

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
November 19, 2012**

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

Directors Absent/Excused: Emanuel, Palinkas

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

Gima asked for the removal of the Approval of Recommendation for Nursing Home Administrator Compensation Package from Other Business. (motion by Hambrick, second by Bensyl, unanimous).

4. Approval of Minutes

The open session minutes of October 15, 2012 were approved as submitted (motion by Bensyl, second by Anderson, unanimous).

5. Public Participation

Pius Weibel thanked the Board of Directors for their work. Weibel also discussed the sunset provision to the Nursing Home By-Laws.

6. Old Business

CCNH received one proposal to the renal dialysis RFP. Gima will provide a summary of the proposal at the December Board of Director's meeting.

Gima provided an update on respiratory therapy. Alliance Rehab continues their recruiting efforts.

Work on the corporate compliance program has started. There are twelve audit sections to be completed. The first two, compliance program policies and procedures and quality of care audits have been completed. Audits continue for the remaining 10 compliance sections.

7. New Business

a. **Operations (Management Report)**

Gima reviewed the statistics for September. The average daily census in September was 210.5, up from 203.6 in August. The September average is an all time high. The Medicare census increased from 11.4 in August to 14.6 in September. 630 private pay days were converted to Medicaid in September causing Medicaid census to be 139, up from 122 in August. Private pay fell from 70.3 to 65.8.

On a year-to-date basis, the overall census is 197.9, Medicare is 15.3, Private pay is 69.8 and Medicaid is 112.8.

The October statistic show an overall census of 211.9, 15.1 Medicare, 141.9 Medicaid and 54.8 private pay. Private pay and Medicaid reflect 670 Medicaid conversion days.

The payor mix in September was: Medicare 7.0%, Medicaid 66.1% and Private Pay 27 percent.

CCNH showed a net profit of \$36k in September and also generated a positive cash contribution of \$96,359. Czajkowski pointed out that in the five month period between May and September, CCNH showed a cumulative positive cash totaling over \$200k. Revenues in September totaled \$1.287 million.

Expenses totaled \$1.251 million, down from \$1.278 million in August. Expenses per day show a steady decline from a high of \$222 per day in May down to \$199 per day in September. Czajkowski mentioned that expenses per day have decreased from over \$250 per day in 2007 to the current level of \$200 per day and that is a major reason for the improvement in the finances of CCNH.

Agency decreased in September, after showing three months of increases. The reduction in TOPs hours matches with the decline in agency usage. The average monthly operating expenses in 2011 was \$1,259,420. As of September, the 2012 monthly average is \$1,259,620, an increase of only \$200.

b. **Cash Position**

The ending cash balance for September is \$968,505, an increase of \$425k from the August balance of \$542,591. The increase was aided by the positive cash contribution of \$95k and a two Medicaid payment month totaling \$330k.

The State is making regular monthly Medicaid payments that are about 2months in arrears. Gima added that there are reports that the State is not seeing any Medicaid savings so far this year. This increases the probability of additional payment delays and rate cuts in 2013. MPA is continuing to work on revenue anticipation notes and a political solution for county homes. These efforts will be ramped up when there is confirmation on implementing additional payment delays.

c. **Medicare Medicaid Dual Eligible Alignment Initiative**

Gima discussed the recent developments in the Medicare Medicaid Dual Eligible Alignment Initiative, the managed care program for residents that have both Medicare and Medicaid coverage. The state recently chose two health plans to cover the Central Illinois region, including Champaign County. The two plans are Health Alliance and Molina Healthcare. CCNH has letters of agreement in place with both health plans. Contract negotiations will probably start up shortly. However, there remains a significant number of questions regarding the structure, policies and reimbursement rates for this program. The original start date was January 1, 2013. It had previously been delayed until April 2013. The State will probably delay the start of the program to later in 2013.

d. **OIG Report on Medicare Billing Errors**

The OIG recently released the result of an audit that reviewed SNF Medicare claims in 2009. The study found that 20 percent of the claims were billed for more expensive services, otherwise known as upcoding. The OIG estimated that based on this sample, Medicare is paying \$1.5 billion for these fraudulent claims. This is another in a long series of audits/investigations focusing on SNF therapy services. The takeaway from this report is that therapy services will be a very high compliance priority based on the OIG's high level of interest.

e. **2013 Calendar of Meetings**

The 2013 calendar of meetings was approved (motion by Hambrick, second by Anderson, unanimous).

8. **Next Meeting Date**

Monday December 10, 2012, 6 pm.

9. **Adjournment**

Chair O'Shaughnessey declared meeting adjourned at 7:20 pm.

Respectfully submitted

Scott T. Gima
Recording Secretary