

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
October 15, 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

A corporate compliance update was added to Old Business. (motion by O'Shaughnessey, second by Anderson, unanimous).

4. Approval of Minutes

The open session minutes of September 10, 2012 were approved as submitted (motion by Bensyl, second by Anderson, unanimous).

5. Public Participation

Bob Spencer spoke about issues that CCNH should be aware of as it evaluates and selects a renal dialysis program provider.

6. Old Business

Gima provided an update on respiratory therapy. The agreement has been executed. Alliance Rehab has begun recruitment of a therapist. No tentative start date has been established.

The renal dialysis RFP was reissued with a deadline of November 2, 2012.

Work on the corporate compliance program has started. The baseline audit tool was sent to CCNH in September. The audit will identify any compliance related policies and procedures that are currently in place. New policies and procedures will be developed for any gaps identified

from the audit.

7. New Business

a. Operations (Management Report)

Gima reviewed the statistics for August. The average daily census increased from 199.5 in July to 203.6 in August. Medicare census increased from 9.7 to 11.4 during the same period. Medicaid census increased from 115 to 122 and private pay fell from 74.7 to 70.3 due to the adjustment of 311 private pay days to Medicaid. Preliminary statistics for September indicate an overall census of 210 with 14 to 15 Medicare.

The payor mix for August was: Medicare 5.6%, Medicaid 59.9% and Private Pay at 34.4 percent. On a YTD basis, the payor mix currently is Medicare 7.8%, Medicaid at 55.9% and Private pay showing 36.2 percent.

CCNH reached a break even position in August, showing a net profit of \$408. This shows a steady improvement from a net loss of \$(66)k in May, \$(47)k in June and a net loss of \$(23)k in July. Total revenue totaled \$1.278 million. Operating revenues totaled \$1.188. While Medicare revenue has been falling, private pay and Medicaid revenue has been increasing consistent with the increase in non-Medicare census. Medicare revenue is showing a turnaround in August, increasing from \$150k in July to \$174k in August.

Expenses totaled \$1.278 million. Since December, monthly expenses show a slight positive trend. Expenses per day show a significant increase in the months of March, April and May as census declined, reaching a peak of \$222 per day in May. With the increase in census, the average costs per day have decreased over the past three months with August showing an average of \$202 per day. Agency costs continue to show a long term downward trend. But over the past three months, agency costs have increased, but this is attributable to the increased usage of TOPS hours in the summer months. The average monthly operating expenses in 2011 was \$1.259 million. So far in 2012, the average is \$1.260 million, a minimal increase from 2011.

b. Cash Position

August shows an ending cash balance of \$543k, a decrease of \$326k from \$869k in July. Operations generated a cash increase of \$61k, but accounts receivable increased by \$223k and accounts payable fell by \$158k. The cash balance is low but expected based on cash outlays including a bed tax payment of \$200k. Cash flow figures project a year-ending cash balance of \$850k. If census remains steady at the current level and Medicaid payments are paid monthly, cash will increase slowly each month going into 2013. In prior years, the tax anticipation note revenue of approximately \$800k was earmarked for cash outlays before it

was received. This year, we will not be playing catch up on payables.

c. Case Management Approach to Nursing Care

Gima discussed the need for a case management approach to nursing care, where each resident would have a “case manager” who would monitor and coordinate care between the physicians, hospitals and staff at CCNH. In addition, the case manager would also coordinate the care within CCNH between shifts and departments. We currently rely on direct care nurses, unit supervisors, house supervisors, the Director of Nurses and Assistant Director of Nurses to address these issues. We will begin to evaluate the current job responsibilities of existing supervisors to determine if a re-tooling of responsibilities and/or a need for additional case management nurses.

With the implementation of Medicare payment penalties to hospitals for higher than expected re-hospitalization rates, the hospitals have been much more willing to work with us as partners which increases the probability of receiving more Medicare referrals if we can make improvements to our clinical care that will reduce re-hospitalizations.

Gima reviewed CCNH’s less than 30 day re-hospitalization rates. Over the past three quarters, the rate has shown a steady decline with a 21 percent rate calculated for the 3rd quarter of 2012. One of the area hospitals has stated that CCNH has the lowest re-hospitalization rates in the area. Nonetheless, taking a case management approach will provide the opportunity to reduce the rate further.

8. Next Meeting Date

Monday November 19, 2012, 6 pm.

9. Adjournment

Chair O’Shaughnessey declared meeting adjourned at 7:25 pm.

Respectfully submitted

Scott T. Gima
Recording Secretary