

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
June 10, 2013**

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

Directors Absent/Excused: Czajkowski, 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 Hartke, second by Palinkas, unanimous).

4. Approval of Minutes

The open session minutes of May 13, 2013 were approved as submitted (motion by Hartke, second by Hodson, unanimous).

5. Public Participation

6. Old Business

7. New Business

a. Skilled Nursing Facility Metrics

Gima reviewed the Medicare Medicaid Alignment Initiative (MMAI) program reimbursement structure. Medicare and Medicaid will pay the Illinois health plans a capitated rate (per member per month) that covers all Medicare and Medicaid health care services. The rate included a mandated savings of 1 percent in year one, 3 percent in year 2 and 5 percent in year 3.

The health plans will also be subject to a quality incentive holdback program. The holdbacks will be 1 percent in year one, 2 percent in year 2, and 3 percent in year three. Health plans will receive a portion of the hold backs by meeting federal and

state specified quality metrics.

The quality metrics specific to SNFs that will be implemented in year two include: 30 day readmission rate, transition of members from long term care facilities to community based services, and prevalence of pressure ulcers.

In year two, Health plans will be allowed to deselect network providers based on health plan specified quality metrics, which are not known at this time.

Gima provided information on quality metrics used by hospitals and hospital systems to profile SNFs including Catholic Health Initiatives, Kaiser Permanente and Methodist Hospital (Houston, TX). Metrics that were used by all hospital providers include: Medicare length of stay, readmission rates, emergency room visit rates, functional independent measure (FIM) scores, patient/family/physician satisfaction surveys, CMS 5 star ratings.

Gima and Noffke provided current updates to the August 2011 strategic objectives. Objectives discussed included: integration of the medical director into daily operations, development of a sub-acute service, dementia marketing, advancing supervisory and management development, annual survey improvement, commitment to quality program, improving patient/family satisfaction survey scores, the MDS coordinator position, improving the financial position, corporate compliance and development and use of clinical protocols for CHF and COPD.

b. Operations (Management Report)

Gima reviewed the statistics through May 2013 and financials/cash position as of April 2013. The average daily census (ADC) in April was 181.7, unchanged from March. In May, the ADC was 178.9. Gima stated that the current census downturn is a short term cyclical event and there is no indication that this is a permanent decline in census.

Admissions remain steady. Monthly admissions going back to December 2011 show a steady increase through May 2013. In 2012, monthly admissions totaled 22.2 per month. In 2013, the average is 24.2. A high number of discharges (to home), in particular, Medicare, is the primary reason for the current census decline. Discharges since December 2011 show an upward trend. In 2012, CCNH averaged 15.7 discharges per month. In 2012, the average is 19.7.

The net income in April was \$220,737, which reflects the County's forgiveness of the \$333,142 loan. Backing out the loan forgiveness, shows a net loss of -\$112,405, with a cash loss of -\$51,308. On a YTD basis without the loan forgiveness, CCNH shows a net loss of -\$196,852, and a positive cash gain of \$108,461. Low census is the main reason for the loss seen in April.

Expenses showed a slight decline between March and April. Wages and non-labor expenses were down in April. Insurance, IMRF, workers' compensation expenses increased between March and April. These "fixed" costs were the primary contributor to higher expenses per day – an increase of \$4 per day out of a total of \$6 per day increase between March and April.

Cash in April was \$1,056,751.

8. Next Meeting Date

Monday, July 29, 2013, 6:00 p.m. – Strategic Planning Session.

The calendar schedule for the rest of 2013 will not be changed.

9. Adjournment

Chair Emanuel declared meeting adjourned at 7:40 pm.

Respectfully submitted

Scott T. Gima
Recording Secretary