

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
May 13, 2013**

Directors Present: Czajkowski, Emanuel, Hartke, Hodson, Maxwell, Palinkas

Directors Absent/Excused: Hambrick

Also Present: Busey, Gima, Noffke

1. Call to Order

The meeting was called to order at 6:00 pm by Chair Emanuel

2. Roll Call

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

3. Agenda & Addendum

Agenda was approved (motion by Palinkas, second by Hartke, unanimous).

4. Approval of Minutes

The open session minutes of April 8, 2013 were approved as submitted (motion by Hartke, second by Czajkowski, unanimous).

5. Public Participation

6. Old Business

7. New Business

a. Operations (Management Report)

Gima reviewed the statistics and financials for March 2013. The average daily census decreased from 185.2 in February to 181.7 in March. All admissions, Medicare admissions and hospital referrals remain strong. The decline in census is due to a high number of residents being sent home, in particular short-term Medicare discharges home. This has resulted in the Medicare census falling from 23.5 in February to 13.3 in March. Between February and March, Medicaid census has increased from 98.6 to 101.4 and private pay has increased from 63.1 to 67.0.

In the past three out of four years, there has been a downturn in census at CCNH in the spring months, with a rebound in census in the summer through the fall months. CCNH is seeing the same pattern with a high census in November, followed by the current decline in census.

The payor mix showed the following changes between February and March: Medicare fell from 12.7 percent to 7.3 percent; Medicaid increased from 53.3 percent to 55.8 percent; and private pay increased from 63.1 to 67 percent.

March showed a net loss of -\$70k. On a cash basis (adding back depreciation expense), CCNH showed a small cash loss of -\$9k. On a YTD basis, CCNH shows a net loss of -\$84k, but positive cash of \$160k.

Operating revenues increased from \$1.053 million in February to \$1.119k in March. Medicaid revenues increased by \$58k and private pay revenues increased by \$87k. Medicare revenues fell by \$89k.

Operating expenses increased from \$1.168 million in February to \$1.276 million in March. Wages increased by \$80,248. Half of the increase was the change from a 28 day month to a 31 day month. There were two TOPs payouts of \$6,700 and \$5,000. A snow day on 3/25 resulted in \$2,600 in overtime.

Agency expenses fell from \$40,693 in February to \$35,383, a new monthly low.

There was a discussion of the Alzheimer's labor expense being over budget. Gima explained that the budget figures for 2013 were based on 2012 actual expenses and open positions were not taken into consideration. Since January, 10 open positions have been filled. Filling these open positions has resulted in a corresponding reduction in agency costs.

Food costs were over budget by \$6k and food service professional services were over budget by \$9,000 as a result of the dietary consultant filling in as the interim Food Service Director. Knoffke explained the changes being implemented by the new Food Service Director to address food quality and dining experience. These changes will be implemented and rolled out over the next two weeks.

b. Cash Position

No major changes in the cash position. Between February and March, cash has increased from \$1.060 million to \$1.185 million. Accounts receivable increased from \$3.479 million to \$3.641 million. The IGT which is payed out on a quarterly basis is the main contributor to the increase. Accounts payable decreased from \$1.579 million to \$1.568 million.

Medicaid payments continue on a regular basis.

c. Other Management Issues

An offer has been made for the Adult Day Care Director's position. The Director of Nursing position remains open with a couple of applicants being interviewed. The compliance program Board Resolution was presented to the Board of Directors. The resolution was approved (motion by Hartke, second by Maxwell, unanimous).

Gima provided an update on the compliance program implementation. MPA and CCNH are currently working on establishing policies and procedures that address the 10 major risk areas. MPA and CCNH Compliance Officer, Drake, have conducted compliance training to all CCNH managers. Employee training was conducted on April 26th. MPA and CCNH will develop web-based training videos for additional training sessions. The web-based training videos will also be used to provide compliance training to the Board of Directors.

Gima reviewed the strategic objectives that were presented to the Board of Directors on August 2011. Gima also reviewed the current changes in the health care/long term care environment and the Federal and State initiatives to address fragmentation of care, quality of care, excessive Medicaid and Medicare spending. Gima discussed the three major areas to be addressed by the strategic objectives, including medical management, nursing management, outcome measurements. Emmanuel added a fourth area, financial performance.

Maxwell suggested a special board meeting specifically to discuss strategic objectives and MPA's performance. The BOD agreed to use the July BOD meeting. Maxwell also suggested addressing how the board can be more engaged and will follow up with individual board members. Maxwell discussed timely updates on census, payor mix and referrals. In the discussion between board members, the need to have the most recent month's census figures in the management report. Gima will determine if the most recent month's census can be added to the management report.

8. Next Meeting Date

Monday June 10, 2013, 6:00 p.m.

9. Adjournment

Chair Emanuel declared meeting adjourned at 7:20 pm.

Respectfully submitted

Scott T. Gima
Recording Secretary