

CHAMPAIGN COUNTY, ILLINOIS
STUDY SESSION MINUTES

NURSING HOME BOARD OF DIRECTORS

Tuesday, May 20, 2008

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

7:00 p.m.

DIRECTORS PRESENT: Jan Anderson, Peter Czajkowski, Jason Hirsbrunner, Mark Holley, Alan Nudo, Mary Ellen O'Shaughenssey

DIRECTORS ABSENT: Charles Lansford

OTHERS PRESENT: Kat Bork (Administrative Secretary), Andrew Buffenbarger (Nursing Home Administrator), Deb Busey (County Administrator of Finance & HR Management), Lloyd Carter (County Board member), Lorraine Cowart (County Board member), Mathew Gladney (County Board member), Claudia Gross (County Board member), Stan James (County Board member), Brad Jones (County Board member), Brendan McGinty (County Board member), Carrie Melin (County Board member), Jenny Putman (County Board Member), Michael Richards (County Board member), C. Pius Weibel (County Board Chair), Barbara Wysocki (County Board member), Brian Chailee, Tara McCauley

CALL TO ORDER

In the absence of Chair Lansford, Vice-Chair O'Shaughenssey called the meeting to order at 7:06 p.m. Lansford had previously informed O'Shaughenssey he would be unable to attend the meeting because he was traveling.

ROLL CALL

Bork called the roll. Anderson, Hirsbrunner, Nudo, and O'Shaughenssey were present at the time of roll call.

O'Shaughenssey thanked the County Board members, public, and any Nursing Home staff for attending the study session. She read a short statement expressing gratitude to Buffenbarger and CCNH staff and expressing the Directors' awareness of the huge challenges facing CCNH.

APPROVAL OF AGENDA/ADDENDUM

MOTION by Anderson to approve the agenda; seconded by Hirsbrunner. **Motion carried.**

CHAMPAIGN COUNTY NURSING HOME AUDIT - 2007

Buffenbarger distributed documents on the operational audit. He explained that in 2007 the County Board hired the firm Management Performance Associates to conduct an operational audit of the Champaign County Nursing Home (CCNH). The audit's findings were rather beneficial. Buffenbarger went through the summary of MPA's recommendations based on the 2007 audit and stated which recommendations had been

completed. On the revenue side, he explained CCNH has stopped recognizing co-payment income as private pay income and started assigned co-payments to the proper revenue source, rejuvenated the Medicare A and B programs with higher performance thresholds, and usually matched the private pay rates to the cost of care. CCNH has not employed the recommended enterprise management software to track the resident case-mix so the facility can internally monitor whether its Medicaid rate is accurate. This has been a sticking point for CCNH recently and is particularly important now. The software RFP is in progress and Buffenbarger said they would have a presentation from all of the vendors that provide this type of software in June. On expense side, CCNH has completed renegotiating its therapy and pharmacy contracts, reduced the food costs somewhat but without reaching its goal, and matched staffing levels with acuity and size of resident population. Buffenbarger said staffing levels are measured every day and the nursing levels are measured every shift in regard to resident population. The residents are assessed to determine the level of care needed, then CNA and nursing staff levels are assigned. MPA recommended CCNH adopt a dashboard style monitoring for financial performance indicators. Buffenbarger said CCNH uses an enormous quality assurance program that monitors too many things to get a snapshot of how CCNH is doing, so he switched to the recommended dashboard style that allow Nursing Home management staff to look at a few key items each month to see how they are doing. He said CCNH is in progress with developing a market strategy that targets dementia care and rehab. The marketing plan is not developed, though CCNH has moved forward with every opportunity in rehab and dementia care, which have grown dramatically. O'Shaughenssey asked what Buffenbarger meant by the areas have grown dramatically. Buffenbarger said the rehab business has approximately doubled and the dementia care went from sixteen beds in the old facility, which were full, to 61 beds in the new facility, which are full. MPA noted in the 2007 audit that labor relations at CCNH were poor as a result of a lack of management depth, particularly in the Nursing Department. Buffenbarger knows that recruiting and retaining high quality nursing staff and nursing supervisory staff is very difficult. He noted this portion is incomplete as they have failed to hire enough shift supervisors and unit managers. CCNH has not retained private legal counsel for collective bargaining negotiations as recommended because the State's Attorney's Office provides the labor counsel.

O'Shaughenssey expressed concern about the lack of a marketing plan to recruit more residents. O'Shaughenssey admitted she did not understand the nursing home business, but having no marketing plan is troublesome. She asked if someone was calling every day and going out to the community and hospitals to recruit residents. She was concerned the amount of negative articles in the newspaper about CCNH when this facility is one of the most fabulous nursing homes around. She was passionate getting the news out there about what a great facility and staff CCNH has. A friend of O'Shaughenssey's has volunteered her graphic design skills at no cost. They will meet with Buffenbarger on Thursday to put together some ideas. O'Shaughenssey asked if anyone had ideas.

Hirsbrunner stated the 2008 MPA audit mentioned the relationship with Carle Arbors and how this truly needs to be utilized. He noted the Admissions/Marketing Director was one of the layoffs and this person's main job was doing admissions. Buffenbarger had indicated admissions would be transferred to the Social Services Department and that he and Traci Heiden would handle the marketing. Hirsbrunner thought the marketing would be quite an undertaking for Buffenbarger and Heiden in addition to their other responsibilities. Hirsbrunner stated, in a facility the size of CCNH with the amount of beds they are trying to fill with recommended patients, those patients will not come beating on CCNH's door because there are plenty of other options out there. It is a full-time job to go to the hospitals and develop relationships. Hirsbrunner realizes that Buffenbarger knows this, but the recommendation was made in 2007 yet the Admissions/Marketing Director did admissions and was not out pounding the pavement like she really should have been. Hirsbrunner said it was worrisome that Buffenbarger would now be taking on this responsibility in addition to his other responsibilities. He thought Buffenbarger and Heiden really needed to develop a marketing plan quickly. O'Shaughenssey stated, without meaning any disrespect to the marketing person, that marketing 2008 is very different than marketing 2005 or 2000. CCNH needs someone that is out

at the Rotary, the Urbana Farmers Market, and other group activities to get the word out on CCNH's stellar qualities. She felt Buffenbarger already has enough to do and, though the Directors are willing to help, there needs to be consistency is the message. Andrew has enough to do. Hirsbrunner concurred that the demographics of the residents who CCNH hopes to attract as private pay residents are those who often have their minds made up on where they want to go prior to the serious hospital stays that necessitate a nursing home. He said the key is to plant the seed earlier in the Rotary and community events where this demographic socializes, other than just the hospitals. Anderson pronounced those ideas sound great and asked how to spread this so far. O'Shaughenssey felt they could not wait on this when one of the recommendations is to get more private pay residents in CCNH with positive marketing. O'Shaughenssey questioned if the marketing person should brought back and if that was even the right person for the job. She stated that she did not know what the correct approach was to take, but she was concerned the recommendation was dated January 2007 and there is still no marketing plan. She understood that Buffenbarger has a great deal to do, but she would like to see if a solution could be reached relatively soon to the marketing issues. Buffenbarger offered to bring back a marketing plan that details what it is the CCNH management team is going to do. He stated CCNH has an entire management team that can participate in some of this. O'Shaughenssey asked who comprised the management team. Buffenbarger answered it is the Assistant Administrator, Director of Nursing, Assistant Director of Nursing, Comptroller, Human Resources Director, Environmental Services Director, Social Services Director, and the Dietary Director. Hirsbrunner advised being careful with spreading the responsibility around so everyone is pounding the pavement with the same message at all times. He did not feel it could be done effectively between Buffenbarger and Heiden because they already have so much to worry about and deal with. Hirsbrunner added if someone is moved into the marketing position then it could not be admissions. Admissions is paperwork that most people can be trained to do and it takes a special person to market correctly. He worried there would be a disservice done in one way or another because there are not enough hours in the day for Buffenbarger to add the marketing on top of his other responsibilities. Buffenbarger pointed out the success of enlarging the Alzheimer's unit. He did not know if CCNH had to get as aggressive about marketing as one would in the private sector because there are a lot of good feelings out there about CCNH. He agreed CCNH needs a marketing strategy that is concise. He offered to bring a marketing plan to the Board of Directors. O'Shaughenssey said it would be nice to know what areas CCNH needs to grow for the print materials. Buffenbarger said they absolutely could have that information. Hirsbrunner agreed the increase in the Alzheimer's Unit is great. MPA recognized Alzheimer's care is underserved in this area and CCNH should look into doing more and also focus on rehab.

O'Shaughenssey suggested working on a relationship with the university with its researchers and maybe getting some money and people together for a win-win situation. Nudo said he places marketing in the number one category of something that can be done immediately. He spoke about the key nuances of going after private pay residents in the right frame of mind and marketing. There is a need for dementia care in the community, which was seen when the new beds were filled at CCNH. There are other ways to make potential private pay residents aware of CCNH's services. He suggested going to insurance companies providing long-term care insurance to get lists of people who are in the position to pay for their nursing home stays. Such a marketing plan requires a lot of experience to fill the certain niches in this industry. It will require a person onsite with this ability and possibly some outside expertise to help. Nudo emphasized CCNH needs a marketing approach to fit the private pay niches. Hirsbrunner thought that has started with the transition of beds and rooms to more suites. He said a person who could afford a private room would not want to be stuck with a roommate and a suite or private room appeals to baby boomers.

O'Shaughenssey has some concerns about labor management relations, especially as the report states there has been a historical reluctance to discipline employees. She is a firm believer that people need to know the rules and their roles. If employees do not do what they are supposed to there needs to be consequences. The report also said the union protects repeat offenders usually to the detriment of CCNH.

Poor supervision in nursing is listed as a major problem. O'Shaughenssey asked Buffenbarger to speak to this. Buffenbarger stated labor relations are key part of what CCNH does. At time of report, CCNH was working its way through some pretty dicey labor relations things. There is still work to do today, but Buffenbarger offered that labor relations are considerably better today. They continue to have trouble finding and retaining nursing supervisory staff, charge nurses to work on the floor, nursing supervisors to work each shift round the clock seven days a week, and nurses willing to work on a twenty-four hour call basis. When there are fewer supervisory staff, it is that much more difficult to have positive labor relations. O'Shaughenssey asked what led to the improvement in labor relations. Buffenbarger stated in the last round of bargaining everybody openly agreed that some changes needed to be made about CCNH's internal processes. Everyone agreed the former attendance policy incentivized employees to call off of work. The attendance policy was changed with the agreement of all parties. Buffenbarger said the employee absenteeism is much more than what it should be, but it is less than what it was. O'Shaughenssey asked what would happen to an employee who did not come to work today. Buffenbarger said he would have to ask a number of questions. An employee who does not show up to work a scheduled shift and does not call into work twice can be fired. Anderson asked how many sick days an employee gets in a year. Buffenbarger explained the absences go in six-month blocks. He said in a six-month period employees can call in to miss work for up to two days on two separate occasions without consequence. Employees must call in at least ninety minutes before the start of a shift. On the third occasion, employees have to bring in a doctor's note or they will receive points. The points match up with a discipline system. After six months has lapsed, the points start over again. Nudo asked if absenteeism was still not what it should be. Buffenbarger said it is a negotiation process and explained it is still not what it should be. Nudo asked what percentage of agency nursing use is caused by employee absenteeism versus not having hired enough nurses. Buffenbarger said it is tough to answer. More of the agency nurses are prescheduled than called on an emergent basis. There is daily use of agency nurses as a result of employee absenteeism, maybe 20%. Nudo said it would be interesting to get the exact number because the County Board and Nursing Home Board of Directors are hearing that they need to get rid of the agency nursing situation, but the having a higher than normal employee absentee rate that causes the use of agency nurses does not lend to any arguments from anybody that agency nurses are killing CCNH because the absenteeism is exacerbating the problem. He wants to make sure CCNH has a consistent disciplinary program that ensures the reduction of agency nurses. Buffenbarger said it is a matter of collective bargaining. Nudo said neither side, union nor management, can claim agency use as problem if employee absenteeism is creating part of the problem. O'Shaughenssey said a lack of consistent discipline wears on employee morale because most Nursing Home employees are hard working and dedicated. The union and Nursing Home should not tolerate such behavior.

Czajkowski and Holley entered the meeting at 7:36 p.m. They explained they had been waiting outside the wrong door.

CHAMPAIGN COUNTY NURSING HOME AUDIT – 2008 PRELIMINARY FINDINGS

Buffenbarger drew the Directors' attention to Page 4, which contained the preliminary recommendations. He explained the gist of the recommendations are that CCNH move towards filling vacant beds with private pay residents, the idea being to go to a 220 resident census with a change in payer mix by selecting residents based on payer source. The idea would be to develop an acceptable level of Medicaid care and once that limit is reached, CCNH would only admit residents coming in under private pay. MPA also pointed out that some parts of the collective bargaining agreement will hamper CCNH's efforts and the attendance policy is given as an example. MPA also offered to send in a group purchasing organization to help determine whether CCNH has the best commodities costs that can be achieved and recommended CCNH improve its marketing efforts. The first three pages of the preliminary findings are the financial pro forma assumptions, which is the effect MPA expects such changes would have. The forecast income statement predicts CCNH will have a net loss of \$1.7 million including depreciation in FY2008. The

forecast income statement predicts CCNH will have a net loss of \$191,000 including depreciation in FY2009 if the full plan is in place on December 1, 2008. Buffenbarger stated is not realistic to assume the full plan will be in place by December 1, 2008. This is not reflective of making changes to the collective bargaining agreements because there is no way to guess what impact that would have.

Hirsbrunner asked if the staffing reduction taken into account. Buffenbarger said the pro forma does take the layoffs into account. MPA used the staff to resident ratio to grow the model up to 220 residents. Nudo asked if the model MPA uses was getting away from single rooms. Buffenbarger said it was. Nudo asked if they would still have the ability to have private pay single rooms at a higher rate. Buffenbarger said CCNH could, but it is not a part of MPA's assumptions. MPA suggested CCNH should double up all of the rooms, have private pay residents fill the half rooms that are currently empty, and then once they achieve a census of 220 residents, they could determine some acceptable Medicaid percentage. Buffenbarger said the goal is 50% Medicaid, which is higher than what other nursing homes in the area offer while recognizing that the County Nursing Home cannot continue to operate forever as a charity. Nudo stated it is no different than a hospital that has a number of private pay patients that allows people in the emergency room receive services they cannot pay for. The mix has to change to allow CCNH to take of people who are unable to pay for their care by attracting private pay residents. Anderson asked how the census fits into people wanting private rooms and attracting private pay residents. O'Shaughenssey said there seems to be a contradiction that private rooms are what people want and are willing to pay for, but the recommendation is to put two residents in a room. Buffenbarger offered that given the size of CCNH's waiting list, CCNH would switch back to private rooms only when they had a harder time bring in residents. O'Shaughenssey inquired why CCNH has a waiting list if rooms are available. Buffenbarger stated the reason was there is loss on the second person in room. The more residents CCNH has the greater the loss. Until CCNH's expenses can be brought into line with its revenue, more residents mean greater loss. Czajkowski said that loss assumes the second person in the room is Medicaid, not private pay. Buffenbarger said that was right. Nudo talked to MPA about a fixed cost attributed to each room whether it has one or two people in it. If two people share a room then they share the fixed cost. Hirsbrunner expressed it is a fine balance between private rooms and semi-private rooms. There is a minimum staffing that a nursing home has to keep regardless if a room has one or two residents. In facilities Hirsbrunner has run some residents are brought in with the understanding they are in semi-private rooms until private rooms become available. Hirsbrunner understands what MPA is saying about increasing the census, but it is a tightrope that has to be walked. The rooms must be capable of being switched from private to semi-private rooms in a week. O'Shaughenssey asked how a facility maintains this balance. Hirsbrunner said CCNH needs to attract private payers with things they want, such as private rooms, because right now the private payers are not beating down the doors to get into CCNH. Once a resident has exhausted all their funds, then they will have to go into a semi-private room. It depends who is on the waiting list expressing interest to come into CCNH. Hirsbrunner indicated CCNH has to offer what other homes in area are not offering to attract the residents they want. A private room in a skilled nursing facility is a pretty hot commodity.

Buffenbarger said CCNH's fixed costs are quite low because they do not pay taxes, a mortgage, or any depreciation. He only assigned a \$20 per patient per day fixed cost level to each of the second residents in a room. CCNH was still losing money when this was taken away so Buffenbarger's idea was to lessen the loss by lessening the volume. Nudo said fixed costs should include things like heat, light, utilities, and benefits. The fixed cost rate could not be arbitrarily set low when it is not low. Nudo felt the fixed cost amount was set too low because, even without paying taxes or a mortgage, there are building operations and maintenance that must be factored into fixed costs. Buffenbarger said the MPA representative would be here on Thursday to provide the details.

O'Shaughenssey asked if the marketing recommendation of contacting each individual family on the long-term care and memory care waiting lists was being done. She asked if Buffenbarger knew who was on

the waiting list and whether they would be private pay clients. Buffenbarger said to date CCNH has not been selecting residents or placing them on the waiting list based on payer source. He said they do not routinely contact people on the waiting list, which is something they will have to correct. O'Shaughenssey inquired why CCNH has a waiting list if they do not keep in contact with the people on the list. She remarked that some of those on the waiting list could potentially be private pay residents that have now taken their business elsewhere. She also worried about people languishing on the waiting list. She asked who should be calling these people and watching the waiting list. Buffenbarger said right now the Admissions/Marketing Director has the waiting list and it is one of the things they would be divvying up when they finish off the layoffs. O'Shaughenssey did not think it was good for CCNH's public relations to have people on a waiting list that are never contacted. She understands this is difficult. Hirsbrunner added that people tend to wait until the last moment to go to a nursing home so it is likely most of the waiting list has found somewhere else to go because they needed the care. CCNH needs to catch private payers at the first opportunity. He recommended selecting residents by payer source so CCNH does not lose out on private pay residents who will find other facility. Buffenbarger said CCNH has been in a state of contraction for the last year and a half. Instead of growing its census, CCNH has been contracting its census. Buffenbarger admitted there were seventy names of the waiting list, but this does not represent people who would be available to move into CCNH. Anderson asked if some people on the waiting list were checking back in with CCNH. Buffenbarger said the Admissions Coordinator fields a lot of calls from people on the waiting list. Nudo said CCNH could start changing its payer mix immediately by selecting new residents by payer source. Buffenbarger said they could. O'Shaughenssey asked if this could start tomorrow. Buffenbarger suggested the Board of Directors recommend to the County Board to implement selecting residents by payer status in the admissions process. O'Shaughenssey asked for a motion. Buffenbarger said no votes could be taken at a study session. O'Shaughenssey asked someone to make note of it for the next meeting. O'Shaughenssey thanked Buffenbarger for all the guidance he is giving her.

Czajkowski looked at the numbers and did not think CCNH could downsize itself into a better budget position because of the fixed cost levels. CCNH needs to look at growing its census rather than contracting it. Buffenbarger said part of this rests on the notion that CCNH has a nurse vacancy rate that means CCNH will be using more contract nurses with a higher census. O'Shaughenssey asked if CCNH offers flexible shifts for nurses. Buffenbarger said they do. Holley asked what the plan is for nurse recruitment. Buffenbarger explained CCNH conducts routine advertising within the *News-Gazette* and attends job fairs. CCNH offers a \$2,500 sign-on bonus, a \$2,500 bonus to any employee that refers a nurse to CCNH, flexible shifts, excellent pay, and the most incredible benefits package anyone has ever seen. Primarily the recruitment is done via the newspaper, radio, and job fairs. Holley said one element to get new graduates in is having some exposure to the facility for nursing students from the University of Illinois, Danville, Parkland, Lakeview and possible Illinois Wesleyan and Illinois State. The students could get clinical experience at the County Nursing Home and it would make the students familiar with CCNH as an employer and the elderly as a population. There are studies that show people who have good clinical experiences at a facility choose to work in the facility after graduation. Holley could make arrangements for Parkland College. Buffenbarger said that would be wonderful. Holley has spoken to two instructors and if they can get permission, at least two different classes could have rotation at CCNH. Holley thought a nursing home is an area where a lot of students are initially wary of, but once the students are exposed to a population they consider working more with the population. He was going to propose the Parkland students hook up with resident in their first semester and are required to visit that resident at least once a month. This would provide the experience of getting to know the elderly population and getting people interested and excited about it. Parkland faculty are also willing to participate in putting together any in-services for staff at CCNH. Holley stated CCNH is an absolutely beautiful facility and in-services for nurses in the community that take place at CCNH in another way to get people into the facility. Nurses will be required by the State of Illinois to have continuing education starting this year. Holley said Parkland could handle the paperwork so CCNH staff does not have to. Buffenbarger thought those ideas were wonderful.

O'Shaughenssey said the Directors have different skills and individual areas of expertise that they can bring. She suggested each Director focus on an area for more overall benefit. She trusts Holley to help with the nursing issue, the financial people talk about whether or not to fill the beds, and she can help with the marketing. CCNH contains many different areas and the Directors can trust each other to help with what they can help with. She expressed frustration because this boat has been going down for a while and she admitted that she did not know what has been going on. She thought Buffenbarger has been rowing as fast as he can. The taxpayers, employees, and residents need to know the Directors are doing something because they do not have a lot of time. There is no simple solution, but it is a time that goals need to be identified and achieve.

Nudo asked if CCNH could solicit the agency nurses. Buffenbarger said they have contractual agreement to not solicit the agency nurses. Buffenbarger can buy out a nurse's contract. Nudo understands the agency nurses like the flexibility of agency work, but they have to travel so this cuts into their pay. If CCNH is offering flexible schedules with a good package, it may be cheaper to pay the fine and hire the nurse. Nudo spoke with Dawn Kingston at Carle who strikes the no soliciting clause from the contract. Nudo advised offering a package to the good agency nurses as permanent hires. Nudo also spoke to Kingston about hiring nurses from the Philippines, which Carle does extensively. It costs about \$15,000 to get a Filipino nurse here, but that is a little more a year's time of an agency nurse on staff. The Filipino nurses are obligated to work for three years. Holley recommended pursuing the Filipino nurse avenue ASAP if anyone is interested because there is a proposed law in the Philippines that requires all nurses to work for three years before they are eligible to leave. Anderson knows a nurse who works with getting Filipino nurses to the United States and offered to contact her to present more information to the Directors. Nudo said Carle has a 90% success ratio with this program. He said Carle has a connection with an attorney and Kingston is willing to work with the County on this. O'Shaughenssey said the internal labor relations are a factor to keep the people they recruit. CCNH has to become the employer of choice for nurses with staff knowing the rules and their roles within the organization. O'Shaughenssey was interested in knowing what has kept the nurses who have stayed here and build on those strengths.

Nudo stated he was not sure that Buffenbarger needs County Board approval for these actions, such as working on the waiting list and an immediate action nursing plan to go after agency nurses, Filipino nurses, and working with Parkland for onsite programs. Nudo felt it was in Buffenbarger's domain as CCNH Administrator to do these things. Anderson concurred that Buffenbarger did not need County Board approval to do these things. Holley asked for the ratio of RNs versus LPNs. Buffenbarger said it is half and half by design, but in reality they have one RN to four LPNs. O'Shaughenssey said the 86% turnover rate with CNAs seems high and she would like to discuss this at another meeting. Buff the rate is annualized. O'Shaughenssey understood the turnover would be high, but she wanted to know why it is so high. She wanted to hear from the union about this issue because to hire employees only to have them leave costs CCNH time and money. Hirsbrunner said that is a really long discussion and the turnover rate will be high, but 86% does seem rather high.

Nudo said there are accounting difficulties at CCNH. He stated some red flag wavers and number crunchers are needed who can give Buffenbarger some dashboard numbers because it is critical that Buffenbarger and the County Board receive accurate numbers. Nudo knows some audits have been done, he was talking about a person or management company to come in and take this function over so there are accurate numbers that Buffenbarger can react to. Buffenbarger agreed the software problem has been longstanding. CCNH has been using a software system that is basically defunct. He said they would be headed in the right direction once the new software is purchased in the next four to six weeks. Some additional oversight would be helpful and Buffenbarger has talked about his in the past with having an external management team. He said it is very dangerous for a standalone nursing home to not to have those

kinds of resources available. Buffenbarger spoke with the County Board recently about how stability is gained through a different organizational structure where there is a separate oversight group. They recommended the Board of Directors discuss whether that is something worth pursuing. Nudo asked if the Directors would make a recommendation on that to Buffenbarger. Buffenbarger said CCNH Board of Directors would make such recommendation directly to the County Board. The quarterly report coming up in July may be an opportunity to forward recommendations to the County Board.

PUBLIC PARTICIPATION

Brian Chailee said his mother-in-law, Lois, has Alzheimer's and is a private pay resident at CCNH. Lois lived with the Chailees for ten years before moving to CCNH. He stated she will run out of private pay in year and a half. The Chailees came to the Champaign County Nursing Home by word of mouth of County's good reputation from Alzheimer's support groups. He felt the best information as an adult child of a parent in need of a nursing home is the word of those who have been in this position. Chailee has found CCNH to be a community of staff, residents, and family members, as well as a business, working together to provide care for the residents. He visits CCNH two to three times a week and mentioned staff turnover as an essential issue because residents' families must have regular contact with staff they know and trust to provide care for their family members. A high employee turnover rate makes this hard. In talking to nurses and CNAs, Chailee has heard absenteeism is their number one complaint. He suggested letting CCNH staff self discipline. He supported the ideas said at this meeting about recruiting nurses for the long haul. Chailee advised that when you have people investing themselves in the nursing home community then you will have a product that will sell. CCNH had a wonderful reputation in a previous miserable facility and now it has a new facility. Speaking about the private room issue, Chailee said his family did not want a private room for his mother-in-law because a roommate would help look out for her. A high functioning roommate paired with a lower functioning roommate is a great benefit to the latter.

Tara McCauley, representing the union members at Nursing Home said the union employees are hard workers. She disagreed with Nudo that CCNH should be run like a business. She said the problem is that the nursing home industry as a whole has too little staffing that is spread thin. CCNH's reputation for quality of care is something to keep in mind. McCauley said it would be a mistake to cut benefits for employees regarding staff retention, which has been hinted at in the past. The number one concern McCauley hears from union members at CCNH is respect and this is a management problem. She claimed CCNH employees are not high paid group and the renegotiated attendance policy is stringent. She urged the Directors to be careful with the business model. The County has history of caring for low income residents and she thinks that is the mission of CCNH. She suggested a tax referendum be used to get more money for CCNH's operations.

Stan James, a County Board member, expressed interest in marketing as he deals with a lot of senior citizens. He felt the marketing is lacking at CCNH. He has worked for public housing with poorest of poor and when staff costs were going through the roof, the federal funding was cut. Because of the budget changes the staffing had to change. The health insurance costs are eating employers alive and have to be considered. James thinks the Board of Directors is on right track and as long as Buffenbarger works within his budget and does what legally right, then he should do it. In James's opinion, the County Board is too big to manage CCNH. He stressed the need to sell the public on the positive aspects of CCNH.

Jenny Putman, a County Board member, apologized to County Board Chair Pius Weibel for her expressed doubts when the Directors were being appointed because she did not think they were the right choices. She made suggestions such as having happy hours on Fridays at CCNH, a radio ad with Brian Chailee and other family members talking about their positive experiences at CCNH, and creating a place on CCNH's website to click to donate money.

Brad Jones, a County Board member, asked if Buffenbarger would request another \$460,000 loan for CCNH at next month's Finance Committee meeting. Buffenbarger said he would and that money would carry CCNH through August. The software cost is included in that amount. Jones conveyed that the County does not have the money to give to CCNH and he is against the transfer next month. He reiterated the precarious position of the County's finances and urgency to make changes to turn around CCNH immediately. He thought many of the Directors' ideas were good but some things have to be done immediately regarding the budget. O'Shaughenssey assured him the Directors know how urgent the situation is. She said the Directors will have to trust the County Board and the County Board will have to trust the Directors. They have a sense of optimism, but she sees the need for action. In all honestly, she did not know how CCNH got into its current situation, but the Directors will try the very hardest it can. Jones said they will probably have to make tough decisions that people don't want to make and the union does not want to discuss, but decision have to be made right away to cut cost because the County cannot afford to transfer more money to CCNH. Hirsbrunner said the tough decisions are just things the Directors can recommend; the County Board has to make the tough decisions. Pius Weibel explained the Board of Directors is set up to advise and help Buffenbarger. Certain items have to come to the County Board like bargaining issues and budgetary transfers, beyond that the Directors are to advise Buffenbarger. He said the Directors can come to the County Board at any time. Jones said recommendations made by the Board of Directors will carry weight with the County Board.

Weibel said he spoke to Susan McGrath about the mix of Medicaid beds versus private pay beds. He said there is a set number of Medicaid beds in a facility and these beds can be occupied by Medicaid patients or be empty because a facility who cannot put private payer in a Medicaid bed. Private payer beds can be occupied by private payers or Medicaid patients if the Medicaid beds are all full. Buffenbarger said the rehab beds were created when CCNH decertified beds from long-term Medicaid care services to Medicare rehab beds. They are able to have private pay residents in rooms certified for Medicaid. The driving idea in the industry has been to admit residents regardless of payer source. MPA brought a memo from the Centers for Medicare/Medicaid Services that looked to read that nursing homes could select residents based on payer source even in a bed certified for Medicaid and Medicare.

Brendan McGinty, a County Board member, thanked the Directors for serving. The Directors are asking many of the questions the County Board was asking and it was great to hear that they are in synch. His mother was a Medicaid patient at CCNH. He explained the County Treasurer has said the County cannot afford the \$460,000 payment to Nursing Home in June. McGinty encouraged the Directors to focus on the extreme short-term impact items that can be found. If a tax referendum passed, it would not get any money until 2009 and the question is how CCNH can survive until then. He wants to be positive wished the Directors had been more empowered by the County Board. McGinty was concerned about the pro forma projections in the MPA audit. If CCNH will need more money this year, the County Board needs to know about it now. He encouraged communication between the County Board and the Board of Directors. Buffenbarger spoke about the difference between MPA's projected losses for CCNH and what CCNH projects its losses will be. MPA includes depreciation in its projections and Buffenbarger does not take this figure into account with his projections because it is a non-cash item. He projects CCNH loss in FY2008 to be at \$500,000-\$600,000. McGinty's concern with the project is when Buffenbarger would come back to the County Board for more money. Nudo said the depreciation is a non-cash expense, but CCNH is not putting any money into a reserve account to take care of depreciation items as it should be. Otherwise the depreciation expense comes out of general revenues. Nudo said the money for depreciation needs to be set aside because the money will be needed down the road.

O'Shaughenssey stated CCNH has an unused space and what this will be used for was not discussed tonight. She said it is very frustrating for the Board of Directors to be brought in at the eleventh hour. The

County Board has to vote on this in a few weeks and what the Directors are proposing will not happen in a few weeks. The Directors can give the County Board some plans and start some things, but it will not happen by next month. It will be a matter of trust. McGinty said he thinks the loan in June will pass, but asked the Directors to be as aggressive as possible. Most direction can be given straight to Buffenbarger to implement immediately. McGinty was very sympathetic to Buffenbarger. The County Board needs the Board of Directors' expertise in the nursing home field. O'Shaughenssey said the County Board cannot ask for a referendum from the taxpayers if they cannot show what they have done to improve CCNH's situation.

Carrie Melin, a County Board member, thanked the Directors for giving their time, energy, and expertise. Melin hoped the media can pick up on their enthusiasm because a lot of people are getting negative, yellow journalism lately. She wondered if people really know what the alternatives are if the County does not have a nursing home. She asked where the low income people would go if there are only private nursing homes.

ADJOURNMENT

The meeting adjourned at 9:00 p.m.

Respectfully submitted,

Kat Bork
Administrative 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.