CNA

Aging Services 2018 Claim Report

Valuing Employees, Minimizing Risk

Introduction

The adage – *insanity is doing the same thing over and over again and expecting different results* – applies to today's healthcare field, where an unprecedented rate of change demands that providers periodically retool practices and introduce new ones in order to remain competitive.

The *Aging Services 2018 Claim Report* is designed to encourage change in this critical segment of the healthcare industry. The report focuses on fall- and pressure injury-related claims, which despite risk-reduction efforts, continue to be the two major sources of professional liability. In addition to examining the claim dataset, the report offers insights into industry issues, presents characteristics of high-performing organizations and discusses the financial impact of staff turnover.

Similar to prior claim reports, the current iteration offers practical risk management insights and guidance. The recommendations in this edition, however, have a more limited scope, reflecting the following basic premises:

1. **Becoming aware of current risk exposures is the necessary first step** in reducing potential liabilities.
2. **Resident falls and pressure injuries can be substantially reduced** by enhancing staffing practices, creating a positive work environment and ensuring that clinical protocols support resident safety and satisfaction.
3. **Positive staffing practices and consequent low turnover are critical factors in reducing risk,** but are often undervalued in the risk mitigation equation.

We hope that the information imparted in this report helps you assess and update your practices, reduce liability exposures and better navigate the changes affecting the aging services industry.

Insanity is doing the same thing **over and over again** and **expecting different results**.

Executive Summary

Below are the major highlights of the *Aging Services 2018 Claim Report.*[1]

Qualitative Findings

- **Organizations must be willing to change and adjust their workplace practices and culture** in order to thrive in a challenging environment, according to industry leaders.
- **Successful organizations share common core traits**: most notably, leaders and managers recognize the value of employees and are open to their input.
- **Staff retention is an important indicator** of quality care, effective leadership and financial well-being.

Quantitative Findings

- **On average, for-profit closed claims are more costly** than claims from not-for-profit organizations.
- **Of the 15 most costly claims, 14 occurred in for-profit facilities,** and nine involved resident deaths.
- **On average, assisted living (AL) closed claims cost more** than skilled nursing (SN) closed claims.
- **The frequency of reported claims has been rising for several years,** while more recent claim experience demonstrates an increase in average cost of claims.
- **Resident falls remain a persistent risk in aging services settings,** accounting for 40.5 percent of all claims in this report.
- **Fall-related claims that closed in 2016 and 2017 incurred a total expenditure by CNA of $111,690,290** on behalf of our aging services clients.
- **Most fall-related claims involve SN settings,** but AL fall-related claims incur a higher average total paid.
- **Nearly two-thirds of fall-related claims assert failure to monitor,** indicating a need to examine resident monitoring protocols.
- **Death is the outcome in nearly half of fall-related claims,** indicating the potential seriousness of resident falls.
- **There is a history of a previous fall or falls in 64.4 percent of fall-related closed claims.** These claims also reflect a higher average severity.
- **Dementia is a factor in 62.8 percent of all fall-related claims,** and these claims are significantly more costly on average.
- **Pressure injuries continue to be a serious challenge** in aging services settings, comprising 22.6 percent of all closed claims in the dataset.
- **Pressure injury-related claims resulted in a total of $75,426,143 paid by CNA** on behalf of our clients in 2016-2017.
- **The data reveal that the majority of pressure injury-related allegations involve SN,** with AL a very distant second.
- **Death is the most common outcome of pressure injury claims** and is associated with the highest average total paid ($246,386).

Staff retention is an important indicator of **quality care**, effective **leadership** and **financial well-being**.

1 The electronic version is available on the CNA website at www.cna.com. Click on "Find Resources to Manage and Reduce Risk," then click "Professional and Management Liability" then click "Aging Services Professional Liability." Search by the title of the report.

Industry Leader Interviews: Insights into Current Risk Issues

CNA recently invited aging services industry leaders to share their views on critical industry issues. During separate interview sessions, a range of questions were posed, including the following:

- What are the main challenges facing aging services providers?
- What changes are you seeing in staffing and quality of care as a result of changing payment models?
- How does staff turnover affect quality of care, customer satisfaction levels and business risks?
- What do you expect from insurers in terms of products and risk management services?

Highlights of the interviews are presented over the next few pages.

Katie Smith Sloan

Katie Smith Sloan is President and CEO of LeadingAge®, which supports not-for-profit organizations representing the entire field of aging services. Its mission focuses on education, advocacy and applied research.

Qualified workers are in demand.

Workforce concerns are endemic to all aging services organizations, regardless of their profit status, provider type or geographic location, states Ms. Smith Sloan. As more services are delivered in home and community settings, competition for the pool of qualified employees intensifies across the spectrum of aging services. The solution, she believes, is to make aging services a more viable career choice that will attract talented and dedicated individuals. This entails improved training, support systems and career ladders, as well as a leadership commitment to strengthening work-life balance and encouraging greater workplace autonomy and creativity. "Leaders need to build relationships, not engage in transactions," says Ms. Smith Sloan. This involves empowering staff and demonstrating that they are valued as individuals and that their contributions are appreciated.

Staff retention is an investment, not an expense.

Contrary to popular opinion, salary is not the most significant employee motivator, according to Ms. Smith Sloan. In her view, positive employee-management relations are at least as important. In order to retain staff and achieve lower turnover, she suggests that aging services leaders invest not only in paying competitive wages, but also in creating a culture of safety and respect that makes the workplace a more healthy and rewarding environment.

Learn from real-life claims.

Insurance companies play an important role in helping aging services leaders learn from one another's experiences. By publishing case studies, Ms. Smith Sloan notes, insurers can highlight real-life liability exposures and help motivate organizations to achieve and sustain a culture of safety. She further recommends that insurers align case studies with a "return on investment" message.

> **Leaders** need to **build relationships**, not engage in transactions.
>
> – Katie Smith Sloan

Lilly Hummel and David Gifford, M.D.

Lilly Hummel is Senior Director of Policy & Program Integrity at the American Health Care Association/National Center for Assisted Living. David Gifford, M.D., is Senior Vice President of Quality and Regulatory Affairs for the organization. AHCA is committed to developing necessary and reasonable public policies which balance economic and regulatory principles to support quality care and quality of life.

The behavioral health challenge.
According to Dr. Gifford, an influx of younger residents with chronic psychiatric conditions is the biggest challenge to the aging services industry. AL and SN facilities are often a last resort when group homes refuse to admit these individuals after their discharge from emergency departments. The trend is particularly problematic for skilled care, remarks Ms. Hummel, who stresses that more favorable Medicaid reimbursement terms tend to drive behavioral health-related admissions to SN facilities over private-pay AL options.

Commenting on the difficulties of blending younger residents who are diagnosed with psychiatric conditions with an older population, Dr. Gifford underscores the importance of training caregivers to adequately tend to the special needs of the behavioral health residents. He suggests that organizations approach behavioral health residents similarly to how they approach residents who are ventilator-dependent or require dialysis, with admission decisions made regarding higher acuity residents according to strict special needs criteria.

Staff turnover as the most important metric of quality care.
When comparing two identical organizations with similar staffing ratios, the facility with lower turnover will more likely have better quality of care, notes Dr. Gifford. He maintains that many of the shortcomings of current staffing models are due to an over-emphasis on cost considerations, leading organizations to establish potentially risky staffing levels. He further cautions, "States that set standardized staffing ratios may be misguided." As an alternative, Dr. Gifford recommends looking to turnover and staff retention rates as a means of predicting long-term quality, noting that, "There is no substitute for getting to know your residents, and this requires consistent staffing patterns."

Dr. Gifford further emphasizes that the most important factor shaping staff retention today is the extent to which an organization values its employees, as reflected in its leadership attitudes and managerial skills. Yet, according to Hummel, facilities are more likely to promote managers based upon their clinical expertise rather than their management and human resources skills.

Involve frontline staff in quality efforts.
Dr. Gifford recommends that organizations involve ancillary and frontline staff in the effort to ensure consistent implementation of care plans and quality improvement efforts. Pointing to the INTERACT (Interventions to Reduce Acute Care Transfers) program as an example of how to minimize readmissions, Dr. Gifford predicts that the effort can be effective only in organizations that foster communication with employees on how to implement new initiatives. He further warns against making quality initiatives an afterthought or documentation exercise for staff, citing as an example caregivers' tendency to complete the Situation-Background-Assessment-Recommendation (SBAR) tool only after they have spoken to a provider. Rather, SBAR should be utilized as it was designed, which is to guide real-time conversations with physicians and ensure that they receive the information needed to make a decision.

Management's job is to foster a culture of safety.
According to Ms. Hummel, promoting a culture of safety is a top management priority today. Creating a fair and transparent culture starts with establishing a non-punitive environment. When an adverse event occurs, it is better to ask the deeper question, *"How did our policies and procedures allow that to happen?"* rather than to chide, *"Why did that staff member make an error?"* In order to gain staff buy-in on important regulatory requirements, Dr. Gifford suggests couching compliance obligations not as arbitrary government rules, but rather in terms of how they can enhance quality or safety.

Effective communication with families is absolutely critical to sustaining quality and satisfaction ratings over the long term, according to Dr. Gifford. He recommends that staff remain especially attentive to difficult family members in times of crisis, when caregivers may be tempted to avoid them. In the absence of such engagement, family members may conclude that the facility lacks sufficient staff to care for their family member, resulting in anger. By supporting a fair working environment and transparency in everyday operations, leadership helps to promote clear, two-way communication when it is most needed, as in the aftermath of an adverse event.

> You cannot **over-communicate with a family**. If you're not **communicating** with families, you might as well put **money in** an escrow account for **litigation**.
> – Dr. Gifford

Richard J. Henry

Richard J. (Ric) Henry is President of Pendulum, LLC, a full service risk management provider offering expert consulting services to minimize risk in the litigious healthcare industry, including the aging services sector.

Technological solutions help ease staffing demands.
Mr. Henry notes that a growing number of aging services organizations are considering technological solutions to staffing issues, citing the following examples:

- **Software staffing modules,** which support management duties and streamline scheduling.
- **Acuity calculators,** which feed minimum data set (MDS) information into the acuity evaluation and case mix index.
- **Telemedicine,** which gives residents and staff greater access to off-site providers.
- **Emerging "smart" technologies** – such as a device that uses radar and algorithms to capture resident motions – which provide cutting-edge efficiency to long term care organizations.

Staff turnover is a top risk.
Turnover is a liability risk that affects quality of care and customer satisfaction, cautions Mr. Henry. In his view, turnover of nursing directors and frontline staff is generally more detrimental than loss of administrative staff. He recommends the following measures as a means of enhancing retention:

- **Assign staff in a consistent manner** and avoid staffing models that incorporate an hours-per-patient-day (HPPD) measurement, as they can result in staffing level fluctuations.
- **Consider creative staffing models,** such as 12-hour shifts and four-hour shifts for peak meal times.
- **Focus on the work environment,** as a well-maintained and inviting building supports staff retention. For example, the staff break area should be an oasis for staff, not a converted closet!
- **Offer fair and competitive pay,** as well as benefit packages.

Insurer-provider collaborations make good sense.
Mr. Henry recommends that aging services organizations form a collaborative relationship with their insurance companies, adding that providers who actively consult with their insurers regarding emerging and existing risks tend to be more effective at reducing their exposures.

Consider biannual conference calls or meetings with brokers and insurance representatives to discuss liability trends. These interactions will provide useful information for the provider and also will communicate to the insurer that the provider is committed to reducing exposures and wants to partner with the insurance company to manage risks. He supports the trend toward multi-coverage insurance programs, which help insureds manage risk in a more comprehensive manner.

> **Turnover** is a liability risk that **affects quality of care** and customer satisfaction.
> – Ric Henry

What Successful Organizations Have in Common: Work Culture and Staff Longevity Are Defining Features

The preceding observations by industry leaders align with the **"Reports from the Field"** interviews included in CNA's *Aging Services 2016 Claim Report* along with current research findings. The leaders of high-performing organizations quoted in the 2016 report emphasize the connection between staffing practices and resident safety, especially with respect to reducing resident falls and pressure injuries. They also recognized that employee retention and morale depend upon leaders who value all staff members, solicit their input and work to create a well-trained, dedicated care team.

The 2018 interviews emphasize the importance of staff retention in achieving organizational success, as measured by such indices as resident and family satisfaction, quality metrics, survey results and claim experience. The industry leaders reveal that retention depends upon a healthy, trust-based workplace culture, which is characterized by the following attributes:

Emphasis on employee relations. Successful organizations cultivate employee satisfaction by expecting supervisors to behave courteously, offering competitive wages and benefits, instituting flexible staffing policies, creating employee recognition programs and providing opportunities for advancement. By failing to acknowledge the full range of employee needs, organizations may weaken their own recruitment and retention efforts, thus jeopardizing continuity and quality of care.

Empowered employees. The leaders of high-performing organizations understand that staff should feel appreciated, be recognized for their contributions and not be subject to micro-management. Leaders and managers should reexamine their supervisory style and attitudes in order to foster a non-punitive environment, which enables staff members to fully utilize their abilities, intelligence and training.

Shared decision-making. Successful organizations empower employees and utilize a team-based care planning process that includes significant input from the direct care workers who spend the most time with residents. These communities also encourage staff autonomy in the areas of scheduling, social event planning and hiring decisions.

Consistent staffing. Dynamic organizations know that consistent staffing patterns promote individualized care while simultaneously helping reduce staff turnover and bolstering morale. By honoring staff members' requests to be assigned to the same resident, supervisors enable nurses and certified nursing assistants to identify changes in a more timely manner, thus potentially mitigating falls, pressure injuries and exacerbation of chronic health conditions.

Steps Toward Success

1. **Be open to positive change.** While change should not be pursued strictly for its own sake, improvement in performance cannot be achieved if basic assumptions and day-to-day practices remain stagnant and unexamined.
2. **Know your strengths and limits as a facility owner.** Not all owners possess an innate ability to encourage, engage and express empathy for employees, residents and their families. In some circumstances, it may be advantageous to delegate these tasks to onsite leaders with a demonstrated ability to connect with staff, residents and their families.
3. **Anticipate staff turnover when appointing a new administrator and/or director of nursing or wellness.** New appointments have a tendency to disrupt staffing levels for a few months or more, as administrators assemble their management teams, redefine expectations and change job performance indicators. Recognize that this transition may result in a period of increased volatility with the potential for complaints and resignations.
4. **Emphasize the impact of enhanced staff retention and other quality care markers on achieving financial goals and long-term viability.** By focusing on improving the work environment, organizations may increase resident census, reduce litigation, avoid regulatory sanctions, strengthen brand reputation and improve present and future financial performance.
5. **Include staff retention measures in leadership and management performance reviews.** Staffing-related problems lead to financial and reputational risks for aging services organizations. Fortunately, solutions to many of these challenges are within the control of facility leaders and managers. By including retention metrics – such as quarterly staff turnover rates and average staff tenure – in ongoing performance reviews, organizations can motivate leaders, directors of departments and supervisors to maintain a healthy work environment and culture.

Data Analysis

The analysis in this report is based on 1,426 aging services professional liability claims that closed between January 1, 2016 and December 31, 2017 with an incurred minimum indemnity payment of $10,000. Claims from adult day care programs and home healthcare providers were excluded from the data. Please note that percentages in charts or graphs may not add up to exactly 100 percent due to rounding.

Limitations and Considerations

- **The data include only CNA-insured aging services organizations,** rather than the total universe of aging services organizations.
- **Indemnity and expense payments include only monies paid by CNA** on behalf of its insureds.
- **Deductibles are not included,** nor are other possible sources of payment in response to a claim.
- **The data reflect the $1 million per claim limit** typical of CNA primary professional liability insurance policies.
- **Inclusion in this dataset requires a minimum indemnity payment of $10,000 (as previously noted) and a closure date in 2016 or 2017,** regardless of when the incident occurred.

Differences from Earlier Reports

This edition of the CNA aging services claim report differs from previous versions in a number of important areas. Most significantly, this report includes two rather than five years of closed claim data. This change permits a sharper focus on more recent claims.

As the major goal of this report is to help the aging services industry reduce resident falls and pressure injuries, much of the data that follow concern these two key sources of liability. The data should not be directly compared with findings in previously published CNA claim reports due to differing inclusion criteria.

Definitions

The following terms are defined within the context of this report:

- **Average total paid** refers to indemnity plus expense costs paid by CNA, divided by the number of related closed claims included in the dataset.
- **Bed type** refers to the level of service (e.g., independent living, assisted living or skilled nursing) provided at the time of the incident based upon the resident contract.
- **Business segment** refers to the not-for-profit or for-profit tax status of the organization.
- **Expenses** are monies paid by CNA for the investigation, management and/or defense of a claim or lawsuit.
- **Frequency and distribution** refer to the percentage of closed claims with a specified attribute such as bed type, allegation or injury.
- **Improper care** refers to failure to follow an established nursing care/service plan, reasonable standard of care, or organizational policy and procedure.
- **Indemnity payments** are monies paid by CNA for the settlement, arbitration award or judgment of a claim.
- **Resident abuse** includes allegations of physical, sexual, emotional and/or financial harm.
- **Severity** refers to monies paid by CNA on behalf of CNA-insured clients resulting from the settlement of a claim, arbitration award or a jury verdict.
- **Sexual assault** is an injury classification encompassing rape and attempted rape.
- **Total paid** refers to indemnity plus expense costs paid by CNA.

Business Segment, Bed Type, State and Allegations

Business Segment and Bed Type

- Approximately three quarters (75.7 percent) of the closed claims are associated with for-profit organizations. The average total paid from for-profit (FP) closed claims is higher than the average total paid for not-for-profit (NFP) closed claims.
- The *average total paid* of AL closed claims is greater than for SN or IL closed claims.
- The frequency of reported claims has been rising for several years, while more recent claim experience demonstrates an increase in average cost of claims.

Insured Location by State

1 Closed Claims by State*

Percentage of 1,404 closed claims.

* No CNA aging services claims closed in 2016 and 2017 for the following states: Alaska, Hawaii, Idaho, Maine, North Dakota, South Dakota and Vermont. There were one to four claims in the following states: Alabama, Iowa, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, Utah, West Virginia and Wyoming. Only states with five or more claims in the dataset are included in the chart below.

High average total paid range - $250,001 to $486,000	
State	Percentage of closed claims
CA	5.1%
GA	3.5%
SC	2.4%
MA	1.6%
CT	1.4%
VA	1.3%
AR	1.0%
DC	0.6%
AZ	0.6%
NV	0.5%

Mid average total paid range - $196,000 to $250,000	
State	Percentage of closed claims
IL	13.2%
NY	11.9%
NJ	7.3%
OH	5.5%
KY	2.1%
TN	1.0%
CO	0.9%
OK	0.9%
RI	0.6%
NC	0.6%
WI	0.4%

Low average total paid range - $146,900 to $195,999	
State	Percentage of closed claims
FL	12.7%
PA	9.3%
TX	4.1%
MD	2.4%
IN	2.2%
MI	1.6%
MO	1.5%
OR	0.8%
MN	0.7%
WA	0.6%
DE	0.6%
KS	0.6%
LA	0.4%

Allegations – All Bed Types

2 Allegations

All allegations	Percentage of closed claims
Resident falls	40.5%
Pressure injuries	22.6%
Improper care (excluding falls)	17.0%
Failure to monitor (excluding falls)	4.5%
Resident abuse	4.3%
Medication error	2.1%
Delay in seeking medical treatment	2.0%
Failure to follow physician's order	1.7%
Elopement	1.7%
Failure to move resident to higher level of care	1.2%
Failure to inform physician of change in/new condition	0.9%
Unsafe environment (excluding falls)	0.8%
Violation of resident rights	0.5%
Improper placement for financial gain	0.1%
Lack of informed consent	0.1%
Total	100.0%

Resident falls and **pressure injuries** represent **two thirds** of the 1,426 **closed claims** in the dataset.

Closed Claims with Highest Indemnity Payments

- Figure 3 provides a description for each of the highest total paid closed claims in the dataset. (Please note that claims numbered 11 and 12, while similar in description, are separate claims.)
- Fourteen of these 15 claims are attributed to FP organizations, and one of the claims is attributed to an NFP organization.
- Of these top 15 claims, eight are attributed to SN, six are attributed to AL and one to a continuing care retirement community (CCRC).
- There is no pattern in the allegations for this set of claims.

3 Closed Claims with Highest Indemnity Payments

Summary	Allegation class	Injury	Level of care	FP/NFP
1. **Failure to appropriately screen and supervise a resident with a known history of dementia, aggression and inappropriate sexual behavior** led to the sexual assault of another resident on the memory care unit.	Abuse by resident	Sexual assault	AL – memory care	NFP
2. **Use of defective equipment to transfer an 84-year-old resident,** resulting in fractures from a fall. The lawsuit alleged that the fall, combined with delayed treatment, ultimately led to the resident's death.	Fall – improper care	Death	AL	FP
3. **Failure to secure a facility door** and delay in responding to an elopement resulted in a resident's death due to injuries sustained in an animal attack.	Elopement	Death	AL – memory care	FP
4. **Failure to respond to pest infestation,** led to untreated insect bites to the resident, who was found unresponsive and dehydrated in her bed and subsequently died. Plaintiff further alleged that the resident's physician was not contacted for diagnosis and treatment.	Unsafe environment	Death	AL	FP
5. **Inappropriate admission of a resident with a history of aggressive behavior** resulted in an attack on another resident, causing fracture injuries and death.	Abuse by resident	Death	AL	FP
6. **Failure to provide a safe environment and appropriate security for an 81-year-old resident,** resulted in the resident sustaining a fatal head injury at the hands of an employed security guard.	Unsafe environment	Death	AL	FP
7. **Failure to implement appropriate suicide assessment and prevention protocols,** resulted in a 44-year-old suicidal resident setting herself on fire while smoking and suffering severe burns.	Failure to monitor	Severe burns	SN	FP
8. **Failure to complete a criminal background check on a new employee,** who later sexually abused a resident. The claim asserted that the organization negligently placed the resident in an unsafe environment by hiring an individual with a known history of domestic violence.	Unsafe environment	Sexual assault	SN	FP
9. **Failure to prevent and appropriately care for a pressure injury** in a previously healthy 86-year-old male admitted for short-term rehabilitation, resulted in a decline in condition and the need for lifelong care.	Pressure injury	Sepsis	SN	FP
10. **Failure to provide appropriate care to a 91-year-old resident,** resulted in dehydration, aspiration and death due to sepsis. Fraudulent alteration of the medical record also was asserted.	Improper care	Death	SN	FP
11. **Class action lawsuit for intentional understaffing** and failure to appoint a permanent director of nursing in violation of state requirements, as well as deceptive and misleading advertising regarding the level of care provided to residents.	Violation of resident rights	Economic damages	SN	FP
12. **Class action lawsuit for intentional understaffing** and failure to appoint a permanent director of nursing in violation of state requirements, as well as deceptive and misleading advertising regarding the level of care provided to residents.	Violation of resident rights	Economic damages	SN	FP
13. **Failure to provide appropriate care for a resident transferred from AL to SN,** who subsequently developed a pressure injury and sepsis, resulted in death. The state investigation concluded that medical treatment was delayed and wound care documentation was incomplete.	Pressure injury	Death	SN	FP
14. **Failure to respond to low oxygenation levels in a resident,** resulted in death.	Improper care	Death	SN	FP
15. **Failure to train staff on dementia care protocols** and to properly monitor an 83-year-old resident during an off-site activity, led to elopement and death due to hypothermia.	Elopement	Death	CCRC	FP

Allegations – Assisted Living

4 Most Frequent Allegations – Assisted Living

(Percentage of 267 closed claims.)

Allegations	Percentage of closed claims
Resident fall	49.4%
Resident abuse	10.5%
Improper care (excluding falls)	10.1%
Pressure injuries	6.0%
Failure to move resident to higher level of care	5.6%

Nearly **half** of the **assisted living** closed **claims** involve **resident falls**.

Allegations – Skilled Nursing

5 Most Frequent Allegations – Skilled Nursing

(Percentage of 1,126 closed claims.)

Allegations	Percentage of closed claims
Resident fall	37.7%
Pressure injuries	27.1%
Improper care (excluding falls)	19.0%
Failure to monitor (excluding falls)	4.7%
Resident abuse	3.0%

Resident **fall** and **pressure injuries** comprise **64.8 percent** of the skilled nursing **allegations**.

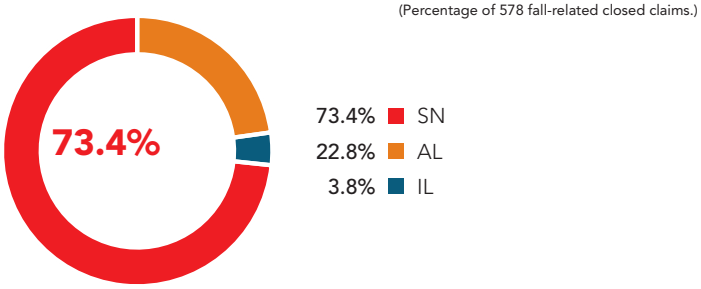
Fall-related Closed Claims Data

Over two years, there were 578 resident fall-related closed claims, incurring a total expenditure of $111,690,290 by CNA on behalf of our clients.

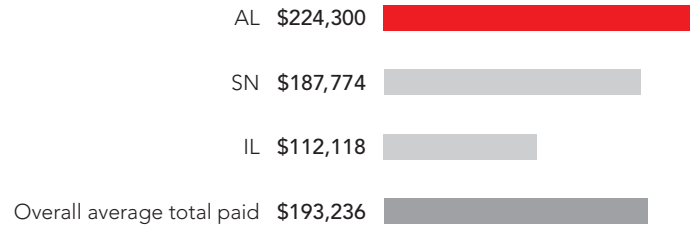
Resident Falls by Bed Type

6 Distribution of Resident Fall-related Closed Claims by Bed Type

(Percentage of 578 fall-related closed claims.)



7 Average Total Paid for Resident Fall-related Closed Claims by Bed Type

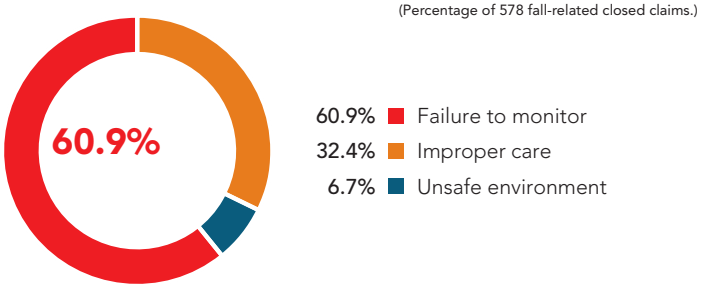


Assisted living fall-related claims are **more costly**, on average, than **fall-related claims** in other settings.

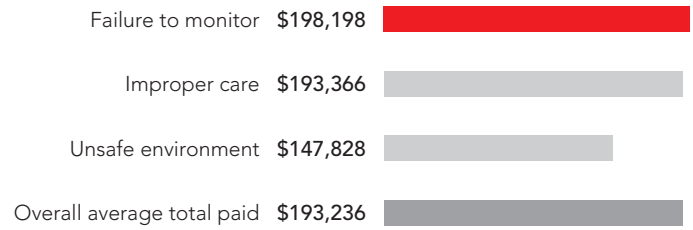
Resident Falls by Allegation

8 Distribution of Resident Fall-related Closed Claims by Allegation

(Percentage of 578 fall-related closed claims.)



9 Average Total Paid for Resident Fall-related Closed Claims by Allegation

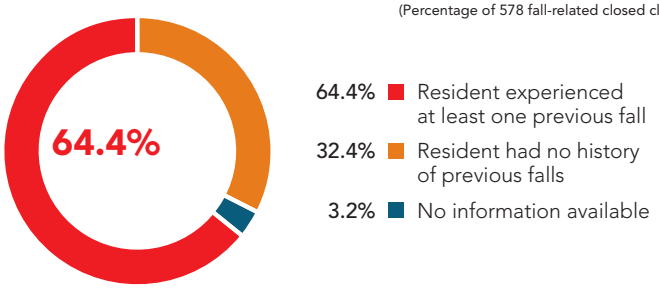


Failure to monitor is the **most frequent** and **expensive** fall-related **allegation**.

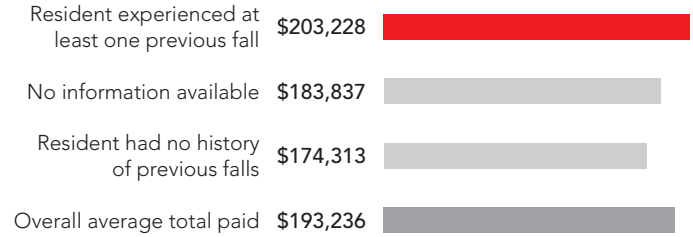
Resident Falls – History of Previous Fall

10 Distribution of Closed Claims by History of Previous Falls

(Percentage of 578 fall-related closed claims.)



11 Average Total Paid for Closed Claims by History of Previous Falls

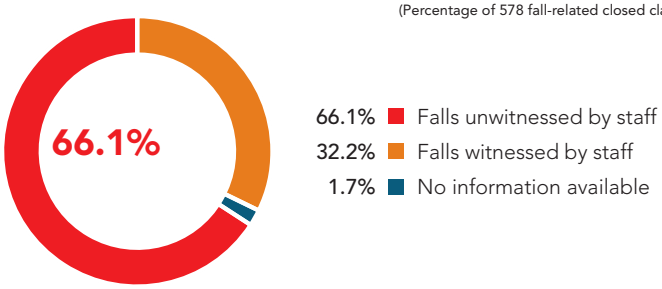


Claims that included a **history** of **previous falls** were the **most frequent and costly**.

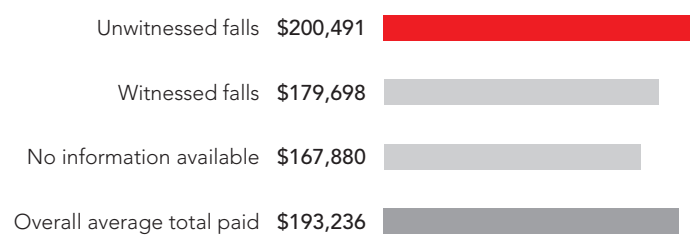
Resident Falls – Witnessed and Unwitnessed

12 Distribution of Closed Claims, Witnessed and Unwitnessed Falls

(Percentage of 578 fall-related closed claims.)



13 Average Total Paid for Closed Claims, Witnessed and Unwitnessed Falls

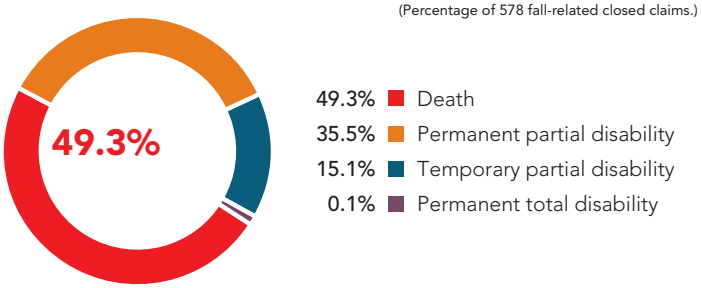


Two-thirds of the **falls** resulting in a claim were **not witnessed by staff**, and these unwitnessed falls have the **highest average total paid**.

Resident Falls by Outcome of Injury

14 Distribution of Fall-related Closed Claims by Outcome of Injury

(Percentage of 578 fall-related closed claims.)



Nearly **half** of the **fall-related claims involve** the resident's **death.**

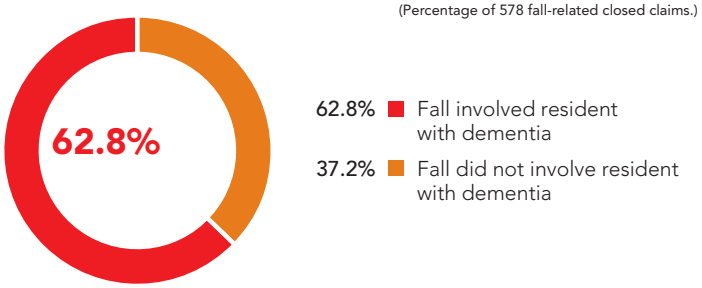
Resident Falls – History of Dementia

This is the first CNA aging services claim report to examine the presence of dementia in relation to falls. Preventing falls in residents who exhibit signs of dementia remains a challenge at all levels of care.

- Almost two thirds (62.8 percent) of the fall-related closed claims involve a resident with dementia.
- Closed fall-related claims involving residents with dementia are more costly than are closed claims not involving residents with dementia.

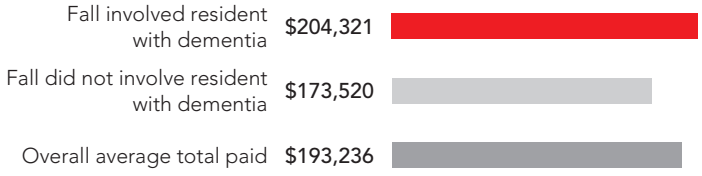
15 Distribution of Fall-related Closed Claims by Residents with Dementia

(Percentage of 578 fall-related closed claims.)



Fall-related **claims** involving **residents with dementia** are both **more common** and **more costly.**

16 Average Total Paid for Fall-related Closed Claims by Residents with Dementia



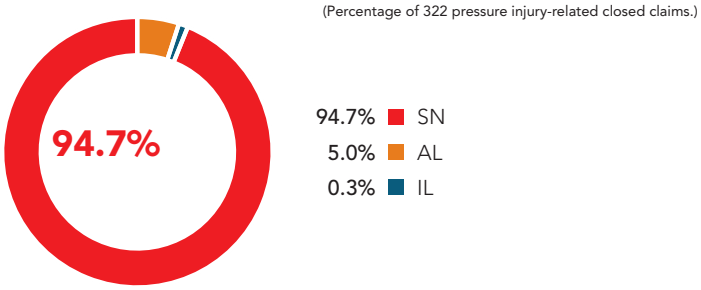
Pressure Injury-related Closed Claims Data

Pressure injuries are the second leading cause of loss in aging services professional liability claims. CNA made a total payment of $75,426,143 on behalf of our clients for pressure injury-related claims.

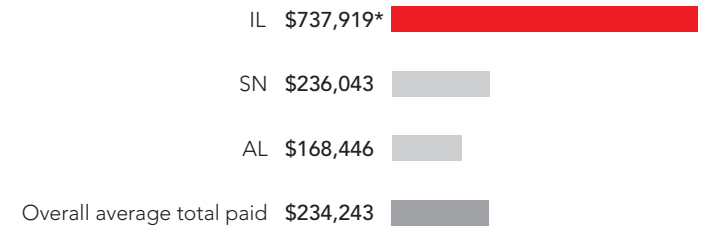
Pressure Injuries by Bed Type

17 Distribution of Pressure Injury-related Allegations by Bed Type

(Percentage of 322 pressure injury-related closed claims.)



18 Average Total Paid for Pressure Injury-related Allegations by Bed Type



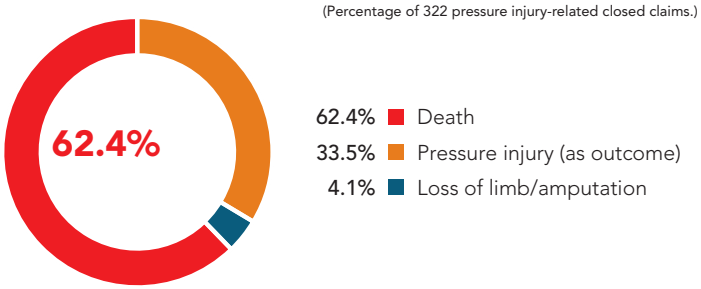
* This figure represents one pressure injury-related closed claim involving a resident who was living in the insured client's IL facility and receiving services provided by the insured's home healthcare subsidiary.

Almost all **pressure injury-related closed claims** occurred in a **skilled nursing** setting.

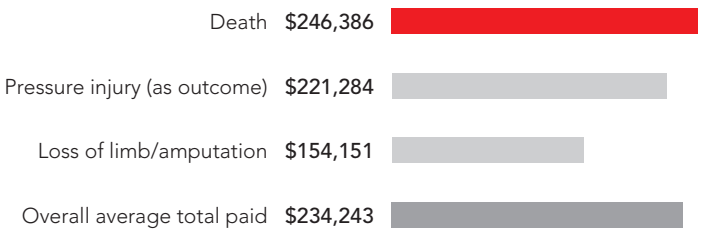
Pressure Injuries by Outcome

19 Distribution of Pressure Injury-related Allegations by Outcome

(Percentage of 322 pressure injury-related closed claims.)



20 Average Total Paid of Pressure Injury-related Allegations by Outcome



Death is the **most common** and **most costly** outcome in **pressure injury-related** closed claims.

Staff Turnover: Four Questions Every Administrator Should Ask to Improve Retention

According to a growing body of evidence, staff turnover rates may be a more accurate predictor of resident outcomes than simple nurse-to-resident ratios. Notably, increased turnover rates are associated with a higher prevalence of serious adverse events, including pressure injuries, resident falls and urinary tract infections. A high retention rate supports consistency of staffing assignments and resident care, potentially lessening vulnerability to these adverse events.

The fact that staff retention serves as a credible indicator of quality and financial well-being (see page 20) suggests that organizational leaders and managers should scrutinize performance in this area. The following questions are designed to help leaders compare their turnover rates with national averages; better understand the potential effect of high turnover rates on operating costs, quality and satisfaction levels; and identify effective strategies to increase staff retention.

1. How does our turnover rate compare to national rates?

According to the Hospital & Healthcare Compensation Service, national staff turnover rates in SN, CCRC and AL settings are highest for certified nursing assistants/nursing assistants, averaging 40.1 percent across all settings.[2] Turnover rates for registered nurses (RNs) and licensed practical nurses (LPNs) are somewhat lower. The following data summarize annual turnover rates in aging services organizations' nursing staff.

RNs have a higher turnover rate than LPNs in CCRC and SN settings. However, RNs in AL facilities experience the lowest turnover rate in any of the settings and provider types combined. Turnover rates for nursing assistants in AL facilities increased from 29.6 percent in 2017 to 34.1 percent in 2018, reflecting an overall upward trend.

A **high retention** rate supports **consistency** of staffing assignments and **resident care**.

21 Average Turnover Rates by Provider Type and Setting

(Data courtesy of Hospitals & Healthcare Compensation Service, 2018.)

Provider Type	AL	CCRC	SN
	Data collected 10/1/2016 – 10/1/2017 Published Jan 2018	Data collected 3/1/2017 – 3/1/2018 Published June 2018	Data collected 3/1/2017 – 3/1/2018 Published July 2018
Certified nursing assistants	34.10%	45.15%	41.90%
Registered nurses	24.12%	34.41%	33.94%
Licensed practical nurses	26.59%	32.90 %	28.83%

2 Turnover rate is the number of times on average a facility replaced a position in one year, using employee head count, and employees terminated during their probationary period. This is not an FTE count. PRN employees are not included. Turnover does not include hiring for new or increased positions. [Turnover rate = Total number of resignations, terminations, and vacancies divided by the number of actual positions, multiplied by 100].

2. What drives turnover of nursing assistants in our organization?

Turnover can be related to a variety of causes, including physical job demands, negative relationships with managers and/or co-workers, and lack of career advancement opportunities. However, organizational culture appears to be a major factor, especially regarding the level of support, appreciation and respect obtained from supervisors. One study found that for every one-unit increase in supportive supervision, nursing assistants were 4.09 times more likely to be satisfied with their jobs and 47 percent less likely to leave. *In other words, supportive supervision is a significant predictor of both job satisfaction and intent to leave.*

Available data also suggest a possible correlation between nursing assistant turnover rates and an organization's profit status. According to the literature, for-profit organizations tend to experience lower retention of nursing assistants compared with not-for-profit organizations, possibly due to the personal satisfaction that derives from working in an environment with a not-for-profit mission and philosophy.

Cost calculations indicate that each **vacated assistant position** generates a 110 percent **increase** in annual **costs**.

3. Why is retention of nursing assistants important to our economic success?

High vacancy levels among nursing assistants, who provide up to 80 percent of the direct care in aging services organizations, can have far-reaching quality and financial implications. As discussed by Rachel Hummel, in "CNA Turnover and Retention in nursing homes" (2017), cost calculations indicate that each vacated assistant position generates a 110 percent increase in annual costs, as the national median salary for a nursing assistant is $27,208, while the average cost to recruit, orient and train a new assistant is $30,000. In view of these expenses, lowering turnover rates becomes an essential business strategy for all aging services providers.

Other costs related to staff turnover are not immediately discernible from a financial statement. Additional losses may be hidden in various expenses, such as overtime pay for covering staff, increased utilization of temporary agency personnel and bedside errors due to overworked employees.

From a quality of care perspective, high staff retention levels enable organizations to consistently assign nursing assistants to the same residents, allowing them to detect changes in conditions sooner. This consistency can help reduce costly hospital readmissions for chronic conditions, falls and pressure injuries. In contrast, low retention levels invite the risky staffing practice of substituting less trained staff for absent caregivers. Such resource allocation can lead to a cascade of setbacks for residents, including a decreased range of motion and aggressive behavior. These avoidable problems can adversely affect resident and family satisfaction levels, as well as a facility's bottom line.

4. How can we raise staff retention levels?

Training and coaching supervisors to lead effectively promotes higher retention rates. The following additional strategies also can help minimize staffing challenges:

- **Commit to open and transparent communication,** an indispensable element of job satisfaction.
- **Encourage staff creativity in performing their duties,** which makes work more meaningful.
- **Remind staff that their work is critical to achieving desirable resident outcomes** and promoting a safe residential living environment.
- **Implement mentoring programs and other professional development initiatives** – such as tuition reimbursement for LPN programs – to help motivate employees to acquire skills, gain confidence and advance their careers.
- **Reward loyalty and achievement** by providing retention and recruitment bonuses, as well as staff recognition awards.
- **Offer team-building workshops** – such as TeamSTEPPS® training – to enhance communication and cooperation between all members of the resident-care team, and help them better coordinate decision-making.
- **Utilize staff satisfaction surveys** to identify strengths and needed improvements in such areas as interactions with leaders and direct supervisors, mentoring programs and advancement opportunities.

Remind **staff** that their **work is critical** to achieving **desirable** resident **outcomes**.

Conclusion

The major liability exposures for all aging services providers are resident falls and pressure injuries. By narrowing the focus of this report to these two evergreen risk management issues, we at CNA hope to encourage the industry to concentrate their risk management efforts where they may produce the most effective results.

At the same time, we wish to broaden the industry's outlook on the causes of and responses to resident safety challenges. Often, risk management advice focuses on the necessity of sound policies and procedures. While written protocols remain critical to minimizing risk, they are simply words on paper in the absence of a stable, motivated workforce. Such stability is built upon a workplace culture that supports employee loyalty and retention.

Staff members who feel under-appreciated and ill-treated cannot be expected to deliver high-quality care with a human touch. Therefore, in the aging services industry, intangibles like trust, dignity, fairness and mutual respect are not superfluous – they are the essence of leadership. Through our educational and consulting efforts, CNA will continue to help our clients and the industry as a whole promote these values and achieve lower risk, sustainable growth and long-term success.

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