

**Board of Directors
Champaign County Nursing Home (CCNH) –Minutes
Urbana, Illinois
November 9, 2015**

Directors Present: Emanuel, Banks, Anderson, Cowart, Hodson, Palinkas

Directors Absent/Excused: Lynn

Also Present: Busey, Gima, Noffke, Brenner, Winschel, Nolan

1. Call to Order

The meeting was called to order at 6:01 p.m. by Chair Emanuel.

2. Roll Call

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

3. Approval of Agenda

Agenda was approved as distributed (motion by Banks, second by Palinkas, unanimous).

4. Approval of Minutes

The open and closed session minutes of October 5, 2015 were approved as submitted (motion by Anderson, second by Palinkas, unanimous).

5. Public Participation

Ms. Cowart entered the meeting at 6:02 p.m.

David Laker commented that food services at the nursing are improving.

Mary Schultz expressed concerns about the turnover rate for employees at the nursing home and recommended creating drink criteria for residents during meal times to reduce the amount of incorrect drinks served to residents. Ms. Schultz reported to the board that food services were out of ingredients and short on staff during meals. Additionally, Ms. Schultz expressed concerns about the amount of agency employees utilized at the nursing home and recommended additional advertising for open positions at the nursing home.

6. Communications

Ms. Emanuel asked if minutes were available for the family council meeting. Ms. Noffke noted that minutes were distributed the day following the family council meeting.

Mr. Anderson asked if the facility assessment report will be a topic of discussion at the current meeting or if the report should wait to be discussed at a later date. Ms. Busey confirmed the facility assessment will be discussed at a later date.

7. Lint Filtration Project Bid Document – Dana Brenner, Facilities Director, Champaign County

Mr. Brenner presented materials of the bid document for the lint filtration project at the nursing home. Mr. Brenner reported that the project is anticipated to be completed by March 2016 and efforts will be made to minimize interruptions to laundry services and nursing home operations.

Documents containing physical drawings, a project schedule and estimated costs were included with Mr. Brenner's bid document materials.

Ms. Busey commented that the project schedule states the next Nursing Home Board of Directors meeting as December 7th; however, the next meeting is December 14th. Mr. Brenner noted the revision and will make adjustments accordingly.

Ms. Emanuel asked if the courtyard will experience any negative impacts from the exhaust of the new lint filtration system. Mr. Brenner explained that the new filtration system will capture 99% of all lint and will have minimal impact on the courtyard, chapel and nursing home operations. Three boilers will be protected from additional lint intake, and they will be replaced in 2016.

Mr. Palinkas noted that the complete bid document was not distributed to the board and asked Mr. Brenner if a copy could be provided. Mr. Brenner noted that the complete bid document is 288 pages and he did not want to waste paper printing copies for each board member. Ms. Busey noted that an electronic copy will be available to board members once the bid document is approved and posted on the county's website.

MOTION by Anderson to approve the Lint Filtration Project Bid Document; second by Palinkas. Upon vote, **MOTION CARRIED.**

8. Gloria Valenti Award – Tracy Rhone

Ms. Noffke explained that a family member of a resident at the nursing home nominated Tracy Rhone for the Gloria Valenti Award. Ms. Rhone was honored at a dinner for her achievements in long term care.

9. Management Report

a. Strategic Objective Metrics Updates

Mr. Gima reported that two applicants are being considered for the open Human Resources Director position. A new Social Services Director will start on November 16th. Open Maintenance Worker positions have been filled. The employee retention rate has increased and the employee turnover rate has decreased as open positions are filled. Additionally, the number of applications received for all open positions continues to increase and agency expenses for September and October have continued to decrease.

Ms. Emanuel commented that Champaign County Nursing Home has the highest adjusted hours per resident per day in the community in regards to the CMS Direct Care Staffing Levels. Mr. Gima noted that the data for CMS Direct Care Staff Levels will be updated when the nursing home's new survey results are completed.

Mr. Gima provided updated Pinnacle Score charts with overall trends for each quarter. Quarterly data and staffing levels for dining services continue to show improvements. A new dietician for dining services will start at the nursing home on November 16th.

Mr. Gima reported that an agreement for a Cardiopulmonary Rehab Coordinator continues to be developed with Christie Clinic. Ms. Noffke noted that the outpatient therapy program has been open since early September. Mr. Gima noted that the outpatient therapy program currently has 3 participating residents with two referrals from recent facility discharges to home. Mr. Banks asked if the outpatient therapy program is being marketed in the community. Mr. Gima noted that all area healthcare providers have been contacted. Ms.

Noffke noted that Carle Hospital has made recommendations for which services the program should provide to expand the number of patients in the program.

b. Monthly Financial/Management Report

Mr. Gima presented a census summary without Medicaid conversion days to provide the board with more accurate payor mix data for residents in the facility. Admissions in October improved from September. Separations remained constant resulting in a net decrease of one separation for October.

A net loss in September is reflective of the lower census for the month and an additional Medicaid MMAI revenue adjustment due to anticipated changes in state legislature. Mr. Anderson asked how long additional Medicaid MMAI revenue adjustments will be made and at what level the adjustments will be capped. Mr. Gima noted that clarifications are needed from state legislature before revenue adjustments are capped. Mr. Anderson asked the board to revisit Medicaid MMAI revenue adjustments on a quarterly basis. Mr. Palinkas confirmed.

c. CCNH Market Position and Market Share Analysis

Mr. Gima provided a market share analysis and market position analysis for Champaign County Nursing Home. Mr. Gima reported that the overall nursing home census in the Champaign County market has declined and resulted in area competitors showing a reduction in average census. Overall private pay census in the county market has also decreased. Champaign County Nursing Home's census has increased during this period of market contraction and has maintained its private pay census while market trends for private pay have decreased. Subsequently, Champaign County Nursing Home's private pay market share has increased and the nursing home has not seen any significant changes in its Medicaid market share.

d. Medicare Unit

Mr. Gima reported that the Medicare Unit opened on November 2nd. Three residents are currently in the unit with two referrals pending approval. A public open house for the unit is planned for December 10th. Ms. Emanuel asked Mr. Gima to inform the board with final plans for the open house so board members can make arrangements to attend.

e. Revenue Anticipation Notes

Mr. Gima reported that a Medicaid payment slowdown is likely, which may be followed by a Medicaid rate cut. Revenue anticipation notes are a financing option for the nursing home, and Mr. Gima has prepared two scenarios depicting the application of revenue anticipation note financing. Scenarios represent payment delays of 3 months or 6 months. Mr. Banks asked who funds the revenue anticipation notes. Mr. Gima noted that a bank or lending institution would fund the notes; however, he is unsure whether banks or lending institutions will want to fund the notes due to the risks involved.

Mr. Gima noted that revenue anticipation notes are not needed for a 3-month payment delay if the nursing home slows payments to vendors and conserves cash. A 6-month payment delay would necessitate the nursing home to issue 8 revenue anticipation notes.

Ms. Emanuel asked if market vendors would allow delays in payments if Medicaid payment delays occur for 3 months. Mr. Gima confirmed. Mr. Anderson asked for the amount of

interest paid on outstanding invoices when the nursing home last delayed payments to vendors. Mr. Winschel noted that some vendors did not require interest to be paid while others charged as high as 12% interest on delayed payments. Additionally, Mr. Winschel was hopeful that revenue anticipation notes could be issued with interest rates between 4% and 6%.

Mr. Anderson asked what collateral the nursing home will provide for revenue anticipation notes. Mr. Winschel noted that the only collateral required under law is 85% of the nursing home's Medicaid receivables. Mr. Anderson asked what would happen if the nursing home defaults due to payment delays. Mr. Winschel explained that the banks would pursue the federal government for Medicaid payments. Mr. Gima noted that the nursing home can sustain up to 12 months of payment delays with no operational changes. Additionally, a political solution of changing the status of nursing homes to safety net hospitals is an alternative to revenue anticipation notes.

Ms. Emanuel asked if the County Board approves revenue anticipation notes. Ms. Busey confirmed. Ms. Emanuel asked what action is required from the Nursing Home Board of Directors in regards to revenue anticipation notes. Ms. Busey explained that approval of revenue anticipation notes by the County Board may be included on the December agenda. Ms. Emanuel asked the board to recommend the option of revenue anticipation notes to the County Board. Mr. Anderson confirmed.

Ms. Emanuel asked how much it will cost to issue revenue anticipation notes. Mr. Gima noted that a 5% interest rate was assumed and issuance costs are still being determined. Mr. Winschel estimated costs for both issuance and interest to total about \$250,000.

Mr. Anderson expressed concerns that the nursing home will incur issuance and interest costs for revenue anticipation notes if the state is unable to make their payments to healthcare providers. Mr. Gima confirmed and noted that political alternatives are being pursued.

MOTION by Anderson to recommend the issuance of revenue anticipation notes if payment delays are experienced for longer than 3 months; second by Banks. Upon vote, **MOTION CARRIED.**

f. Electronic Medical Records

Mr. Gima reported that the nursing home is currently working on the implementation of an electronic medical records upgrade with the current clinical software vendor MatrixCare. Electronic medical records will allow staff members to input all nursing care data, information and notes, file electronic physician orders and medication prescribing, and develop an electronic medication administration system. Electronic records will improve the quality of care provided and communication between hospitals, nursing homes, employees and clients.

Ms. Emanuel asked for a total cost of implement electronic records and how communications will improve with area hospitals. Mr. Gima noted that all communications will be web-based and accessible. The largest cost for implementing electronic records includes hardware upgrades, which is all included in the FY2015 budget.

Ms. Emanuel asked how the vendor was chosen. Ms. Noffke noted that the vendor has been utilized in the nursing home since 2009. Ms. Hodson asked if these costs are included in the administration budget. Mr. Gima confirmed.

10. Other Business

Mr. Palinkas asked if drink lists and meal lists are prepared for each resident. Ms. Noffke noted that lists are prepared for each resident and explained that it is up to the dietary staff members to follow the prepared lists. Ms. Cowart asked if residents have assigned seats at meal times. Ms. Noffke noted that many residents sit at the same tables, but some residents move around.

11. Closed Session Pursuant to 5 ILCS 120/2©11 to Consider Litigation that is Probable or Imminent Against Champaign County

MOTION by Hodson to enter Closed Session Pursuant to 5 ILCS 120/2©11 to Consider Litigation that is Probable or Imminent Against Champaign County, and for the following individuals to remain present: Scott Gima, Karen Noffke, Gary Winschel, County Administrator and recording secretary.

Roll call vote:

Aye: 6 – Emanuel, Banks, Cowart, Hodson, Anderson, Palinkas

Nay: 0

Motion carried.

The Champaign County Nursing Home Board of Directors entered Closed Session at 7:41 p.m.

The Champaign County Nursing Home Board of Directors resumed Open Session at 7:53 p.m.

15. Next Meeting Date & Time

The next meeting date and time for the Nursing Home Board of Directors is Monday, December 14, 2015 at 6:00 p.m.

12. Adjournment

Chair Emanuel declared the meeting adjourned at 7:54 p.m.

Respectfully submitted:
Brian Nolan
Recording Secretary