

NURSING HOME BOARD OF DIRECTORS AGENDA

County of Champaign, Urbana, Illinois
Thursday, August 13, 2009 – 6:00pm

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'Shaughnessey

ITEM

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA/ADDENDUM
- IV. APPROVAL OF MINUTES
July 16, 2009
- V. PUBLIC PARTICIPATION
- VI. OLD BUSINESS
None
- VII. NEW BUSINESS
 - a. Management Report (Scavotto)
- VIII. OTHER BUSINESS
- IX. NEXT MEETING DATE & TIME
 - a. September 17, 2009
- XII. ADJOURNMENT

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
July 16, 2009**

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

Directors Absent/Excused: Nudo

Also Present: Busey, Scavotto, Buffenbarger, Heiden, Knoffke

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 O'Shaughnessey) the agenda was approved (unanimous).

4. Approval of Minutes

On motion by Anderson (second Czajkowski) the minutes of the June 11, 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 Social Services

Andrew Buffenbarger introduced Bob Stewart as the new Director of Social Services. Bob distributed his bio and reviewed the status of social services at CCNH after his having been at CCNH for 3 months. Social service assessments and documentation need to be tighter. Improved procedures are in development. CCNH staff is understanding of

the need for change and have been supportive of his efforts.

b. Management Report

Scavotto reviewed the operations report for May and provided a preliminary look at June revenue. Census continues to be the major concern. Thru May, CCNH enjoyed a census level that was much improved over last fiscal year. Census averaged over 190 for Dec-Jan-Feb and dropped to approximately 187 for Mar-Apr-May. June fell to an average of 181. Activity at the local hospitals has been down and that has had an impact on referrals. June's revenue reflects a lower census and the real test for CCNH will be the flexing of expenses. CCNH continues to pay its expense obligations but cash continues to be extremely tight.

c. Budget – Fiscal Year 2010

The budget for FY 2010 was discussed. The most sensitive assumption was census; it is not secret that CCNH may have to re-budget and make changes to the operation if it cannot achieve the target census level of 195. The Board discussed current attempts at boosting Medicare revenues.

On motion by O'Shaughnessy (second Holley), the Board voted to recommend the budget to the County Board as submitted.

d. Corporate Compliance

The corporate compliance plan submitted last month will be implemented.

8. Other Business

There was no Other Business

9. Closed Session (1)

It was moved (Czajkowski) and seconded (Holley) that the Board go into closed session pursuant to 5 ILCS 120/2©1 to consider the employment, compensation, discipline, performance, or dismissal of an employee.

Busey called the roll, unanimous.

The Board emerged from closed session at 8 pm with no action being taken.

10. Closed Session (2)

It was moved (Holley) and seconded (Anderson) that the Board enter closed session pursuant to 5 ILCS 120/2©2 to consider collective negotiating matters between
Champaign

County and its employees or their representatives.

Busey called the roll, unanimous.

The Board emerged from closed session at 8:25 pm with no action being taken.

11. Next Meeting Date

Thursday August 13, 2009, 6 pm.

10. Adjournment

The meeting adjourned at approximately 8:30 pm (motion O'Shaughnessy), second Hirsbrunner, unanimous)

Respectfully submitted

Michael A. Scavotto
Recording Secretary

To: Board of Directors
Champaign County Nursing Home

From: M. A. Scavotto
Manager

Date: August 6, 2009

Re: Management Update

This is the thirteenth in a series of updates designed to keep you current on developments at CCNH.

1. **Census:** June closed with census of 179. No surprise, revenue was low – very low. July closed at 179.8, not great and only a bit better than June. As I write this, CCNH is at 182. Anecdotally, Chuck remarked recently that, in all his years at Carle, he had never seen activity so low.
2. **Operations:** The Management Report that normally accompanies this Board mailing is being held pending further analysis. Obviously, this reflects very low revenues associated with a low census. Behind the scenes are some extraordinary adjustments relating to writing off bad debts than occurred at year-end last year; we took advantage of the MDI conversion to write off about \$36k in total bad debt; going forward, the goal is to remain current with bad debts and avoid the huge hit at year's end.

We also experienced a large number of Medicaid conversions in June, which has the effect of moving revenue from Private Pay to Medicaid. Conversions occur when residents are admitted pending Medicaid eligibility. Since they have not been declared eligible for Medicaid benefits, they are classed as Private Pay; when they are declared eligible for Medicaid, they convert to lower-paying Medicaid status. This is the transaction that is getting extra scrutiny; we are uncomfortable with the current statements and are not proceeding until we understand the numbers better. As soon as we finalize our analysis, presumably in the next few days, we will issue the management report.

The MDI conversion is has been accomplished and it went smoothly. Lots of people throughout the house worked very hard to achieve this goal. They did just great.

In regard to customer satisfaction, we are collecting information from Pinnacle as well as a few other firms, regarding their capabilities of reporting CCNH results versus different benchmark parameters such as State, regional, national, bed size, for-profit v. not-for-profit, and the like. Once we get a good sense of how reliable the benchmark data is, we'll be back to the Board with a report and a direction. I am concerned about small sample sizes and their statistical validity. That said, we'll see what is out there.

Of necessity, we have been focusing on financial performance and getting CCNH to the point where it is self-sustaining. After a month like June, all of us realize how tenuous that goal is and how badly we feel after a month of poor financial performance. However, let's take a step back and check out another dimension. Supervision is getting renewed emphasis at CCNH; nowhere is this more apparent than in Nursing. Every department with supervisory responsibilities can always improve, but Nursing is by far has the most employees. Nursing management personnel were briefed by Methods Management on how to conduct an investigation and we will probably repeat this program now that Karen has joined us. MPA has begun a review of CCNH policies and procedures to assure compatibility with the collective bargaining agreement. Communication and employee recognition efforts are getting better and are becoming more frequent. Better yet, we know the hot spots in the organization and are beefing up supervision, training our managers better, splitting up problem groups of employees and dealing with discipline documentation, and improving the programming we provide our residents. On the management side, beginning in June, we initiated an expanded evaluation process for directors whereby we gather feedback from staff and co-workers, incorporate this information into the performance appraisal, and develop a plan for the next year. Several directors have been through this process; some have scored very high and others have areas to work on.

Meetings with the Carle Clinic regarding the possibility of Carle becoming more involved at CCNH have commenced and will continue. Chuck, Andrew, and Karen are involved in the process. We have a medical director agreement that we are reviewing.

The word out of HFS is that the IGT will be re-structured by October 1. HFS expects to release a schedule by August 10. MPA will be making a proposal to HFS on behalf of several -- hopefully all -- County homes. There is a lot at stake here as Medicare reimbursement looks like it will be cut; consequently, increasing Medicaid revenues takes on greater importance.

While I am writing about government, we are learning that CMS is proposing no increases in Medicare reimbursement. It appears that we are looking at a decrease in rates of 1.1 percent. It is possible that political heat might change the

recommendation from CMS. Regardless, the importance of achieving a decent settlement with State HFS regarding Medicaid cannot be stressed enough.

Regarding the involuntary discharge proceeding, CCNH won. The IDPH administrative law judge found for CCNH and the resident will be transferred to an appropriate facility soon. There are interested facilities. According to Andrew, we are required to wait 10 days before transferring. This is just great news!

We have been functioning with a contract MDS coordinator for a few months. Having exhausted our own recruitment efforts, we have retained a recruiter to locate a replacement. The cost of recruitment is easily off-set by the high cost of the contract employee.

We appear to be close to resolving our outstanding balances with the Carle Clinic. The Clinic has agreed to accept the Medicare fee schedule for all balances outstanding as of mid-June. Subsequent balances are at a discount of 40 percent of billed charges. This is a huge concession on the prior balances. Going forward, a 40 percent discount from billed charges is still considerably higher than the Medicare fee schedule.

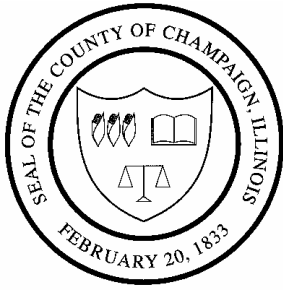
At Carle Hospital, we are still in discussions. There is disagreement over what services are actually owed, and that is a fundamental item that needs to get cleaned up. There was an initial meeting last week to move this settlement along.

Mark Holley is in discussions about training nursing personnel in handling difficult situations.

We will adjust our statistical reports to provide admissions and discharges.

3. **Employees:** It appears that a deal with AFSCME is in the making.
4. **Public Image:** No update since last report.

As always, give me a call (314-434-4227) or zap me via e-mail if you have questions or want to discuss anything.



NURSING HOME BOARD OF DIRECTORS ADDENDUM

County of Champaign, Urbana, Illinois
Thursday, August 13, 2009 – 6:00pm

Chapel, Champaign County Nursing Home
500 S. Art Bartell Road, Urbana

ITEM

IV. APPROVAL OF MINUTES

- a. Closed Session – July 16, 2009
- b. Closed Session 2 – July 16, 2009

VIII. OTHER BUSINESS

- a. Closed session pursuant to 5 ILCS 120/2(c)1 to consider the employment, compensation, discipline, performance, or dismissal of an employee
- b. Closed session pursuant to 5 ILCS 120/2(c)17 to consider the recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals for an institution providing medical care that is operated by Champaign County.