

**Board of Directors  
Champaign County Nursing Home  
Urbana, Illinois  
May 14, 2012**

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

Directors Absent/Excused:

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 April 9, 2012 were approved as submitted (motion Hambrick, second Anderson, 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 complaint survey of April 30 regarding bruising to a resident. IDPH investigated and issued a report of "No Findings".

Schuette reviewed the customer satisfaction scores from the Pinnacle Customer Service Survey. In March, CCNH scored 4.5 out of 5, the best performance CCNH has attained to-date. CCNH's. On an overall basis, CCNH is scoring at 4.19, Several areas scored at best-in-class levels. Among these is Communication/Response to problems. Schuette reported that much more targeted efforts have been undertaken to contact and follow-up with residents and their families.

**b. Management Report: Operations and Financial Position**

Scavotto reviewed March's operations, a loss of \$(66)k. CCNH incurred a revenue loss of approximately \$20k due to 456 conversion days, where resident change from Private Pay to Medicaid status. CCNH routinely incurs conversion days, but not of this magnitude. The magnitude of the issue causes a distortion of revenue on the interim financial statements; management will be exploring the inclusion another revenue classification ( such as "Medicaid pending") to provide better financial reporting.

Census for April 2012 came in at an ADC of 191.2, indicating a repeat of March's revenue performance. Of concern are the increased Medicaid and lower Medicare percentages:

Payer Class	ADC	Pct
Medicaid	108.2	56.6%
Medicare A	15.3	8.0%
Pvt Pay	<u>67.7</u>	<u>35.4%</u>
Totals	191.2	100%

CCNH's immediate issue is revenue. Medicare reimbursement cuts effective Oct 1 2011 have hurt performance. Expenses, as portrayed in the following chart, remain under good control.

**Major Items of Expense  
Per Resident Day**

	2010	2011	2012 YTD
Salaries	\$83.19	\$90.41	\$84.08
Non-Labor, Total	\$85.86	\$87.03	\$75.85
Administrative	\$19.10	\$23.86	\$17.67
Nursing	\$31.15	\$25.13	\$25.04
Therapies (ST-PT-OT)	\$17.24	\$15.26	\$12.22
Food Service	\$6.93	\$8.26	\$7.95

Forecasts of a Medicaid rate reduction of 5 percent indicate a revenue loss of \$(322)k on an annual basis. The implementation of the new Medicaid MDS reimbursement system, along with the new, additional Illinois bed tax, provides an estimated revenue gain of \$28k, dropping the revenue loss to \$(294)k. Given the current staffing level at CCNH, it is unlikely that this gap will be closed solely from expense reductions.

**c. Management Report: Cash Position**

Cash is unchanged over the past three months. Cash balances are averaging approximately \$1.1 million. Accounts Receivable and Accounts Payable have increased slightly since January; the balance sheet progress shown from the IGT payments is being maintained.

**d. Management Report: Corporate Compliance Program Proposal**

The proposal to implement a corporate compliance program at CCNH was discussed. Compliance programs are mandatory as of March 2013 under the health care reform legislation. Compliance programs have become standard practice in the healthcare industry and are the recommended means of assuring regulatory compliance. After discussion it was moved (Hambrick), seconded (Palinkas), and passed to accept the MPA proposal at \$40k per year. This recommendation will be submitted to the County Board for approval via the Amendment to Management Contract, whereby the Compliance Program will run concurrently with the Management Contract.

**e. Management Report: Renal Dialysis**

Several Directors expressed an interest in visiting renal dialysis sites and in receiving more information on the experiences other facilities have had in implementing renal dialysis programs. After discussion, it was moved (Hambrick), seconded (Palinkas), and passed to approve renal dialysis in concept. Management will return to the Nursing Board with a final proposal documenting

- the program and the funding (i.e., use of CCNH cash);
- the regulatory/licensure requirements;
- the process of vendor selection
- the legal agreement between CCNH and the vendor

**8. Other Business**

None

**9. Next Meeting Date**

Monday June 11, 2012, 6 pm.

**10. Adjournment**

Chair O'Shaughnessy declared meeting adjourned at 7:00 pm.

Respectfully submitted

Michael A. Scavotto  
Recording Secretary