

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
March 12, 2012**

Directors Present: O'Shaughnessey, Hambrick, Czajkowski, Hambrick, Palinkas, Emanuel, Bensyl

Directors Absent/Excused: Anderson

Also Present: Busey, Scavotto, Schuette, Gima

1. Call to Order

The meeting was called to order at 6:00 pm by Chair O'Shaughnessey

2. Roll Call

Busey called the roll of Directors. A quorum was established.

3. Agenda & Addendum

The agenda was approved (motion Hambrick, second Palinkas, unanimous).

4. Approval of Minutes

The open session minutes of February 13, 2012 were approved with the correction of Bensyl's name from Alan to Ron (motion Palinkas, second Hambrick, unanimous).

5. Public Participation

There was no public participation.

6. Old Business

There was no old business.

7. New Business

a. IDPH Report

Schuette reported on the recent IDPH surveys:

1. **Annual Licensing Survey:** IDPH has yet to return for the re-visit. A recent complaint investigation concluded with no findings so there are no impediments

to closing the Annual Licensing survey window as long as CCNH passes the re-inspection.

2. **Life Safety Survey:** The Plan of Correction was submitted with an alleged compliance date of March 5, 2012. All work including sprinklers has been completed. A re-inspection is expected.

Schuette reviewed recent topics of discussion with AFSCME regarding high turnover in relation to attendance. A major topic of discussion is the interpretation of the self-scheduling provision; there are valid points on both sides of the discussion and the parties have agreed to keep talking. Schuette reported that one of the vacant leadership positions in nursing has been filled.

b. Management Report: Operations and Financial Position

January operations were profitable with a gain of \$27k.

Census for January 2012 was 197.6. February was 194.1. The mix for the last two months has been excellent with Pvt Pay coming in very strong. Medicare volume improved in February:

	Jan 12	Feb 12	Feb ADC
Medicare A	53.1%	52%	101.2
Pvt Pay	37.8%	37%	72.5
Medicaid	9.2%	11%	<u>20.4</u>
			194.1

Productivity continues to improve. Labor costs are under control; agency usage is on the decline and unscheduled absences continue a downward trend.

CCNH's cash position is better, albeit temporary. Accounts receivable are up due to the following:

Interest receivable	\$86k
Increased pvt pay activity resulting in higher co-pays	\$140k
Increased IGT FFP, Medicare and VA activity	\$140k

Cash was reduced by a bond payment of \$165k.

CCNH's cash position remains tenuous. Because of the increased likelihood of a Medicaid rate cut and the impending resumption of reimbursement slowdowns in August/September, management has begun preparing a pro forma statement of impact on the CCNH income statement along with budget options for dealing with the Medicaid crisis.

c. Corporate Compliance

There was extended discussion of corporate compliance and the need for a program at CCNH. The Feds are spending heavily on compliance and fraud/abuse enforcement activities. The returns on this ramped-up regulatory activity have been very high and there is no sign that they will abate in the future. While hospitals have been dealing with compliance programs for years, SNFs have not had a similar burden. Now, however, SNFs will be required to have compliance plans in place by March 2013.

The smorgasbord of laws includes the following:

HIPAA	HITECH
Anti-Kickback	Civil Monetary Penalties
False Claims	Stark Fraud/Abuse
Medicare/Medicaid Conditions of Participation	

The goal of compliance is to assure that systems are effective. Procedures must be in place; routine audits must be conducted with the objective of testing, verifying, and correcting, if necessary. A major emphasis is on billing and the related establishment and documentation of care plan objectives as these often determine the utilization of services.

There was discussion of MPA's Shared Compliance Program, which was designed to function similarly to the Shared Financial Reporting service by bringing expert capability, particularly from the legal, regulatory, and billing perspectives, to the implementation phases of compliance. The program has an annual cost of \$40k, paid monthly, and was included in the budget for FY 2012.

d. Renal Dialysis

There was lengthy discussion of providing a renal dialysis service at CCNH. So far, all indications indicate the renal dialysis would be a positive strategic direction for CCNH. There was a presentation of the state of dialysis services in skilled facilities and the improvement that such services can make in the lives of residents. Currently, no local SNF offers dialysis; there are two community based dialysis operations in Champaign County.

Two programs have been investigated along with two different approaches to providing the service. One involves creating a dialysis unit in unused child care space; the other involves providing dialysis in a series of single private rooms. The dialysis unit approach represents a capital cost on the order of \$300k, but offers increased productivity. Staff reported on a site visit to a facility in Naperville; very positive aspects, including expanded Medicare census and market area, were reported and staff observations were positive.

The market analysis has been prepared from a conservative posture and is based solely on hospital discharges. Licensing, regulatory, and financial aspects are positive. Several details still need to be worked out including a plan for vendor financing of any required improvements.

A final recommendation on providing renal dialysis is expected at the May meeting.

8. Other Business

None

9. Next Meeting Date

Monday April 9, 2012, 6 pm.

10. Adjournment

Chair O'Shaughnessey declared meeting adjourned at 7:12 pm.

Respectfully submitted

Michael A. Scavotto
Recording Secretary