Training Proposal for:
Covenant Care, LLC
Agreement Number: ET13-0246

Panel Meeting of: January 25, 2013
ETP Regional Office: Sacramento Analyst: W. Atkinson

PROJECT PROFILE

<table>
<thead>
<tr>
<th>Contract Attributes:</th>
<th>Industry Sector(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUA Job Creation Initiative Priority Rate Retraine Officer SET</td>
<td>Healthcare</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counties Served:</th>
<th>Repeat Contractor:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles, Ventura, Orange, Sacramento, San Diego, San Joaquin, Santa Clara, Santa Cruz, Stanislaus, Yolo</td>
<td>Yes No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Union(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Employees in:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA: 3,362</td>
</tr>
<tr>
<td>U.S.: 5,805</td>
</tr>
<tr>
<td>Worldwide: 5,805</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover Rate:</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Managers/Supervisors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(% of total trainees)</td>
</tr>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

FUNDING DETAIL

<table>
<thead>
<tr>
<th>Program Costs</th>
<th>(Substantial Contribution)</th>
<th>(High Earnings Reduction)</th>
<th>Total ETP Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>$570,000</td>
<td>$0</td>
<td>$0</td>
<td>$570,000</td>
</tr>
</tbody>
</table>

In-Kind Contribution: 100% of Total ETP Funding Required $610,500
### TRAINING PLAN TABLE

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Description</th>
<th>Type of Training</th>
<th>Estimated No. of Trainees</th>
<th>Range of Hours</th>
<th>Average Cost per Trainee</th>
<th>Post-Retention Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retraineer SET Priority Rate</td>
<td>Business Skills, Comm. Skills, Computer Skills, Continuous Impr.</td>
<td>200</td>
<td>24-200 0</td>
<td>$900</td>
<td>$19.63*</td>
</tr>
<tr>
<td>2</td>
<td>Retraineer SET Priority Rate HUA</td>
<td>Business Skills, Commercial Skills, Computer Skills, Continuous Impr.</td>
<td>375</td>
<td>24-200 0</td>
<td>$720</td>
<td>$10.79*</td>
</tr>
<tr>
<td>3</td>
<td>Retraineer SET Job Creation Initiative HUA</td>
<td>Business Skills, Commercial Skills, Computer Skills, Continuous Impr.</td>
<td>75</td>
<td>24-200 0</td>
<td>$1,600</td>
<td>$8.84**</td>
</tr>
</tbody>
</table>

**Minimum Hourly Wage by County:**

- **Job Number 1:** All trainees must earn at least $19.63; 
- **Job Number 2:** $10.79 - San Joaquin, Stanislaus and Ventura Counties; $11.45 - Sacramento County; $11.76 - Orange County; and $11.78 - Los Angeles County; 
- **Job Number 3:** $8.84 - San Joaquin and Stanislaus Counties; $9.54 - Sacramento County; $9.80 - Orange County; $9.82 - Los Angeles County; $11.78 - Yolo County; $12.55 - San Diego County; and $13.09 - Santa Clara and Santa Cruz Counties.

**Health Benefits:** ☑ Yes ☐ No  This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?**: ☑ Yes ☐ No ☐ Maybe

$2.70 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 & 2; while up to $0.84 per hour may be used for Job Number 3 trainees.

*This proposal was scheduled to be heard in December. Staff recommends “grandfathering” the CY 2012 wages to ensure there is no detriment caused by the cancellation of December’s meeting where, as here, some occupations would not meet CY 2013 wages.

### Wage Range by Occupation

<table>
<thead>
<tr>
<th>Occupation Titles</th>
<th>Wage Range</th>
<th>Estimated # of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Staff</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Licensed Vocational Nurse</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Nursing Assistant</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Clinical Support Staff</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Job Creation: Administrative Staff</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Job Creation: Registered Nurse</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Job Creation: Licensed Vocational Nurse</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Job Creation: Nursing Assistant</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>
**INTRODUCTION**

Headquartered in California, Covenant Care, LLC (Covenant Care) was originally founded in 1994 as a single long-term care facility with a handful of employees. The company now employs over 5,000 professionals (throughout California and the Midwest) who provide 24-hour in-patient care ranging from short-term skilled nursing and rehabilitative care to long-term assisted living, custodial, hospice, and respite care. The California facilities operate a significant portion of Covenant Care’s business, employing over 3,000 employees at 30 locations within the state. Training under this proposal will only include employees located in California.

Covenant Care is eligible for ETP funding under Special Employment Training (SET) provisions for frontline workers. (Title 22, California Code of Regulations (CCR), Section 4409.) Covenant Care qualifies for ETP’s priority industry reimbursement as a healthcare provider.

**PROJECT DETAILS**

According to company representative, budget cuts and industry turnover greatly impact their ability to attract, train, and retain quality employees. Covenant Care plans to enhance their employees' clinical knowledge and skills to meet the challenges of attending to patients with complex medical conditions. Enhancing employee skills will enable Covenant Care to remain competitive, expand into new markets, enhance employee retention, and offer workplace promotional opportunities.

In addition, Covenant Care is installing new payroll/scheduling and Voccollect Point-of-Care System software and a new Electronic Medical Record software system that require training.

**Retrainee - Job Creation**

In support of job creation, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Covenant Care has committed to hiring 75 new employees (Job Number 3). These trainees must be hired within the four-month period prior to Panel approval or during the term of contract.

In the last 2 years Covenant Care has acquired 7 new facilities and created over 500 jobs, with plans to continue expanding. The expansion of facilities will include the hiring of additional nursing staff. The company is also centralizing and automating departments with new technology, which will require additional staff to implement these changes.

**Training Plan**

**Business Skills** (15%) training will be provided to all occupations to enable staff to communicate and manage information flow. Training will allow Covenant Care to operate more cost effectively and increase patient satisfaction.
Commercial Skills (30%) training will be provided to all occupations to enhance trainees’ clinical knowledge and skills. Enhancing employee skills will enable Covenant Care to expand into new markets, enhance employee retention, and offer workplace promotional opportunities.

Computer Skills (25%) training will be provided to all occupations to enable Covenant Care to automate and centralize departments. The company will meet federal compliance with the installation of the new Electronic Medical Records software.

Continuous Improvement (30%) training will be provided to all occupations to equip staff to increase patient satisfaction and service, improve performance and quality, and increase problem solving skills.

Turnover Rate

The ETP program is designed to fund training for stable, secure jobs. Thus, the employer’s turnover rate cannot exceed 20% annually for the facility where training is requested. But the Panel may accept a higher turnover rate if the employer provided evidence that the proposed training will significantly decrease the turnover, or if the employer experienced a singular reduction in workforce, or if industry data supports a higher turnover rate. The Panel may, or may choose not to, impose a “turnover penalty” when the company crosses this 20% threshold. (Title 22, CCR, Section 4417.)

For the reason below, staff recommends approval of Covenant Care’s 22% turnover rate with no penalty imposed.

Based on a nationwide Nursing Care Facility Staffing report published in October 2011 by the American Health Care Association (AHCA) the industry turnover rate is 35%. Turnover rates were high nationally: 42.6% for Nursing Assistants, 41% for Registered Nurses, and 34.7% for Licensed Vocational Nurses. AHCA also reported the industry standard in California as 24.4%, with Nursing Assistants at 26.3%, Registered Nurses at 31.6%, and Licensed Vocational Nurses at 26.2%.

Special Employment Training

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period. (Unemployment Insurance Code 10214.5. Title 22, CCR, Section 4409(a).)

Covenant Care is requesting a modified wage in Job Number 1 to 25% below the SET wage allowable on a case-by-case basis for training in a priority industry.

High Unemployment Area

Some trainees in Job Numbers 2 and 3 work in High Unemployment Areas (HUA). These are regions with unemployment exceeding the state average by 15%. The company has locations in San Joaquin, Stanislaus, Ventura, Sacramento, Los Angeles (Catered Manor Nursing Center in Long Beach), and Orange Counties that are HUAs.

These trainees qualify for the ETP Minimum Wage rather than the Statewide Average Hourly Wage. The Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages. (Title 22, CCR, Section 4429(e).) For Job Number 2 retrainees, Covenant Care is requesting a wage modification to $10.79 for 20
Administrative Staff and 50 Nursing Assistants. For Job Number 3, Covenant Care is requesting a wage modification to $8.84 for 25 Nursing Assistants.

**Commitment to Training**

Covenant Care has an annual training budget of $1,637,099 for new hire orientation, staff development, and educational classes to maintain current certifications. Covenant Care also provides quarterly disaster preparedness, annual OSHA and CDC in-service training programs for hazard communications, tuberculosis management, and blood borne pathogen control.

Covenant Care represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

**RECOMMENDATION**

Staff recommends approval of this proposal with no “turnover penalty.”

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined
Exhibit B: Menu Curriculum

Class/Lab Hours

24 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

Business Leadership
Business / Census Development
Sales & Marketing Concepts / Principals
Marketing from Within (Internal)
Effective Advertising / Social Media
Building Networks & Leverage
Business Metrics
Public Relations
Conducting Effective Tours
Effective Public Speaking
Strategic Business Planning
Case Management
Managing Managed Care Relationships

COMPUTER SKILLS

Optimizing MS Outlook
SigmaCare
Vocollect
Accucare
Point-Click-Care (PCC)
SmartLinx System
Education Campus
Incident Tracking System
Survey Tracking System
Acute Re-hospitalization Tracking System
Pinnacle Survey System
Revenue Cycle Management & MDS System
Benefits Management System (HR)
ADP Migration to ADP Hosted Environment (Payroll)
ePAN
HMO Profitability Calculator
Responding to Technical Failure
Referral Tracking System

COMMERCIAL SKILLS

Clinical Skills
Clinical Assessment
Clinical / Disease Management
Vocational Skills Training / Competency
First Response: Emergency Care, First Aid, Code Blue
Nursing Rehabilitation
Nursing Diagnosis and Care Planning
IV Certification
IV Therapy
Safe Medication Pass Practices
Pharmacology

**Specialty Care**
- Advanced Wound Care
- Life Vest / LVAD Care
- Tracheostomy Care
- Cardiac Care
- CHF Program
- End-of-life Care
- Dementia Care
- Diabetes Care & Management
- Stroke Care
- Enteral Care and Management
- Dialysis Care
- Orthopedics Care
- Rehabilitation
- Specialty Equipment: Adaptive, SCDs, CPM, etc.

**Admission Preparatory Training – Special Needs**

**Clinical Risk Assessment / Care Plan Development / Implementation**
- Injury Risk & Management: Falls, Behavior, etc.
- Weight Loss Risk & Management
- Cognitive Decline Assessment & Differentiating Diagnosis
- Dehydration Risk & Management
- Pressure Ulcer Risk & Management
- Incontinence Risk & Management
- Contracture Risk & Management
- ADL Decline Risk & Management

**Customer Service / Public & Workplace Relations**
- Charge Nurse Training
- Leadership / Supervisor Training for Nurses
- Customer Service Training
- Team Building / Motivating Staff for Nurses
- Accountability and Teamwork
- Employee Relations and Recognition for Nurses
- Providing Constructive Feedback to Others
- Dealing with Nursing Home Challenges
- Managing Challenging Behaviors
- Precepting / Mentoring Staff / Train-the-Trainer
- Conflict Resolution
- Communication / Communicating with Difficult Families
- Culture Change
- Hospitality
- Staffing / CMS 671 Reporting
- Time Management
- Stress Management

**Infection Control**
- Infection Preventionist Training
- Hand Hygiene
- Isolation Practices
Linen Handling
Enhanced / Standard Precautions
Infection Surveillance
Managing MDRO’s: MRSA, VRE, c.difficile, ESBL, etc.
Outbreak Management: Influenza, Scabies, etc.
Equipment Disinfection
Environmental Cleaning Practices
Preventing Cross-Contamination
Immunizations / Communicable Disease Prevention

**Resident Care / Improving Quality**
Placing Residents Rights First
Admission, Transfer and Discharge Practices
Resident Behavior and Facility Practices
Quality of Life Programs
Centralized Placement Programs
Using the Resident Assessment Instrument / RAI
Quality of Care Programs
Medical Records Maintenance
Pharmacy Practices
Pharmacology
Dietary Services Training
Dining Enhancement
Rehabilitation Programs
Maintaining an Optimal Physical Environment
Staff Preparedness: Stressors of External Surveys and Audits
Expanded Disaster Preparedness (Including Technology)
Federal / State / Local Laws / Reporting Requirements
Clinical Documentation Standards
Clinical Care Planning
HIPPA / Confidentiality

**CONTINUOUS IMPROVEMENT**
Quality Management Program
Resident Safety Management Program
Performance Improvement
Quality Data / Performance Metrics: Surveillance & Analysis
CMS 5-Star Interpretation and Management
CMS Quality Measures Interpretation and Management
Mock Survey Analysis & Remedial Planning
Regulatory Updates
Significant Incident Management

---

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.