



# NURSING HOME BOARD OF DIRECTORS AGENDA

County of Champaign, Urbana, Illinois

Thursday, July 16, 2009 – 6:00pm

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In Service Classroom, Champaign County Nursing Home  
500 S. Art Bartell Road, Urbana

**CHAIR:** Charles Lansford  
**DIRECTORS:** Jan Anderson, Peter Czajkowski, Jason Hirsbrunner, Mark Holley,  
Alan Nudo, Mary Ellen O'Shaughenssey

## ITEM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA/ADDENDUM

IV. APPROVAL OF MINUTES

June 11, 2009

V. PUBLIC PARTICIPATION

VI. OLD BUSINESS

None

VII. NEW BUSINESS

- a. Board Education Session: Introduction of Bob Stuart , Director, Social Services, & Discussion
- b. Management Report (Scavotto)
- c. Budget for FY 2010 (Scavotto)
- d. Corporate Compliance Plan Update (Scavotto)
- e. Strategy Discussion: Future Options for CCNH (Lansford)

VIII. OTHER BUSINESS

IX. CLOSED SESSION

**Closed session pursuant to 5 ILCS 120/2(c)2 to consider collective negotiating matters between Champaign County and its employees or their representatives.**

X. NEXT MEETING DATE & TIME

- a. August 13, 2009

XII. ADJOURNMENT

**Board of Directors  
Champaign County Nursing Home  
Urbana, Illinois  
June 11, 2009**

Directors Present: Nudo, Hirsbrunner, O'Shaughnessey, Czajkowski, Lansford, Anderson, Holley

Directors Absent/Excused:

Also Present: Busey, Scavotto, Buffenbarger

**1. Call to Order**

The meeting was called to order at 6:00pm by Chair Lansford

**2. Roll Call**

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

**3. Agenda**

On motion by Anderson (second Holley) the agenda was approved (unanimous).

**4. Approval of Minutes**

On motion by Nudo (second Anderson) the minutes of the May 20, 2009 regular meeting were approved (unanimous).

**5. Public Participation**

There was no public participation.

**6. Old Business**

There was no old business.

**7. New Business**

**a. Director of Volunteers**

Andrew Buffenbarger introduced Jim Hronek as the new Director of Volunteers. Jim reviewed the volunteer hours donated in 2008; for the last six months of the year, volunteer hours averaged 871. Recruitment of volunteers continues to receive a big emphasis.

The Auxiliary continues to provide things to benefit CCNH. Landscaping, and generally improving the grounds in and around CCNH, is a current interest. Jim is investigating the possibility of using funds associated with the Workforce Improvement Act (the stimulus package) in conjunction with local Champaign partners.

**b. Management Report**

Buffenbarger led a discussion of recent IDPH and CMS actions which could lead to temporary denial of payment for Medicare and Medicaid admissions. CCNH special counsel believes the law is firmly on the side of CCNH. If a positive decision is not reached by June 12, CCNH will appeal any denial of payment. Management will work up the lost-revenue v. costs incurred scenario and circulate it via e-mail.

Scavotto reported on operations April with some preliminary comments based on May revenues. Census has been trending down, reflecting slower activity at the hospitals. May revenues appear to reflect lower private pay and/or Medicare activity.

Cash continues to be extremely tight and the ramifications associated with any adverse regulatory actions will only make cash flow worse.

**c. Budget Assumptions and Cash Flow**

the budget assumptions for Fiscal 2010 were approved as submitted. The main statistic driving the budget will be a census target of 195 (ADC). Moving towards full financial requirements will be emphasized, cash position permitting.

The draft budget will be available at the next meeting.

**d. Corporate Compliance**

There was a brief discussion regarding the draft compliance plan with more detailed presentations scheduled in subsequent months. Regulatory activity is increasing industry-wide. Dealing with it from an administrative perspective will be challenging.

**8. Other Business**

There was no Other Business

**9. Next Meeting Date**

Thursday July 16, 2009, 6 pm.

**10. Adjournment**

The meeting adjourned at approximately 7:10 pm (motion O'Shaughnessy), second Nudo, unanimous)

Respectfully submitted

Michael A. Scavotto  
Recording Secretary

To: Board of Directors  
Champaign County Nursing Home

From: M.A. Scavotto  
Manager

Date: July 8, 2009

Re: Management Report

As I write this update, census is at 186 and it has built slowly from 178. Other facilities around the area continue to experiencing low census levels, a phenomenon that we are seeing in other communities.

May's results were not as bad as originally expected; still, CCNH is reporting a loss of almost \$(30)k. Census was clearly a factor. Average daily census has not been steady. The pattern for the year has been:

**CCNH Average Daily Census  
FY 2009, Dec thru May  
without bedholds**

Dec	190.9
Jan 09	198.4
Feb	195.8
Mar	188.4
Apr	186.9
May	188.6

There is no question that census is better than when we began the turnaround effort. CCNH is a large facility with high fixed cost load; as a result, it has a high break-even point. So, census is a critical factor in navigating the swamp.

Medicare days totaled 540 in April, the lowest we have seen since September 2008. Medicare days rebounded in May to 573 – better, but nothing to rave about.

In both April and May, Medicare A revenues was down by about \$100k compared to March, reflecting lower census. Medicare B dropped in May to \$98k. Private pay revenues were a surprise at \$377k, our highest yet for the fiscal year. Our private per diem yield was \$161 in May, which is good while still meeting the screen for reasonableness. Medicaid revenues were lower than March and April, but still represented 47 percent of CCNH's payer mix (Medicaid-Medicare A-Medicare B-Private Pay).

On the expense side, agency costs were higher than budget and nursing labor, including overtime, was up considerably in May. Professional fees (interim DON and legal) and pharmacy costs were other stand-out variances. (We have a contract issue with the pharmacy provider than is getting resolved.) Utilities were considerably lower - \$(20k) - than budgeted.

CCNH's payer mix continues to move in a positive direction. The following table provides the comparisons in this significant change:

<b>Comparative Payer Mix CCNH</b>		
	<b>Dec-07 thru June</b>	<b>July thru May-09</b>
Medicaid	61%	53%
Medicare	9%	13%
Pvt Pay	30%	34%
<b>Totals</b>	<b>100%</b>	<b>100%</b>

The Medicare program continues to develop with CCNH enjoying decent census levels. January remains our best performance at 938 days for an ADC of 30.2; February had 755 days and March 675 (ADC 21.8). April lagged markedly with 540 days with the current month, May, being not much better at 573. Medicare activity is totally dependent upon hospital activity; when the hospitals are slow, so is CCNH.

Financial management continues to focus on the income statement and on cash holdings. This month marks CCNH's sixth reporting venture with accrual accounting. We will continue to refine our reporting throughout the year. Depreciation and County overhead are included in the statements.

For the six months ended May 2009, the results of operations are posted below.

**Last Six Months w/Property Tax and County  
Overhead Allocated Monthly**

	<b>Dec-08</b>	<b>Jan-09</b>	<b>Feb-09</b>	<b>Mar-09</b>	<b>Apr-09</b>	<b>May-09</b>
Medicare A	\$378,938	\$393,509	\$312,903	\$308,040	\$205,982	\$210,630
Medicare B	\$ 33,110	\$76,640	\$81,919	\$111,413	\$106,523	\$98,508
Medicaid	\$631,598	\$641,202	\$564,301	\$616,157	\$633,986	\$596,395
Pvt Pay	\$303,626	\$290,704	\$288,402	\$338,934	\$324,167	\$377,069
Adult Day-Private	\$5,825	\$6,087	\$12,885	\$6,268	\$7,824	\$5,386
Adult Day-TXX	\$8,281	\$9,824	\$10,496	\$11,606	\$11,390	\$10,074
Miscellaneous	\$21,358	\$14,575	\$(4,726)	\$20,059	\$55,613	\$25,533
Property Tax	\$78,902	\$78,902	\$78,902	\$78,902	\$78,902	\$78,902
All Revenues	\$1,461,638	\$1,511,443	\$1,345,082	\$1,491,378	\$1,424,387	\$1,402,497
All Expenses	\$,378,123	\$,410,572	\$1,395,384	\$1,429,717	\$1,428,267	\$1,432,438
Net Gain/(Loss)	\$ 83,515	\$100,871	\$(50,302)	\$61,661	\$(3,881)	\$(29,941)
Census	5918	6150	5483	5841	5608	5846
change		3.9%	-10.8%	6.5%	-4.0%	4.2%
ADC	190.9	198.4	195.8	188.4	186.9	194.9
change		3.9%	-1.3%	-3.8%	-0.8%	4.2%
Full Time Equivalents			166.6	172.5	197.8	201.1
Pay Period Ending			2/21/2009	3/21/2009	4/18/2009	5/30/2009

May's patient service revenue was \$1.298 million; this was better than April's by a paltry \$9k, but April was a shorter month.

Cash position was \$1.128m as of June 30. At July 31, cash is expected to be \$301k and down to \$228k at August 31. Accounts Payable remains at about 90 days. Cash still remains extremely tight.

The following graphs provide a comparative statement of position for CCNH through May 2009. I expect to have a good idea of June's results by the meeting and will update you then. As all of you know by now, CCNH is a volume-sensitive operation.

The solid line is a trend line for the displayed data and it should appear in red on your computers. (These graphs will display best when viewed on your screens.)

**Champaign County Nursing Home  
Fiscal Year Ending 11-30-2010  
Financial Pro Forma - Assumptions**

<b>Statistics</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Beds</b>	243	243	243	243	243	243
<b>Average Daily Census (ADC)</b>	200.1	210.7	186.1	177	193	195
<b>Resident Days</b>	73,052	76,901	67,920	64,605	70,445	71,175
<b>Occupancy</b>	82%	87%	77%	73%	79%	80%
<b>Payer Mix</b>						
<b>Private Pay</b>	<b>34.0%</b>	<b>29.0%</b>	<b>30.0%</b>	<b>33.0%</b>	<b>36.0%</b>	<b>36.0%</b>
Routine	32.0%	24.6%	17.2%	21.0%	26.0%	26.0%
ALZ			10.0%	11.0%	9.0%	9.0%
Hospice		3.0%	2.8%	1.0%	1.0%	1.0%
Shelter Care	2.0%	1.4%				
SubTotal	<b>34.0%</b>	<b>29.0%</b>	<b>30.0%</b>	<b>33.0%</b>	<b>36.0%</b>	<b>36.0%</b>
<b>Medicaid</b>	<b>59.0%</b>	<b>63.7%</b>	<b>63.0%</b>	<b>56.0%</b>	<b>52.0%</b>	<b>50.0%</b>
Routine	55.8%	59.4%	42.2%	36.0%	33.0%	31.7%
ALZ			15.0%	20.0%	18.0%	17.3%
Hospice		1.4%	2.8%	1.0%	1.0%	1.0%
Shelter Care	3.2%	2.9%	3.0%			
SubTotal	<b>59.0%</b>	<b>63.7%</b>	<b>63.0%</b>	<b>57.0%</b>	<b>52.0%</b>	<b>50.0%</b>
<b>Medicare</b>	<b>7.0%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>11.0%</b>	<b>12.0%</b>	<b>14.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Bed Allocation</b>						
	Total					
	ALZ					
<b>Rates</b>						
<b>Private Pay</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Routine		\$136	\$141	\$145	\$150	\$155
Alzheimer's		\$142	\$148	\$172	\$174	\$183
Hospice		\$136	\$141	\$145	\$150	\$155
Incontinence/Day						
Other Ancillary/Day			\$4	\$4	\$4	\$4.12
Adult Day Care		\$60	\$60	\$65	\$65	\$66.95
<b>Medicaid</b>						
Routine			\$164	\$199	\$199	\$198.79
Hospice			\$90	\$113	\$118	\$117.69
<b>Medicare</b>						
	Revenue	\$385.00		\$	398.52	\$ 398.52
	Drug Per Diem	\$25.00		\$	25.00	\$ 30.25
Non Operating Revenue	\$90,000					
Other Operating Rvenues	\$250,000					
Adult Day Care Grant				\$	123,341.84	\$ 124,575.26
Adult Day care Charges				\$	88,550.76	\$ 89,436.27
<b>Medicare B</b>			<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Pts ADC		76	80	80	80
	Net Rev/Pt/Mo		\$300	\$300	\$300	\$300
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Depreciation	\$236,350	\$240,816	\$609,215	\$675,000	\$675,000	\$675,000
IGT Transfer Percentage	39%					
Effective Pctage after Reconciling	31.2%					
<b>Labor</b>	<b>2008</b>					
Annual Increase	103%	salaries, most non-labor				
Benefits as Pct of Salaries 2006	29%	YTD through March 31 2008				
Food Increase	105%					
Utility Increase	105%					



**Champaign County Nursing Home  
Fiscal Year Ending 11-30-2010  
Financial Pro Forma - Forecast Revenues**

**Census Assumptions**

	2005	2006	2007	2008	Projected 2009	Budgeted 2010
<b>Resident Days By Type</b>						
ADC	200.1	210.7	186.1	177	193	195
Resident Days	73,052	76,901	67,920	64,605	70,445	71,175
<b>Payer Mix</b>						
<b>Private Pay</b>	<b>34.0%</b>	<b>29.0%</b>	<b>30%</b>	<b>33%</b>	<b>36%</b>	<b>36%</b>
Routine	23,377	18,918	11,682	13,567	18,316	18,506
Alzheimer's	-	-	6,792	7,107	6,340	6,406
Shelter Care	1,461	1,077	-	-	-	-
Hospice	-	2,307	1,902	646	704	712
<b>SubTotal</b>	<b>24,838</b>	<b>22,301</b>	<b>20,376</b>	<b>21,320</b>	<b>25,360</b>	<b>25,623</b>
ADC	68.0	61.1	55.8	58.4	69.5	70.2
<b>Medicaid</b>	<b>59.0%</b>	<b>63.7%</b>	<b>63.0%</b>	<b>56.0%</b>	<b>52.0%</b>	<b>50.0%</b>
Routine incl ALZ	40,763	45,679	38,850	36,179	35,927	34,903
Shelter Care	2,338	2,230	2,038	-	-	-
Hospice	-	1,077	1,902	646	704	684
<b>SubTotal</b>	<b>43,101</b>	<b>48,986</b>	<b>42,790</b>	<b>36,825</b>	<b>36,631</b>	<b>35,588</b>
ADC	118.1	134.2	117.2	100.9	100.4	97.5
<b>Medicare</b>	<b>7.0%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>11.0%</b>	<b>12.0%</b>	<b>14.0%</b>
Medicare Days	5,114	5,614	4,754	7,107	8,453	9,965
ADC	14.0	15.4	13.0	19.5	23.2	27.3
<b>Total Percentage</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Total Days	73,052	76,901	67,920	65,251	70,445	71,175
ADC	200.1	210.7	186.1	178.8	193.0	195.0

**Forecast Revenues**

	2005	2006	2007	2008	2009	2010
<b>Private Pay</b>						
Routine	\$3,167,535	\$2,667,388	\$1,696,612	\$2,029,453	\$2,739,789	\$2,859,100
Alzheimer's	\$0	\$0	\$1,170,873	\$1,261,851	\$1,125,750	\$1,173,213
Hospice	\$0	\$325,291	\$276,193	\$96,641	\$105,376	\$109,965
Incontinence		\$0	\$0	\$0	\$0	\$0
Other Ancillary		\$85,860	\$81,504	\$84,543	\$100,566	\$105,567
<b>SubTotal</b>	<b>\$3,167,535</b>	<b>\$3,078,539</b>	<b>\$3,225,181</b>	<b>\$3,472,488</b>	<b>\$4,071,481</b>	<b>\$4,247,845</b>
<b>Medicaid</b>						
Routine	\$6,671,683	\$7,476,314	\$7,723,039	\$7,263,903	\$7,213,338	\$6,938,392
Hospice	\$0	\$96,895	\$214,519	\$73,603	\$80,257	\$80,544
<b>SubTotal</b>	<b>\$6,671,683</b>	<b>\$7,573,209</b>	<b>\$7,937,558</b>	<b>\$7,337,507</b>	<b>\$7,293,594</b>	<b>\$7,018,936</b>
<b>Medicare</b>						
	<b>\$2,037,888</b>	<b>\$2,161,303</b>	<b>\$1,830,444</b>	<b>\$2,736,022</b>	<b>\$3,254,559</b>	<b>\$3,971,053</b>
Medicare B			\$273,600	\$288,000	\$288,000	\$288,000
<b>Total</b>	<b>\$11,877,105</b>	<b>\$12,813,051</b>	<b>\$13,266,783</b>	<b>\$13,834,016</b>	<b>\$14,907,634</b>	<b>\$15,525,834</b>
Average daily revenue				\$212.01	\$211.62	\$218.14

Champaign County Nursing Home  
 Fiscal Year 2010 (FYE 11-30-2010)  
 Financial Pro Forma - Forecast Income Statement

	YTD Actual 5/31/2009	Projected Actual 11/30/2009	Budget 2010	pct chg
<b>Revenues</b>				
<b>Private Pay</b>				
Routine	\$1,316,850	\$2,739,789	\$2,859,100	
Alzheimer's	\$570,636	\$1,125,750	\$1,173,213	
Hospice	\$26,136	\$105,376	\$109,965	
Incontinence	\$0	\$0	\$0	
Other Ancillary	\$55,349	\$100,566	\$105,567	
<b>SubTotal</b>	<b>\$1,968,971</b>	<b>\$4,071,481</b>	<b>\$4,247,845</b>	<b>4%</b>
<b>Medicaid</b>				
Routine	\$3,556,751	\$7,213,338	\$6,938,392	
Hospice	\$29,820	\$80,257	\$80,544	
<b>SubTotal</b>	<b>\$3,683,638</b>	<b>\$7,293,594</b>	<b>\$7,018,936</b>	<b>-4%</b>
<b>Medicare</b>	<b>\$2,355,253</b>	<b>\$3,542,559</b>	<b>\$4,259,053</b>	<b>20%</b>
<b>Total Patient Service Revenues</b>	<b>\$8,007,862</b>	<b>\$14,907,634</b>	<b>\$15,525,834</b>	<b>4%</b>
Other Operating Revenues	\$33,671	\$67,342	\$90,000	
Non Operating Revenues	\$11,085	\$22,170	\$90,000	
Other Revenues				
Adult Day Care incl grant	\$105,946	\$211,893	\$212,778	
<b>Total Revenues</b>	<b>\$8,158,564</b>	<b>\$15,209,039</b>	<b>\$15,828,612</b>	<b>4%</b>
<b>Expenses</b>				
Salaries	\$2,951,020	\$5,544,577	\$5,756,426	4%
Benefits	\$858,245	\$1,607,927	\$1,669,363	4%
<b>Non-Labor Expenses</b>				
Administrative	\$ 1,743,190.09	\$3,245,273	\$ 3,552,182	9%
Environmental	\$307,723	\$563,538	\$ 589,397	5%
Laundry	\$19,660	\$35,234	\$ 36,667	4%
Maintenance	\$36,816	\$73,631	\$ 75,840	3%
Nursing	\$1,385,309	\$2,514,164	\$ 2,120,192	-16%
Activities	\$2,500	\$4,747	\$ 4,846	2%
Social Services	\$777	\$1,553	\$ 1,600	3%
Physical Ther	\$276,887	\$503,463	\$ 593,445	18%
Occupational Ther	\$270,509	\$491,841	\$ 579,695	18%
Speech Ther	\$69,285	\$126,027	\$ 148,481	18%
Dietary	\$225,535	\$406,969	\$ 426,330	5%
Beauty Shop	\$522	\$935	\$ 1,074	15%
Adult Day Care	\$5,193	\$10,386	\$ 10,698	3%
Alzheimer's	\$753	\$1,506	\$ 1,551	3%
<b>Total NonLabor</b>	<b>\$ 4,344,658.09</b>	<b>\$ 7,979,267.54</b>	<b>\$ 8,141,998</b>	<b>2%</b>
<b>Depreciation</b>	<b>\$351,707</b>	<b>\$700,000</b>	<b>\$700,000</b>	
<b>Total Expenses</b>	<b>\$ 8,505,630.80</b>	<b>\$ 15,831,772</b>	<b>\$16,267,787</b>	<b>3%</b>
Gain (Loss) Before Property Taxes	(\$347,066)	(\$822,733)	(\$439,175)	-29%
Projected County Property Tax Receipts	\$473,409	\$946,818	\$965,056	2%
<b>Net Income After Property Tax Receipts</b>	<b>\$126,343</b>	<b>\$324,085</b>	<b>\$525,881</b>	<b>62%</b>
Net Cash Generated from Operations (Add Back depreciation)	\$351,707	\$700,000	\$700,000	
<b>Net Cash Flow from Operations</b>	<b>\$478,050</b>	<b>\$1,024,085</b>	<b>\$1,225,881</b>	