Lakin Hospital	\$990,164	-\$400,173
John C. Manchin Sr.	\$536,073	-\$854,264

Source: PERD analysis of expenditures for each hospital obtained from OASIS and FIMS.

Regarding maintenance and repairs, water damage from boiler pipes and floor repairs are a routine job for the Jackie Withrow Hospital's maintenance staff. According to DHHR, the maintenance staff need to repair certain areas four to five times a year as a result of water damage from boiler pipes. In addition, the hospital administration has put in requests for new flooring, which it estimates will cost approximately \$550,000 in part due to asbestos abatement. DHHR indicated to PERD that Jackie Withrow Hospital's use of contracted healthcare staff has stretched its operating expenditures over its budget and has impacted its ability to conduct renovations and modern reconstructions while allowing it to only respond to ". . . urgent and critical repairs necessary to protect the safety and wellbeing of employees, patients and visitors." Figures 1 and 2 show pictures of needed floor replacement and water damage to the walls.

DHHR indicated to PERD that Jackie Withrow Hospital's use of contracted healthcare staff has stretched its operating expenditures over its budget and has impacted its ability to conduct renovations and modern reconstructions while allowing it to only respond to ". . . urgent and critical repairs necessary to protect the safety and wellbeing of employees, patients and visitors."

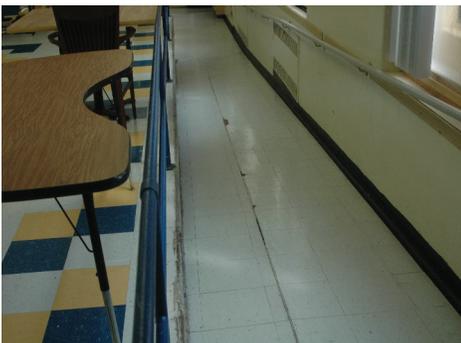


Figure 1 Damaged floors

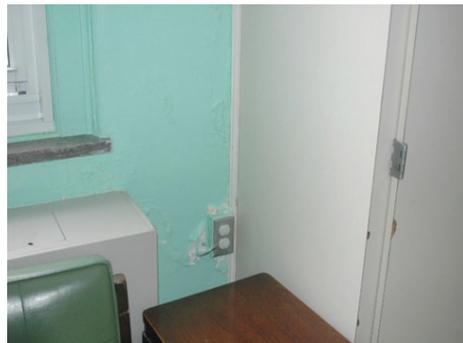


Figure 2 Water damage to walls

Therefore, given the age and size of the facility at Jackie Withrow Hospital, its expenditures for maintenance, building repair, and building improvements will continue to be considerably higher than the other state-run long-term healthcare facilities. In addition to the high costs for maintenance, building repair, and building improvements, the costs for utilities at Jackie Withrow Hospital are also considerably higher than the other state-run long-term healthcare facilities. Table 5 shows that for FY 2013 through FY 2018, the utility costs for electricity and natural gas were considerably higher than the other facilities. For this time period, Jackie Withrow Hospital paid an average of \$234,000 per year more than the other facilities. One reason for this can be attributed to the Jackie Withrow facility being built in the 1930’s to serve as a tuberculosis sanitarium with a bed capacity for 655 patients, but currently only serving a daily average of patients between 78 and 92 from FY 2010 through FY 2018.

Given the age and size of the facility at Jackie Withrow Hospital, its expenditures for maintenance, building repair, and building improvements will continue to be considerably higher than the other state-run long-term healthcare facilities.

**Table 5
Average Electric and Natural Gas Costs at
State-Run Long-Term Healthcare Facilities
FY 2013 through FY 2018**

Facility	Average Electricity	Average Natural Gas	Total Average Combined	Difference from Jackie Withrow	Average Difference from Jackie Withrow
Jackie Withrow	\$202,693	\$203,841	\$406,534	-	-
Hopemont	\$111,980	\$90,877	\$202,858	-\$203,676	-\$234,026
Lakin	\$203,156	N/A*	\$203,156	-\$203,378	
John C. Manchin Sr	\$72,951	\$38,557	\$111,508	-\$295,026	

Source: PERD analysis of expenditures for each hospital obtained from OASIS and FIMS.

**There are no natural gas expenditures listed for Lakin Hospital for FY 2013 through FY 2018 in OASIS or FIMS.*

Since the 2013 PERD report related to Jackie Withrow Hospital, there have been no major renovations or upgrades to the facility in relation to heating and cooling, plumbing, and/or structural work other than roofing repairs in certain areas. Due to the age and size of the facility, in order to heat the areas of the hospital that serve patients and hospital staff, the entire facility needs to be heated including the areas that are not populated with patients. In relation to this, DHHR indicated that:

... the building is ninety years old and wasn't constructed with all the practical architectural amenities/HVAC systems as with recent buildings in the last 25-30 years. The archaic construction does not allow for closing off units to heat or air individual units of the hospital.

Due to the age and size of the facility, in order to heat the areas of the hospital that serve patients and hospital staff, the entire facility needs to be heated including the areas that are not populated with patients.

Ultimately, funds are being spent as a result of the necessity of heating and cooling unused parts of the hospital.

In addition to Jackie Withrow Hospital having high electricity and natural gas expenditures, it also has high costs for sewer and water expenses when compared to the other three state-run long-term healthcare facilities. Table 6 shows that for FY 2013 through FY 2018, the utility costs for sewer and water at Jackie Withrow Hospital were on average \$152,000 more than the other three facilities.

Table 6 shows that for FY 2013 through FY 2018, the utility costs for sewer and water at Jackie Withrow Hospital were on average \$152,000 more than the other three facilities.

Table 6
Average Sewer and Water Costs at
State-Run Long-Term Healthcare Facilities
FY 2013 through FY 2018

Facility	Average Sewer	Average Water	Total Average Combined	Difference from Jackie Withrow	Average Difference from Jackie Withrow
Jackie Withrow	\$124,833	\$72,231	\$197,064	-	-
Hopemont	\$56,104	\$22,999	\$79,103	-\$117,961	-\$152,279
Lakin	\$22,782	\$16,385	\$39,167	-\$157,897	
John C. Manchin Sr.	\$6,098	\$9,988	\$16,086	-\$180,978	

Source: PERD analysis of expenditures for each hospital obtained from OASIS and FIMS.

According to W.Va. Code §27-1A-5(e), DHHR is responsible for the maintenance of land, buildings, and equipment of the state hospitals. As identified in PERD's 2013 report, DHHR was aware of the contributing factors to the higher costs at Jackie Withrow Hospital, which were determined to be the size of the building far exceeding its current use, and the age of the building necessitating continuous costly repairs and upgrades. **In addition, as stated in PERD's 2013 report, the Legislative Auditor offered several options to alleviate the issues but determined that building a new, size-appropriate facility was the best option. However, since that time, no impactful decisions have been made in order to eliminate the expenditures at Jackie Withrow Hospital.**

Fifty Percent of the Jackie Withrow Facility Is Not Being Used.

Currently, 50-percent of the Jackie Withrow facility is not being used to serve patients or accommodate DHHR staff and of this amount, only 20-percent is currently capable of treating patients. The other

As stated in PERD's 2013 report, the Legislative Auditor offered several options to alleviate the issues but determined that building a new, size-appropriate facility was the best option. However, since that time, no impactful decisions have been made in order to eliminate the unnecessary expenditures at Jackie Withrow Hospital.

30-percent is unusable and has been for over twenty-years. These areas would need considerable repairs in order to be usable again. Nevertheless, these areas are heated and cooled regardless of use. Figures 3 and 4 are pictures of areas of Jackie Withrow Hospital that are unusable.



Figure 3 Hallway unusable floor



Figure 4 Room unusable floor

Currently, 50-percent of the Jackie Withrow facility is not being used to serve patients or accommodate DHHR staff and of this amount, only 20-percent is currently capable of treating patients. The other 30-percent is unusable and has been for over twenty-years.

According to DHHR, there are a total of 164 employees at Jackie Withrow Hospital, 28 of whom are contracted employees. Jackie Withrow Hospital currently maintains a nursing staff to patient ratio of 1 to 20, and 1 to 10 for certified nursing assistants to patients.

One reason that twenty percent of the facility that is considered usable but is not currently serving patients is due to consolidating patients to a single area to better serve them with the number of staff available. DHHR indicated to PERD that patient census dictates the number of staff on duty at the hospital. If staffing declines, patient census will decline. If patient census is permitted to increase, staffing must also increase. When asked if any patients have had to be moved to another facility as a result of a lack of staff at Jackie Withrow Hospital, DHHR responded by stating that no patients have been moved and “Jackie Withrow Hospital will not accept admissions if the appropriate staff to patient ratios cannot be met.” According to DHHR, there are a total of 164 employees at Jackie Withrow Hospital, 28 of whom are contracted employees. Jackie Withrow Hospital currently maintains a nursing staff to patient ratio of 1 to 20, and 1 to 10 for certified nursing assistants to patients.

In addition, the tuberculosis unit located at Jackie Withrow Hospital is a blocked-off area of the facility that is fully equipped to treat patients with tuberculosis but is not being used. The unit has a total of 11 rooms, of which 5 are for housing tuberculosis patients. According to DHHR, in 1927, the former Pinecrest Hospital was authorized by an act of the Legislature to open a Tuberculosis Sanitarium exclusively to treat tuberculosis patients. At the time, the entire patient population consisted of tuberculosis patients and the facility did not require a need for isolation or negative air pressure isolation rooms.² In 1970, when Pinecrest Hospital initiated the transition from a tuberculosis hospital to a long-term care facility for the elderly, the heating, ventilation, and air conditioning system was not equipped with negative room pressure. In fiscal year 2009, Pinecrest Hospital was mandated by the Legislature to provide a separate unit to provide treatment of active tuberculosis patients. According to DHHR, this unfunded mandate required Pinecrest Hospital to renovate a separate isolated unit with negative air pressure. Consequently, in November 2009, Pinecrest Hospital changed its name to Jackie Withrow Hospital to honor the late delegate from Raleigh County, Delegate Jackie Withrow.

Although the unit was upgraded and refurbished to its current condition in 2009, the unit has never been used or treated a patient. The total cost to remodel this area of the facility to make it capable of sufficiently treating tuberculosis patients amounted to \$1,299,750. According to DHHR, the funds used to create the tuberculosis unit came from its budget for capital outlay and maintenance costs. Jackie Withrow Hospital has not treated a patient for tuberculosis since 2006. Nevertheless, DHHR has indicated that the unit is up to date with all its required inspections necessary to properly treat tuberculosis patients. Although the unit has never been used for tuberculosis treatment, the DHHR maintains that since the hospital was created with the intent to be a tuberculosis treatment facility, it is statutorily required to be ready in the event it needs to treat the public. Figures 5 and 6 are pictures of the tuberculosis unit at Jackie Withrow Hospital.

In addition, the tuberculosis unit located at Jackie Withrow Hospital is a blocked-off area of the facility that is fully equipped to treat patients with tuberculosis but is not being used. The unit has a total of 11 rooms, of which 5 are for housing tuberculosis patients.

Although the unit was upgraded and refurbished to its current condition in 2009, the unit has never been used or treated a patient. The total cost to remodel this area of the facility to make it capable of sufficiently treating tuberculosis patients amounted to \$1,299,750.

² When a patient with active tuberculosis sneezes or coughs, other patients may become infected when they inhale. By using a negative pressure system, the air flow is forced out to pull air passively into the system from other inlets. This enables bacterium within the unit to be contained.



Figure 5 Hallway Tuberculosis Unit



Figure 6 Pantry Tuberculosis Unit

Jackie Withrow Hospital Continues to Need Costly Repairs and Upgrades.

Since PERD’s 2013 report, the estimated costs to address all the maintenance needs at Jackie Withrow Hospital have increased. In 2011, DHHR contracted with ZDS Design/Consulting Services to evaluate the mechanical, electrical, and plumbing systems of all seven state-run hospitals³ to determine the estimated costs of performing necessary repairs to these systems. The evaluation of Jackie Withrow Hospital found that HVAC replacement, plumbing and piping replacements, ventilation upgrades, fire systems upgrades, and electrical upgrades were necessary. The total estimated cost of these repairs, not including such things as asbestos abatement, came to \$26,975,249.

Although DHHR has not contracted a vendor to provide estimates for needed maintenance and repairs since 2011, it has determined that the current costs for needed maintenance and repairs at Jackie Withrow Hospital would be more expensive than previously estimated. When requested for any current maintenance cost-estimate reports from any vendor, DHHR stated that “... other than the seven facility structural reports from ZDS Design/Consulting Services in 2011, there have not been any other structural reports from ZDS or any other vendor.” However, DHHR calculated its own cost-estimate for all current maintenance and repairs needed at Jackie Withrow Hospital that amounted to \$36,353,338 for 2020. According to DHHR, it calculated its estimate by starting with the \$26,975,249 cost-estimate for 2012 (from the 2011 ZDS report) and accounting for inflation for each year thereafter. DHHR further indicated that “This number is based on the fact that although many of the maintenance needs expressed within the ZDS report from 2011 have been addressed, other needs have obviously arisen since that date, as one could imagine with that type of facility.”

When requested for any current maintenance cost-estimate reports from any vendor, DHHR stated that “... other than the seven facility structural reports from ZDS Design/Consulting Services in 2011, there have not been any other structural reports from ZDS or any other vendor.” However, DHHR calculated its own cost-estimate for all current maintenance and repairs needed at Jackie Withrow Hospital to amount to \$36,353,338 for 2020.

³ The seven state-run hospitals consist of long-term care, acute care, and psychiatric care facilities.

In 2011, ZDS Design/Consulting Services also provided DHHR with an estimate for the cost of building a new, appropriately sized facility to replace Jackie Withrow Hospital that amounted to \$20,600,803. This amount was considerably less than the estimated cost of \$26,975,249 to completely repair the facility at that time. PERD followed the same calculation method used by DHHR to estimate the current maintenance and repair costs at Jackie Withrow Hospital to determine a current cost-estimate for building a new, appropriately sized facility. When considering inflation, PERD determined that a newly built facility for the patients of Jackie Withrow Hospital would amount to approximately \$27,762,782, which would be considerably less than the cost to fully repair the current building. However, due to the COVID-19 crisis, these estimate costs could be altered. It is possible that the crisis could cause temporary deflation in the construction industry.

Table 7 shows a comparison of the estimated maintenance costs for the existing Jackie Withrow Hospital facility and the estimated costs for a newly constructed facility for the patients of the hospital for the years 2012 and 2020. The information provided illustrates that the estimated costs for building a newly constructed facility, which would be designed for an appropriate number of patients, would be less expensive than it would cost to complete all the estimated maintenance and repairs currently needed at the Jackie Withrow facility. In addition, Table 7 indicates that the cost of either option has increased since 2012. The costs will continue to increase in the future if no action is taken. As of March 2020, DHHR acknowledged that it is aware of the situation at Jackie Withrow Hospital by stating to PERD that “The building is ninety years old and would most likely be less expensive to replace than to remodel/reconstruct.”

When considering inflation, PERD determined that a newly built facility for the patients of Jackie Withrow Hospital would amount to approximately \$27,762,782, which would be considerably less than the cost to fully repair the current building.

As of March 2020, DHHR acknowledged that it is aware of the situation at Jackie Withrow Hospital by stating to PERD that “The building is ninety years old and would most likely be less expensive to replace than to remodel/reconstruct.”

Table 7
Comparison of Estimated Maintenance to
New Facility Construction Costs
Jackie Withrow Hospital
2012 and 2019

Estimated Costs	2012	2020*	Difference
Maintenance Costs	\$26,975,249	\$36,353,338	\$9,378,089
New Facility Costs	\$20,600,803	\$27,762,782	\$7,161,979
Difference	\$6,374,446	\$8,590,556	

*Source: PERD analysis of data obtained from ZDS Design/Consulting Services and DHHR.
As a result of the COVID-19 crisis, it is possible that the 2020 estimated costs could be altered.

Jackie Withrow Hospital has Shown Improvements Related to Safety Inspections at the Facility.

State-run healthcare facilities are inspected by the Board of Risk and Insurance Management (BRIM), the Office of Health Facility Licensure and Certification (OHFLAC), and the State Fire Marshal. BRIM inspections are conducted to identify hazardous conditions or practices that can cause property or liability losses and increase insurance costs for facilities. OHFLAC conducts Life Safety inspections for the four state-run long-term healthcare facilities to ensure compliance with the National Fire Safety Protection Association's Life Safety Code. The State Fire Marshall conducts inspections to ensure compliance with State Fire Code. The Legislative Auditor evaluated the most recent reviews of Jackie Withrow Hospital by BRIM, OHFLAC, and the State Fire Marshal to see whether safety issues exist.

State-run healthcare facilities are inspected by the Board of Risk and Insurance Management (BRIM), the Office of Health Facility Licensure and Certification (OHFLAC), and the State Fire Marshal.

BRIM Inspections

Jackie Withrow Hospital has made improvements as to the number of recommendations made by BRIM when conducting facility inspections since the previous PERD report. Recommendations made by BRIM based on inspection findings fall into three categories: Critical, Important, and Desirable/Maintenance. PERD reviewed a recent inspection report for Jackie Withrow, dated May 23, 2018, which listed a total of five recommendations to be corrected. Of these five recommendations, BRIM determined that zero were Critical, four were Important, and one was Desirable/Maintenance.

However, correspondence between DHHR and BRIM regarding one of the Important recommendations and the one Desirable/Maintenance recommendation dealing with providing an automatic sprinkler system for certain areas of the facility indicate that the BRIM recommendations are not required by National Fire Protection Association (NFPA) standards and confirmed by the West Virginia Office of the State Fire Marshal. As a result, BRIM stated that “*Following a review of the corrective action plan received for this location and the documentation provided it is possible that the two recommendations of concern could be submitted as suggestions rather than recommendations going forward.*” DHHR provided corrective plans of action for the other three recommendations as required. These dealt with documenting the testing of the fire alarm system, repairing a sidewalk, and removing a deteriorated porch at the Pine Haven Center.

Jackie Withrow Hospital has made improvements as to the number of recommendations made by BRIM when conducting facility inspections since the previous PERD report.

The number of inspection findings determined by BRIM during its May 23, 2018 inspection of Jackie Withrow Hospital is a considerable improvement compared to the number of recommendations identified in PERD's 2013 report. As identified by PERD in 2013, BRIM conducted a facility inspection of Jackie Withrow Hospital on April 26, 2012 that

resulted in 26 recommendations. Of these 26 recommendations, BRIM determined 3 to be Critical, 18 were Important, and 5 were Desirable/Maintenance. The Critical recommendations identified at the time included the need for carbon monoxide alarms, updated fire doors be installed, and that gas lines be properly covered.

As a result of the age of the Jackie Withrow Hospital facility, the Legislative Auditor had concerns regarding the safety of staff and patients there. The Legislative Auditor consulted with DHHR to determine if there had been any instance of injury as a result of unsafe conditions at the hospital. A review of DHHR lawsuits show that there have been no such claims filed by or against the hospital within the past three years.

State Fire Marshal Inspections

According to the West Virginia State Fire Marshal, DHHR complies with NFPA standards and the State Fire Code at Jackie Withrow Hospital. PERD reviewed a recent State Fire Marshal inspection report, dated August 30, 2018, which indicated no fire code violations. This is an improvement from the time of the previous PERD report when the State Fire Marshal found three violations. Of the three violations found, one violation dealt with a sprinkler piping system that did not comply with NFPA standards, another was that electrical boxes were unsecured, and the last dealt with panic hardware on doors being installed incorrectly.

However, the Office of the State Fire Marshal indicated that the Department of Corrections (DOC) has a “*Penal/Detention*” area located on the fourth floor of the Jackie Withrow Hospital for which a separate inspection is conducted. An inspection of the fourth floor of the DOC’s area was also conducted on August 30, 2018. The inspection determined that there were two violations to NFPA standards related to seal penetrations in a hallway to the sleeping pods and for ceiling tiles that are broken and/or missing that need to be replaced. There are two separate Fire Safety Inspection Reports, one for the Jackie Withrow Hospital and another specifically for DOC’s fourth floor. When asked which department would be responsible for correcting the violations on the fourth floor, the State Fire Marshal indicated that it would depend on the lease agreement signed by the two parties. In addition, the State Fire Marshal stated that there has not been a Plan of Correction submitted related to the DOC’s fourth floor as required. According to DHHR, regarding areas of the Jackie Withrow Hospital facility used by the DOC, the DOC is responsible for any recommendations resulting from inspections conducted by BRIM and the State Fire Marshal.

OHFLAC Inspections

The OHFLAC conducts inspections of healthcare facilities to determine if those facilities comply with state licensure rules and federal certification regulations. PERD obtained the results from a recent Life

As a result of the age of the Jackie Withrow Hospital facility, the Legislative Auditor had concerns regarding the safety of staff and patients there. The Legislative Auditor consulted with DHHR to determine if there had been any instance of injury as a result of unsafe conditions at the hospital. A review of DHHR lawsuits show that there have been no such claims filed by or against the hospital within the past three years.

According to the West Virginia State Fire Marshal, DHHR complies with NFPA standards and the State Fire Code at Jackie Withrow Hospital.

Safety & Emergency Preparedness Survey (Survey) for Jackie Withrow Hospital dated October 4, 2019. The results of the Survey indicated that the facility was in substantial compliance and the most serious deficiency was a deficiency that constitutes no actual harm with potential for minimal harm. The deficiencies identified by the Survey were for having Halloween lights located on sprinkler lines and failing to use extension cords and power strips according to NFPA standards.

Again, this survey shows that Jackie Withrow Hospital has made improvements regarding the number of violations compared to the survey identified in PERD's 2013 report. According to the survey identified in the previous report dated December 2, 2011, OHFLAC identified 16 violations at Jackie Withrow Hospital. Of those 16 violations, 7 pertained to practices, such as the use of portable space heaters in patient rooms and a lack of documentation for smoke detector testing, rather than problems with the facility itself. The nine relevant violations included inoperable latches on doors, unsealed or incompletely sealed smoke barrier walls, a lack of sprinkler coverage in the facility's walk-in freezer, inoperable emergency lighting, etc. In addition to showing improvements made in the survey results, the results also indicate that OHFLAC is effective in identifying potential safety hazards and enforcing violation corrections at Jackie Withrow Hospital.

Minimal Actions Have Been Taken to Address the Costs Due to Inefficiencies at Jackie Withrow Hospital.

Although legislative bills have been introduced by DHHR and the Legislature with the purpose of addressing the financial inefficiencies of operating Jackie Withrow Hospital, no legislation has been signed into law and no further action has been initiated. As a result, the State is choosing to operate Jackie Withrow Hospital inefficiently and paying unnecessary costs due to these inefficiencies which will continue until definitive action is taken.

According to PERD's 2013 report, the Legislative Auditor considered possible options to ensure the most cost-effective recommendation in order to address the operating inefficiency of operating Jackie Withrow Hospital. The possible options included the following:

- close the hospital and move patients to other state facilities,
- close the hospital and move patients to private facilities,
- repair the current facility,
- relocate to another existing building,
- build a new facility,
- privatize of long-term care services at Jackie Withrow Hospital,
- or
- take no additional action at that time.

Although legislative bills have been introduced by DHHR and the Legislature with the purpose of addressing the financial inefficiencies of operating Jackie Withrow Hospital, no legislation has been signed into law and no further action has been initiated. As a result, the State is choosing to operate Jackie Withrow Hospital inefficiently and paying unnecessary costs due to these inefficiencies which will continue until definitive action is taken.

Ultimately, the Legislative Auditor recommended that the best option for addressing the issues at Jackie Withrow Hospital and the needs of its patients would be to build a new, size-appropriate facility where the costs would be offset in the long-run by the cost-savings realized by the decrease in operational and maintenance costs. At the time, the DHHR indicated that this was the preferable option and concurred with the Legislative Auditor's recommendation that the DHHR (Bureau for Behavioral Health and Health Facilities (BBHFF) at the time) immediately complete and submit its proposal for building a replacement facility for the Jackie Withrow Hospital. However, the DHHR/BBHFF stated in its response to the report:

The BBHFF concurs with the Legislative Auditor's recommendation that this issue be prioritized and a plan be developed for immediate action. However, the BBHFF would like to clarify that, as the Legislative Auditor noted in the report, there are many options available, all with potential benefits and detriments to the patients, their families, employees, and the surround communities. Until such time as a decision is made and funding becomes available, the BBHFF will strive to continue to seek out maximum efficiencies while maintaining the operability of the facility.

The problem is that until a decision is made, there are no maximum efficiencies to seek. Although the DHHR has made efforts to address some of the maintenance needs identified in the 2011 ZDS Design/Consulting Services report, DHHR indicated to PERD that "... other needs have obviously arisen since that date, as one could imagine with that type of facility."

When requested for its most current "State Facilities Plan Report," DHHR provided PERD with an August 2019 *Update Regarding the West Virginia State-Owned and Operated Hospitals*. In the update, DHHR indicates that as a result of having the state-owned hospitals previously operated by the DHHR's BBHFF, which consisted of other programs, this in effect "...cultivated years of inefficient cost controls including cumbersome procurement and personnel regulations, slow government decision making, and a staffing crisis...." The DHHR recently separated the seven state-owned and operated hospitals from the BBHFF into the newly created Office of Health Facilities which it indicates that "*This transition removed layers of unnecessary management and streamlined communications by placing a Chief Operating Officer directly over facility operations, creating a more nimble and responsive day-to-day operational structure.*" In addition, DHHR indicates that it has updated and implemented new systems, processes, and procedures that cultivated more efficiency by bringing attention to specific cost centers and patient per-day-costs which include facility maintenance costs. However, the update did not include a cost-benefit analysis to show what cost-effective

Although the DHHR has made efforts to address some of the maintenance needs identified in the 2011 ZDS Design/Consulting Services report, DHHR indicated to PERD that "... other needs have obviously arisen since that date, as one could imagine with that type of facility."

measures have been made at Jackie Withrow Hospital. In addition, as previously indicated by PERD's analysis of Jackie Withrow's expenditures, the evidence shows that DHHR continues to pay inefficient costs due to the size and age of the facility.

Conclusion

Although DHHR has made some adjustments intended to reduce some of the fiscal inefficiencies at Jackie Withrow Hospital, operating the facility, given its size and age, makes it a continuous financial burden for the State. Compared to the other three state-run long-term healthcare facilities, the overall expenditures and maintenance costs at Jackie Withrow Hospital remain the highest. These inefficient costs are unnecessary due to cost estimates provided by DHHR which indicate that the costs for building a new size-appropriate facility would be offset in the long-run by the cost-savings realized by the decrease in operational and maintenance costs. Although DHHR agrees that a new facility is necessary in order to save money for the State and to better serve its patients, these needs have been in effect for many years. It is not enough for DHHR to agree that the facilities are inefficient and new facilities are needed, the agency needs to take more action and formally request from the Legislature necessary funds for a size-appropriate facility. **Therefore, the Legislative Auditor recommends that DHHR make a formal request to the Legislature in its next budget proposal for the necessary funds needed for a new size-appropriate facility for Jackie Withrow Hospital.**

Although DHHR agrees that a new facility is necessary in order to save money for the State and to better serve its patients, these needs have been in effect for many years. It is not enough for DHHR to agree that the facilities are inefficient, the agency needs to take more action and formally request from the Legislature necessary funds for a size-appropriate facility.

Recommendation

1. *The Legislative Auditor recommends that DHHR make a formal request to the Legislature in its next budget proposal for the necessary funds needed for a new size-appropriate facility for Jackie Withrow Hospital.*

ISSUE 2

Jackie Withrow Hospital Is Determined to Be ADA Compliant by the Centers for Medicare and Medicaid Services.

Issue Summary

A standard survey by the Centers for Medicare and Medicaid Services (CMS) of general hospitals requires the inspector to check the facility for compliance with applicable federal laws related to the health and safety of patients, which includes the Americans with Disabilities Act (ADA). Based on this protocol, Jackie Withrow Hospital is in compliance with the ADA because the facility was found to be in substantial compliance with federal law during its most recent successful survey in October 2019. The Legislative Auditor recommends that Jackie Withrow Hospital continue to comply with all ADA standards applicable to its facility.

Based on this protocol, Jackie Withrow Hospital is in compliance with the ADA because the facility was found to be in substantial compliance with federal law during its most recent successful survey in October 2019.

Jackie Withrow Hospital Is in Compliance with CMS Requirements.

Jackie Withrow Hospital's ADA compliance is confirmed by the most recent successful CMS Life Safety & Emergency Preparedness Survey, completed on October 2, 2019. CMS guidelines require violations of this code in the event of noncompliance. By this standard, the absence of a citation of ADA non-compliance indicates that Jackie Withrow Hospital is in full compliance. The survey results stated: "*The facility was found in compliance with all applicable Federal, State and local Emergency Preparedness requirements.*" This is equivalent to declaring Jackie Withrow Hospital ADA compliant.

CMS Reviews for Compliance with the Americans With Disabilities Act During its Surveys.

According to 42 C.F.R. §482.11(a) from the CMS survey manual for hospital guidelines, "*The hospital must be in compliance with applicable Federal laws related to the health and safety of patients.*" Because the ADA is a federal law by definition, this qualifies it as an "*applicable Federal law related to the health and safety of patients,*" and subject to CMS requirements. CMS survey procedures for confirming compliance with this code include:

- Interview the CEO, or appropriate individual designated by the hospital, to determine whether the hospital is in compliance with federal laws related to patient health and safety.

- Refer or report noted noncompliance with federal laws and regulations to the appropriate agency having jurisdiction (e.g., hazardous chemical/waste issues to EPA, etc.).

Conclusion

CMS inspectors check for ADA compliance as a component of the hospital survey protocol. Jackie Withrow Hospital is compliant with the ADA based on passing a recent CMS Life Safety & Emergency Preparedness Survey that requires the facility to comply with federal laws related to the health and safety of patients. Jackie Withrow Hospital would have been cited for violations and reported to the appropriate agency had CMS inspectors found ADA noncompliance deficiencies. Jackie Withrow Hospital should continue to maintain ADA compliance, and in the event of possible future renovation or construction projects within its existing units.

Jackie Withrow Hospital is compliant with the ADA based on passing a recent CMS Life Safety & Emergency Preparedness Survey that requires the facility to comply with federal laws related to the health and safety of patients.

Recommendation

2. *The Legislative Auditor recommends that Jackie Withrow Hospital continue to comply with all ADA standards applicable to its facility.*

Appendix A Transmittal Letter

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

May 22, 2020

Bill J. Crouch, Cabinet Secretary
Department of Health and Human Resources
Office of the Secretary
One Davis Square, Suite 100 East
Charleston, WV 25301

Dear Secretary Crouch:

This is to transmit a draft copy of the Update Review of Jackie Withrow Hospital, as part of the Agency Review of the Department of Health and Human Resources, pursuant to West Virginia Code §4-10-8. This report will be presented during a future interim meeting of the Joint Committee on Government Operations, and the Joint Committee on Government Organization. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions committee members may have during or after the meeting.

We would like to schedule a virtual exit conference to discuss any concerns you may have with the report. Please notify us by May 29th when you would like to meet. In addition, we need your written response by noon on Friday, June 12th, 2020 in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 304-340-3192 by the Thursday prior to the meeting to make the arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,


John Sylvia

c: Brian Cassis, Director
Office of Internal Control and Policy Development
Enclosure

Joint Committee on Government and Finance

Appendix B

Objectives, Scope and Methodology

The Performance Evaluation and Research Division (PERD) within the Office of the Legislative Auditor conducted this Update and Further Inquiry Performance Review of Jackie Withrow Hospital as part of the Agency Review of the Department of Health and Human Resources (DHHR) as required and authorized by the West Virginia Performance Review Act, Chapter 4, Article 10, of the *West Virginia Code (WVC)*, as amended. The purpose of the Jackie Withrow Hospital is to provide and promote continuous individualized quality care to a diverse and unique population by meeting the emotional, spiritual, social and physical needs of each resident in a cost-effective and professional manner.

Objectives

The objectives of this review were to determine to what extent have patient costs at Jackie Withrow Hospital increased or decreased compared to other comparable state health facilities since 2013, and whether the facility complied with the Americans with Disabilities Act (ADA).

Scope

The scope of the first issue focused solely on updating Issue 1 of the February 2013 PERD review of DHHR's Bureau for Behavioral Health and Health Facilities by comparing patient costs at Jackie Withrow Hospital to other state long-term health care facilities and duplicating Tables 1 through 5 with updated figures from FY 2013 through FY 2018. Information obtained for this update was obtained from DHHR, the State Auditor's Financial Information Management System (FIMS) and Our Advanced Solution with Integrated Systems (OASIS), the Department of Administration's Board of Risk and Insurance Management (BRIM), the State Fire Marshal, and the Office of Health Facility Licensure and Certification. Given that this is an update and further inquiry, and for reasons such as timeliness, we did not update the other Issues of the 2013 report.

For the second objective, the scope examined the facility and office spaces for Jackie Withrow Hospital to determine ADA compliance at the time of PERD observation and in relation to ADA requirements. The examination of the hospital involved a compliance review in relation to ADA requirements.

Methodology

PERD gathered and analyzed several sources of information and conducted audit procedures to assess the sufficiency and appropriateness of the information used as audit evidence. The information gathered and audit procedures are described below.

The primary sources of information for Issue 1 were DHHR and information compiled on the FIMS and OASIS systems. Specifically, we collected state hospital expenditure data from the FIMS and OASIS systems in order to conduct a comparison analysis to determine to what extent the patient costs at Jackie Withrow Hospital have increased or decreased compared to other state long-term health care facilities. In addition, we obtained corroborating evidence from DHHR staff in order to determine if the information is appropriate and sufficient. Additional supporting evidence was collected from the Department of Administration's Board of Risk and Insurance Management, the State Fire Marshal, and the Office of Health Facility Licensure and Certification in relation to the Jackie Withrow facility's current condition and regulatory compliance. In

addition, further corroborating evidence was obtained by conducting a site visit and photographing conditions at the Jackie Withrow Hospital facility. The state hospital expenditure data were sufficient and appropriate because it is the record of expenditures as classified by the agency. We further determined the photographs were sufficient and appropriate because the photographs document conditions that presently exist.

The methodology of Issue 2 was to review documentation of on-site reviews of Jackie Withrow Hospital to determine compliance. This included obtaining ADA-related testimonials from Centers for Medicare & Medicaid Services (CMS) and the Federal Register of the United States National Archives to corroborate the interpretive federal guidelines that were used to confirm Jackie Withrow Hospital's compliance with the ADA. We determined the CMS certification of Jackie Withrow to be sufficient and appropriate because it is the body that approves whether a facility meets minimum 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.

Appendix C

Agency Response



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bill J. Crouch
Cabinet Secretary

June 17, 2020

Mr. John Silvia, Director
Performance Evaluation and Research Division
West Virginia Legislative Auditor's Office
1900 Kanawha Boulevard East, Room W-314
Charleston, West Virginia 25305-0610

Dear Mr. Silvia:

The West Virginia Department of Health and Human Resources (DHHR) has reviewed the updated report of Jackie Withrow Hospital, as conducted by the West Virginia Legislative Auditor's Office, Performance Evaluation and Research Division. DHHR concurs with the conclusions and recommendations reflected within the report for Issue 1 (for the most part) and Issue 2.

For Issue 1 of the report, DHHR agrees that a new, size-appropriate, facility for Jackie Withrow Hospital would better serve patients and would ultimately save the State money due to the high operational and maintenance costs associated with the current facility. DHHR is happy to make a formal request to the Legislature for the necessary funds, via a budget proposal, assuming this is the route the legislature wishes DHHR to take. We are happy to explore the matter further internally and discuss with various members of the Legislature and the Office of the Governor to obtain their perspectives and opinions on the matter.

At this stage, even if the funds were available for a new facility, DHHR would not have the specific data and information available to include in the budget proposal. The costs associated with the planning and construction of a new long-term care facility would need to be determined carefully. There are many factors and costs to consider in a proposal of this nature. Issue 1 of the report indicates an estimated cost of \$27,762,782 to construct a new facility in the Year 2020. A project of this size would require approximately four to six months to prepare, then three to six months to bid out, and approximately one year to construct. DHHR can include the amount included in the audit in its 2022 budget request, although we would prefer to prepare a formal plan that includes consultation with architects and contractors and others, since the number being used is based on an estimate originally obtained in the Year 2011. Using the estimate from the Year 2011 and simply adjusting it for inflation is acceptable for purposes of informal discussions, but it is not reliable enough for purposes of a formal budget proposal. Prior to submitting such a proposal to the Legislature, it would be best to obtain *current* estimates based on the *current* needs of Jackie Withrow Hospital. Beyond Jackie Withrow Hospital, DHHR would also be compelled to consider the other six state-owned hospital facilities since some of those facilities are also experiencing high operational and maintenance costs due

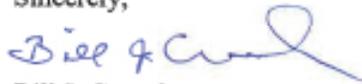
Mr. John Silvia
PERD
June 17, 2020
Page 2

to the condition of the facilities, whereby improvements and upgrades would better serve patients and save the State money in the long-run.

In response to Issue 2 of the report, please be assured Jackie Withrow Hospital will continue to comply with all standards related to the Americans with Disabilities Act even in the event of future renovations or construction projects. Jackie Withrow Hospital will also continue to comply with all applicable Federal, State, and local emergency preparedness requirements; Federal laws related to the health and safety of patients; and guidelines from the U.S. Centers for Medicare and Medicaid Services pertaining to hospital regulations and the Life Safety Code.

On behalf of DHHR, I thank the associates at the Performance Evaluation and Research Division for their time and effort and for the conclusions and recommendations reflected within the updated report of Jackie Withrow Hospital. DHHR looks forward to the Performance Evaluation and Research Division's sustained input and support as we work towards ensuring Jackie Withrow Hospital not only continues to comply with applicable laws, regulations, and guidelines, but also continues to improve upon the overall quality of services and operational efficiency in general.

Sincerely,



Bill J. Crouch,
Cabinet Secretary

cc: Shevona R. Lusk, COO
Office of Health Facilities
WV DHHR

Angela Booker, CEO
Jackie Withrow Hospital

Brian M. Cassis, Director
Office of Internal Control and Policy Development
WV DHHR



WEST VIRGINIA LEGISLATIVE AUDITOR

PERFORMANCE EVALUATION & RESEARCH DIVISION

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