

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
July 9, 2012**

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

Directors Absent/Excused: None

Also Present: Busey, Gima

1. Call to Order

The meeting was called to order at 6:05 pm by Chair O'Shaughnessey

2. Roll Call

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

3. Agenda & Addendum

Request by O'Shaughnessey to move County Board Referenda – Action Required to the first item of New Business was approved (motion by Hambrick, second by Palinkas, unanimous).

4. Approval of Minutes

The open session and closed session minutes of June 11, 2012 were approved as submitted (motion by Czajkowski, second by Anderson, unanimous).

5. Public Participation

All of the following individuals spoke regarding the proposal to place two nursing home referenda on the November election ballot: Patsi Petrie, Tara McCauley, C. Pius Weibel, Belden Fields, Rachel Schwartz, Marilyn Lindholm.

6. Old Business

There was no old business.

7. New Business

a. County Board Referenda

The Nursing Home Board of Directors discussed the two nursing home ballot questions

proposed by a group of Champaign County Board Members. The Nursing Home Board of Directors approved a response to the ballot proposals (motion by Emanuel, second by Anderson, passed with one dissenting vote by Bensyl). The response by the Nursing Home Board of Directors is as follows:

“As a Board, we cannot justify the need for such a tax levy increase. The Nursing Home has operated now for four years without the need for loans from the County’s General Corporate Fund, and at or near a balanced position. While we recognize that we have severe challenges with regard to cash flow, we cannot support asking for an additional \$2.3 million in property taxes from the citizens of Champaign County for the operation of the Home.”

“As a Board, we cannot support an action that would jeopardize the current operations of the Champaign County Nursing Home. We believe placing this question on the ballot will generate a public perception of uncertainty regarding the future of the Champaign County Nursing Home, which in turn will severely impede our ability to recruit and retain an appropriate census to ensure the ongoing viability of the Nursing Home’s financial operation. We further believe that, even if the voters approved this question, it is highly unlikely that there are private businesses who would be interested in procuring the Nursing Home and maintaining the current mission of serving the Medicaid population currently served by the Champaign County Nursing Home.”

“We want the County Board to know that we share in your concerns regarding the current uncertainty of the long-term financial future of the Nursing Home, and the potential risk and liability the County Board faces as a result of this uncertainty. We understand this risk has led County Board members to consider going to the voters with these questions. However, for the reasons stated above, we request the County Board consider instead that we work together to continue in the development of a strategic plan and appropriate programming of services to address the financial challenges of operating a county-owned nursing home in today’s environment.”

The Nursing Home Board of Directors discussed the ongoing efforts to secure bank/other lending institution participation in the issuance of Revenue Anticipation Notes to provide access to cash in response to further Medicaid payment delays. The Nursing Home Board of Directors approved a recommendation to the Champaign County Board (motion by Czajkowski, second by Hambrick, passed with one dissenting vote by Bensyl). The recommendation by the Nursing Home Board of Directors is:

“We recommend the County Board’s approval to list the County’s General Corporate Fund to back the repayment of the Revenue Anticipation Notes, if in fact payments from the State are not received in appropriate time to maintain the repayment schedule. We fully anticipate that the State will make all of its Medicaid reimbursement payments – primarily because there are federal requirements on the State to do so. If the County can back the RAN on behalf of

the Nursing Home, there is a likelihood that more banks will be willing to participate, which should improve the competitive process and resulting interest rates that will be paid by the Nursing Home for these notes. The issuance of the RANs will enable the Nursing Home to continue paying its vendors, even if there are delays in the reimbursements from the State over the next year.”

b. Renal Dialysis RFP

Gima reviewed the In-House Renal Dialysis Program Summary and Request for Proposal. The Nursing Home Board of Directors approved both documents to be presented to the County Board Finance Committee. (motion by Hambrick, second by Palinkas, unanimous)

c. Management Report: Operations and Financial Position

Gima reviewed the May statistics and income statement. May’s average daily census was 192.3, up slightly from 191.1 in April. The Medicare census fell from 14.8 in April to 12.2 in May. The payor mix was Medicare 6 percent, Medicaid 58 percent, and private pay 35 percent.

May’s income statement showed a net loss of \$(66)k. Revenues totaled \$1.174 million and was over budget by \$10k. Medicare revenue increased between April and May due to the higher Medicare per diem of \$481 in May compared to \$415 in April. May rehab statistics showed a higher percentage of intensive therapy services was provided in May. The increase in Medicare revenue was not enough to offset the loss of Medicare days and the net loss. The low census loss in May also was a contributing factor to the net loss. June’s census will be around 200, but Medicare continues to hover between 10 and 12.

b. Cash Position

CCNH’s cash at the end of May was \$962k, down by \$306k from \$1.268 million in April. Accounts receivable totaled \$4.185 million, a decrease of \$102k from \$4.287 million in April. Accounts payable decreased from \$2.267 million in April to \$2.030 million in May, a decrease of \$237k. The decrease in cash in May is due to a \$254k tax anticipation note payment.

c. Medicaid Payment Status\Medicaid Rate Cuts

The state has not provided any update on Medicaid payment delays. We are hearing unconfirmed reports that the Medicaid payment cycle may be three to four months, which is an improvement from the six month payment cycle (for non-expedited Medicaid providers) seen in FY 2012.

d. 2013 Budget

The budget will be reviewed at the August 13th Nursing Home Board of Directors meeting.

e. Corporate Compliance

The corporate compliance addendum to the MPA management contract was tabled at the June 12th Finance Committee meeting. The County Board wishes to wait on a decision pending the outcome of the Supreme Court ruling on the Affordable Care Act. The County board also requested a cost comparison.

8. Next Meeting Date

Monday August 13, 2012, 6 pm.

10. Adjournment

Chair O'Shaughnessey declared meeting adjourned at 8:35 pm.

Respectfully submitted

Scott T. Gima
Recording Secretary