

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
August 13, 2012**

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

Directors Absent/Excused: Bensyl, Czajkowski

Also Present: Busey, 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

Request by O'Shaughnessey to add Compliance to last item of New Business was approved (motion by Anderson, second by Palinkas, unanimous).

4. Approval of Minutes

The open session and closed session minutes of July 9, 2012 were approved as submitted (motion by Anderson, second by Palinkas unanimous).

5. Public Participation

Joan Miller, representing the League of Women Voters requested the name of the CCNH representative that will speak at their September 13 meeting. Patti Petrie discussed the need for a County Board Study Session. Alan Kurtz voiced his support for the work of the Board of Directors and MPA on their efforts to turnaround CCNH. Gary Maxwell asked for a clear picture on the future cash needs of CCNH.

6. Old Business

There was no old business.

7. New Business

a. **Operations (Management Report)**

Gima reviewed the June statistics. The average daily census increased from 192.3 in May to 199.7 in June. Medicare increases slightly from 11.8 to 13.6. Medicaid increased from 112.4 in May to 116.4 in June. The Medicare payor mix increased from 6.2 percent to 6.8 percent. Medicaid at 58.3 percent and private pay at 34.9 percent did not change significantly from May.

June's net loss was \$(47)k, down slightly from May's net loss of \$(66)k. On a cash basis by adding back depreciation, June showed a net cash gain of \$14k. On a year-to-date basis, the net loss totaled \$(245)k through June. After adding back the depreciation expense of \$425k results in a net cash increase of \$181k.

Revenues in June totaled \$1.142 million – under budget by \$21k. Private pay revenue totaled \$369k, and was under budget by \$19k. Medicare revenue was \$186k and was under budget by \$106k. Medicaid revenue was \$517k, which was over budget by \$94k. This is due to the increase in Medicaid census and the fully funded Medicaid rate that was instituted by the State in April. The rate increase was not included in the 2012 budget due to the uncertainty of CMS approving the Medicaid rate increase.

June's expenses were \$1.276 million, down from \$1.326 million in May. June expenses under budget by \$6k. Food costs were \$41k, the highest monthly total this year and equals to a cost of \$6.79 per day.

Labor expenses were \$585k, compared to \$576k in May. June's payroll included a \$33,350 attendance bonus payout. June's agency costs totaled \$48k, which was a slight increase from \$45k in May. June's agency expense included a December invoice totaling \$16k. The actual agency expense for June was \$32k. In January, the number of CNA shifts covered by agency staff totaled 286. In June, the number of agency shifts totaled 132. LPN agency shifts have dropped from 54 in January to 19 in June.

b. **Cash Position**

The June ending cash balance was \$906k, down slightly from \$962 in May. Accounts receivable totaled \$3.726 million, a decrease from \$4.185 million in May. Accounts payable decreased from \$2.030 million in May to \$2.084 million in June. Cash from operations increased by \$245k. Cash going out included \$21k for boiler improvements and a \$280k tax anticipation note payment.

c. **2013 Medicaid Payments**

No updates from the State on changes in Medicaid payments. CCNH is currently paid within 60 days. According to the opinion of Matt Werner of LSN, Medicaid payment delays will not increase. Payment delays in 2013 are possible if the

SMART Act savings and cigarette tax revenue are less than anticipated.

d. 2013 Budget

Gima reviewed the 2013 budget. It projects a net loss of \$(99)k. On a cash basis, a cash gain of \$622k is anticipated. Revenue projections are conservative with an increase in Medicare census from 15.1 to 19.4. None of the other payors were adjusted. The increase in Medicare is based on the implementation of the renal dialysis program and a respiratory therapy program. The Medicare rates were increased by 1.8 percent based on CMS rate increases effective October 1st. Medicaid rates are unchanged. Private pay rates were increased by five percent.

All wages were increased by one percent, consistent with the CBA. Health insurance was increased by 10 percent. IMRF costs were increased by 2.28 percent. Non-labor expenses were increased by 1 percent except as noted in the budget memorandum.

e. Respiratory Therapy

Gima reviewed the respiratory therapy program that will be implemented at CCNH. Respiratory therapy and pulmonary rehab services will be provided by a respiratory therapist at the facility at least five days a week. A significant percentage of the Medicare residents have active or underlying respiratory problems including CHF, COPD and pneumonia. CHF and pneumonia are also responsible for a large percentage of hospital readmissions. The program will enhance the care at CCNH and provide the opportunity to increase Medicare census and length of stay. RT services also provide the opportunity to increase the Medicaid rate once the new rate methodology is implemented in January of 2014.

f. Renal Dialysis

The renal dialysis business plan and RFP will be presented to the County Board at the Tuesday evening (August 14) Committee of the Whole meeting. Champaign Urbana Regional Rehab Center is planning on opening a 10 unit bed-side dialysis program using NxtStage home dialysis equipment. This does not alter the plans for the CCNH renal dialysis program.

g. Corporate compliance

The corporate compliance proposal is on the agenda of the Tuesday evening (August 14) Committee of the Whole meeting.

8. Next Meeting Date

Monday September 10, 2012, 6 pm.