

CHAMPAIGN COUNTY BOARD
COMMITTEE MINUTES

JUSTICE & SOCIAL SERVICES COMMITTEE

Monday, January 8, 2007

**Brookens Administrative Center, Lyle Shields Meeting Room
1776 E. Washington St., Urbana**

7:00 p.m.

MEMBERS PRESENT: Anderson (Chair), Carter, Gladney, Hogue, Hunt, Putman, Tapley

MEMBERS ABSENT: James, Sapp

OTHERS PRESENT: Kat Bork (Recording Secretary), Andrew Buffenbarger (Nursing Home Administrator), Deb Busey (County Administrator of Finance & HR Management), David DeThorne (Senior Assistant State's Attorney), Ralph Langenheim (County Board Member), Kathleen Liffick (Head Start Director), Brendan McGinty (County Board Member), Peter Tracy (Director of Mental Health), C. Pius Weibel (County Board Member), Barbara Wysocki (County Board Member), Mike Scavatto (Management Performance Associates)

CALL TO ORDER

Anderson called the meeting to order at 7:00 p.m.

ROLL CALL

The Recording Secretary called the roll. Anderson, Gladney, Hogue, Hunt, Tapley were present at the time of the roll call. Anderson noted James had contacted her about being absent from tonight's meeting. Anderson declared a quorum and proceeded with the meeting.

APPROVAL OF AGENDA/ADDENDUM

MOTION by Hogue to approve the agenda; seconded by Hunt. **Motion carried.**

APPROVAL OF MINUTES

MOTION by Hunt to approve the Justice & Social Services Committee regular session minutes of October 11, 2006 and November 6, 2006; seconded by Gladney. **Motion carried.**

Putman entered the meeting at 7:02 p.m.

PUBLIC PARTICIPATION

Brian Dolinar spoke about the use of tasers in the County Jail. Dolinar called for a moratorium on the use of tasers. Dolinar asked a list of questions about taser procedures and hearing inmate complaints at the County Jail.

Carter entered the meeting at 7:03 p.m.

Dolinar continued to speak about tasers and submitted documents for the committee's review. Because Dolinar only provided one copy of his documents, they will be kept on file in Administrative Services for review by any County Board member.

MONTHLY REPORTS

MOTION by Tapley to receive and place on file the Animal Control October 2006 report, Circuit Clerk September 2006 and October 2006 reports, Court Services September 2006, October 2006, and November 2006 reports, Emergency Management Agency November-December 2006 report, and the Public Defender October 2006 and November 2006 reports; seconded by Carter. **Motion carried.**

COURT SERVICES

FY2007 Probation Services Annual Plan

The annual plan was at the meeting and will be kept on file in Administrative Services for review by any County Board member.

Request for Waiver of Hiring Freeze for Two Positions at the Juvenile Detention Center

Provided for information only.

HEAD START

Monthly Report

MOTION by Hunt to receive and place on file the Head Start November report; seconded by Gladney. **Motion carried.**

JUVENILE DELINQUENCY GRANTS

Status Report from Peter Tracy & Marilyn Garmon-Starks

The report was distributed by Peter Tracy. Tracy stated the notice of availability of funding was published in the newspaper on December 10, 2006. The applications are due on February 15, 2007. Decisions will be made by May 1, 2007. All the agencies currently receiving grants submitted their quarterly reports on time. Hogue asked if the project monitor was still in place. Tracy said Marilyn Garmon-Starks continues to provide monitoring services and commended her fine work.

MOTION by Hogue to receive and place on file the Juvenile Delinquency Grants status report; seconded by Putman. **Motion carried.**

MENTAL HEALTH BOARD

FY2006 Mental Health Center Audit Report

Anderson said the Mental Health Center sent this item to the Justice & Social Services Committee by mistake. It will be forwarded to the Mental Health Board.

Putman asked Anderson to give her Chair's Report at this point in the meeting for the benefit of Brian Dolinar because Anderson had information on the taser issue. Anderson said she has had requests from Putman to have the Sheriff give a talk on taser use at the Jail. This was also discussed at a recent Democratic Caucus. Anderson informed the committee that the Sheriff would be providing an update on the issue at the February meeting.

NURSING HOME
Monthly Report

MOTION by Tapley to receive and place on file the Nursing Home November & December 2006 report; seconded by Hunt.

Anderson inquired after the Assistant Administrator and Marketing Director positions. Buffenbarger said a Marketing Director has been hired, but not an Assistant Administrator. Anderson asked about a move-in date for the new facility. Buffenbarger said the Nursing Home staff and residents will be ready to move in the first part of February. The main hallways of the new facility need to be cleaned and waxed first. Several hurdles remain with public health certificates. Anderson asked if there were volunteer opportunities to help with the move. Buffenbarger explained there would definitely be opportunities for volunteers to help move residents.

Motion carried.

Presentation by Management Performance Associates on Operational Audit Findings

Mike Scavatto from Management Performance Associates (MPA) addressed the committee on the Nursing Home operational audit preliminary findings. Scavatto thanked the committee for a chance to work with the County and said a complete report would be forthcoming. MPA began the audit in late November with a shipment of documents from the Nursing Home and the Medicaid costs reports on file with the state. MPA reviewed the Nursing Home's contracts, finances, statistics, policies, and procedures, as well as interviewing Nursing Home department managers and County Board members. The County Board members who were interviewed expressed a great deal of concern over the financial performance of the Nursing Home. Scavatto stated it is unfortunate the Nursing Home is losing the kind of money it is, but there is hope out there. MPA can preliminarily suggest improvements worth over \$900,000. Scavatto suggested rejuvenating the Medicare program and making it a priority. Concerning Medicare Part A, he recommended increasing the average daily reimbursement. The benchmark used to evaluate Medicare performance is the facility's average daily reimbursement. In 2001 the Nursing Home's average daily reimbursement was \$238. By 2005 the average daily reimbursement was up to \$308. Scavatto said this increase is pretty bad and a target reimbursement of \$380 is very achievable. This figure is based on MPA's experience with other county nursing homes. Scavatto explained the Medicare program functions on a fixed payment methodology. The Nursing Home has two major providers: therapy and pharmacy. Therapy and pharmacy should also be on fixed payments, otherwise these services have an incentive to keep billing and the Nursing Home could end up paying much more for these services than it needs to. This is structurally a problem with the pharmacy. It is structurally an issue with the therapy provider, but Scavatto said it did not appear the therapy provider is abusing the privilege. The pricing in the rehab operation is based on \$1.05 per minute. This amount is a benchmark in the trade. This is 9.5%-14% too high, so the Nursing Home is overpaying for the services. Scavatto bases this on MPA's research on the rehab market. Therapy is huge in the nursing home industry, therefore, a facility cannot afford to have non-aggressive therapy program. The Nursing Home needs to have a therapy provider who will correctly code with Medicare to increase the daily Medicare reimbursement. Scavatto reported the average daily pharmacy cost in 2001 was \$26, which has increased to \$33 by 2006. The daily average for the pharmacy should be between \$25 and \$28. MPA has negotiated per diem deals in rehab and pharmacy areas for other facilities with excellent results.

Scavatto made further comments regarding Medicare Part B, the outpatient side of Medicare. The Nursing Home had over \$261,000 in Medicare Part B revenue in 2001. The Medicare Part B revenue decreased to \$96,000 in 2006. Scavatto thinks the Nursing Home could achieve \$30,000 a month in revenue for all Medicare Part B services. Scavatto projected that by increasing the per diem using the current business, re-pricing the current therapy provider restructuring the pharmacy to a per diem deal, and getting Medicare Part B to achieve \$30,000, the Nursing Home would see large positive revenue changes. Scavatto spoke about the managed Medicare contracts (Medicare HMO) at the Nursing Home and how these should be watched with a

management dashboard. A management dashboard allows for the important numbers to be reviewed each month at the Board level. Scavatto said the Nursing Home should immediately raise what it charges Medicare. If you are pricing yourself under the market, you will get paid less.

MPA saw high food costs, but the Nursing Home staff already noticed this and is on top of it. The food costs are high top of regarding food costs. The Nursing Home was using a lot of pre-packaged foods, but raw food costs will go down with the setup in the new facility. MPA looked at the Nursing Home's history of price increases and suggested applying more discipline to pricing. For instance, expenses increased by 4.2 % in 2003, by 6.9% in 2004, and by 6.5% in 2005. During these years the biggest rate increase at the Nursing Home was 5.3%. The Nursing Home is an environment with a high Medicaid population, which reimburses below cost, so pricing discipline is necessary to pick up something from private pay residents every year. Scavatto recommended a 3% increase as a start. It is a good time to discuss rate increases because the operation is going to move into a brand new facility. The County arguably has the best facility in town. Scavatto spoke about dementia care. It costs more to provide good dementia care because dementia residents require more staff and special food. The Nursing Home's current price differential is not enough to cover the cost difference with its dementia patients.

Scavatto recommended the County consider investing in a systems application to manage the Illinois Case Mix Reimbursement System. The Illinois Case Mix Reimbursement System is a quarterly method for assigning a per diem reimbursement to Medicaid. The Nursing Home has to submit information under this system and it is not ready for it. The system is designed to frustrate manual input and is designed to be dealt with on a systems application. With the number of Medicaid residents at the Nursing Home, the County cannot afford to be reimbursed at a low level. Scavatto recommended an application called Care Watch, which has proven successful at other Illinois counties. There are other applications the County could consider. A systems application could translate to more reimbursement from Medicaid.

MPA realized the Nursing Home has serious labor/management relation issues to undertake. MPA will suggest in its final report that the County invest in training the supervisors to deal with the situation in a better fashion. The supervisors are clearly frustrated and for good reason. The labor culture that current exists at the Nursing Home is one where lackadaisical attendance has been tolerated. Management has been reluctant to deal with this and it has hurt workplace productivity. As an example, Scavatto said the natural tendency is not to discipline an employee for poor attendance when nurses are scarce because management is afraid of losing the nurses they have. This can become a vicious cycle, to the point where management is awarding negative behavior. This affects anyone in the bargaining unit and is not fair to anyone in the organization. MPA also gave consideration to the move to the new facility and has given Buffenbarger copies of moving plans from other counties to assist the Nursing Home in developing a moving plan. Scavatto stated the residents could be moved in one day with proper planning.

Scavatto concluded with comments about the long-term market. Everywhere MPA has worked, they have been confronted with the fact that nursing home occupancy is falling in the private pay segment, which is necessary for a home to survive. Private pay and Medicare contributions are crucial for an operation to continue to accept Medicaid residents. The market is shifting towards assisted living. People who can afford to pay the private pay rates in a nursing home are exiting to assisted living facilities. Home care and long-term care insurance are major factors in the industry. Scavatto does not expect occupancy rates to remain the same as they have in the past. The challenge for Champaign County is to reposition its Nursing Home to adapt to a changing market place. Scavatto advised finding niche markets, such as dementia care, incontinence care, wound care, and complex medical care. Regarding decisions about a nursing home, some counties have switched from having the County Board as the governance board for the county nursing home to a smaller operating board. Each county's style is different and the governance board should reflect this. An operating board can consist of non-County Board members, while being completely controlled by the County Board. This can insulate a County Board from run-around in the decision-making process that results in deficits. Scavatto encouraged the

County Board to give the Nursing Home management the flexibility to make changes to the operation quickly to be competitive. Scavatto offered to answer questions on his preliminary remarks.

Tapley stated he was very impressed with MPA and the scope of the information they will present in their final report. He felt the County Board would get its money's worth. He asked how long it could take to achieve results with MPA's recommendations. Scavatto said results can be achieved in a year. It will take a few months to get the changes in place. The dashboard technique is useful for measuring progress to see if the changes are on the right track within six months. MPA's experience with turnarounds has typically been from 1-2 years. Two years is more common with complex issues such as the Medicare reimbursement.

Putman asked about niche marketing. She thought Champaign County was making the most of the dementia market through its Alzheimer's and Related Diseases Unit. Scavatto said the number of dementia beds will increase in the new facility. Buffenbarger stated the number of beds will increase from 16 beds to 62 beds in the new facility. Scavatto said trends indicate the Nursing Home's occupancy is likely to decrease, especially the private pay population. Niche marketing will help the Nursing Home to attract residents to fill the facility. Scavatto answered Putman's questions about pharmacy and therapy per diems. He explained the importance of proper coding and the necessity of coding at the highest level possible to be effective.

Wysocki asked Buffenbarger if the therapy services are contracted out. Buffenbarger confirmed the therapy services are contracted outside of the Nursing Home. Scavatto said the outside contractor was for Medicare, the Nursing Home has some in-house restorative aides for Medicaid and private pay. Wysocki asked why is there a difference from what it is possible for the Nursing Home to receive under Medicare for therapy services and what they have been getting. Buffenbarger said the performance of therapy companies varies tremendously. He has been careful to keep the therapy company in the loop with how they are performing against the Nursing Home's standards. MPA's report will not come as a surprise to the therapy company. Scavatto related that Peoria County is having the same type of problem with a different therapy company. If the company does not work to make the most use of available revenue, then a nursing home might need to consider another company.

Wysocki asked about alternative governance structure. An alternative to the committee and County Board structure would be an operating board that would invite healthcare professionals to make healthcare decisions. Scavatto said this was a possibility. Wysocki has been thinking that in some respects the Nursing Home is one of the best kept secrets in Champaign County in that it is not integrated into the community as much as it could be, such as using grants, the expertise of university people in the nursing home field, and public relations. An operating board with healthcare professionals and members of the public could help achieve goals to give the Nursing Home an added boost to its name and reputation. Scavatto said he thinks a change in governance is an option, but he is not recommending it now. He recommended improving things at the Nursing Home and then determining if the governance structure might need changes.

Carter asked when the report would be complete. Scavatto answered the first draft would go to Buffenbarger on January 20th. Langenheim asked what is causing the decrease in the market. Scavatto said it is a combination of assisted living, home care, and long-term care insurance. In general, seniors today have more choices for their care than ever before.

Tapley asked if MPA looked at any possible uses for the space formerly reserved for child day care. Scavatto said it was not part of the scope of the study, but MPA has had some conversations about the space and will give comments to the Board about it. Tapley asked where the target \$380 daily reimbursement rate was in the spectrum. Scavatto said it was probably midrange. Champaign County will not match the Chicago market. DeKalb County is at \$398-\$402. Monroe County, which is much smaller than Champaign County, is around \$375. Scavatto felt \$380 is an attainable target. Tapley asked about the governance issue, especially regarding the more difficult decisions related to the Nursing Home. Scavatto said other County Boards have had a difficult time making a decision and sticking to it. The ability to move quickly is a big factor in turning around

a nursing home. Tapley said he thought Buffenbarger was a fantastic manager and can make the appropriate decisions if left alone to do so. Scavatto noted that it a style point and needs to be discussed because it is a very individualistic thing.

Hogue asked who deals with labor issues, such as attendance. Scavatto said management handles those issues. Buffenbarger has been trying to deal with these issues that were not dealt with previously. Tapley noted some of those labor issues are related to the current contract.

Wysocki encouraged the committee and the County Board to be willing to sort through the governance issue for the Nursing Home in the future. Part of that discussion should involve the Nursing Home Administrator and his ability to be nimble on issues without first obtaining consensus from twenty-seven Board members. Scavatto said solid management and governance cannot be separated. He thinks the County is headed in the right direction with Buffenbarger as the Administrator. The committee discussed the governance issue.

SHERIFF

Corrections Division Changes

This item was provided for information only.

CHAIR'S REPORT

Anderson reminded the committee that the Martin Luther King, Jr. Celebration would be held on Friday, January 12th at 4:00 p.m. at the Holiday Inn. She encouraged Board members to attend.

OTHER BUSINESS

Putman said she brought copies of a recent article in the *News-Gazette* and asked it be included in the documents left by Brian Dolinar. Anderson noted the discussion next month about tasers will only be a general discussion because of ongoing legal issues.

DESIGNATION OF ITEMS TO BE PLACED ON COUNTY BOARD CONSENT AGENDA

No items were designated for the consent agenda.

ADJOURNMENT

Meeting adjourned at 8:25 p.m.

Respectfully submitted,

Kat Bork
Recording Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.