

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
January 10, 2011**

Directors Present: Nudo, Palinkas, Hirsbrunner, O’Shaughnessey, Hambrick, Anderson

Directors Excused: Czajkowski

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

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

On motion by Hambrick (second Palinkas) the agenda was approved as revised with the order of New Business being a) election of officers, b) IDPH report, c) management report, and d) objectives – status and discussion (unanimous).

4. Approval of Minutes

The November minutes were corrected to indicate O’Shaughnessey as Chair rather than as Acting Chair (last page, last sentence). On motion by Hambrick (second Anderson) the Board approved the minutes of November 8, 2010.

5. Public Participation

There was no public participation.

6. Old Business

None

7. New Business

a. Election of Officers

Pursuant to article V of the CCNH Bylaws, the offices of Chair, Vice-Chair, and

Secretary were filled. On motion by Anderson (second Nudo), O'Shaughnessey was nominated for the office of Chair; nominations were closed and the motion carried unanimously.

On motion by Nudo (second Anderson), Hirsbrunner was nominated for the office of Vice-Chair; nominations were closed and the motion carried unanimously.

On motion by Anderson (second Nudo), Hambrick was nominated for the office of Secretary; nominations were closed and the motion carried unanimously.

b. IDPH Update

Noffke and Buffenbarger brought the Board up to date on the status current IDPH affairs. The Annual Survey was completed on November 18, 2010 and resulted in four tags, which was a good performance for CCNH. Unfortunately, one tag, F323 (Accidents & Supervision) resulted in a G-level tag accompanied by a fine of \$400 per day. A Plan of Correction was prepared with November 21 as the alleged date of compliance. The Plan of Correction was accepted by IDPH, but CCNH has not been re-surveyed yet. Time for re-survey is getting short as CCNH is already 60 days into the 90-day re-survey window. If re-survey is not accomplished soon and if CCNH does not clear the re-survey, it is likely to experience survey cycle difficulties and regulatory complications.

c. Management Report

Scavotto reviewed the expected year-end results. By posting an ADC of 196.5, CCNH met its census of goal of 195. Fiscal 2010 should close with a gain of approximately \$233k, before audit adjustments. Over Fiscal 2008, this represents an improvement of over \$2 million.

December's census averaged 195, but decreased over the holidays. Census is currently rebuilding from 188. Management offered no December forecast; the census level of 195 is a positive indicator for revenues; however, the holiday period causes benefit expenses – and, as a result, agency staffing costs – to rise.

Scavotto reviewed several public policy matters that will have an impact on CCNH in the year ahead:

1. Bed Tax

Illinois is highly to approve a bed tax. The increased Federal dollars associated with a bed tax are too much for the State to ignore. Current bed tax is \$1.50 per licensed bed per day. The current proposal is for the bed tax to increase to \$6.07 per occupied Medicaid and Pvt Pay bed; Medicare is exempted from the bed tax.

Initial analysis indicates that CCNH should experience increased net reimbursement of approximately \$50k.

2. Medicaid reform Bill HB 5420

Long-Term Care Re-Balancing will de-emphasize institutional settings and emphasize community living situations. By 2015, fifty (50) percent of all Medicaid program enrollees are to participate on care coordination (i.e., case management). Providers participate via contracted delivery systems. Significantly, at-risk payment arrangements such as capitation are allowed. A two-year moratorium on any Medicaid program expansion is provided for. Medicaid becomes the payer of last resort.

3. Deficit Reduction Act

Illinois is in the process of adopting the Deficit Reduction Act (DRA). It is one of the last States to do so. State HFS has issued draft rules which appear to go beyond what is required of the DRA. Of special mention is the look-back period for disallowed transactions; the implication is that providers such as CCNH may be penalized for deficit recovery actions taken against residents. Stated another way, since the State cannot recover directly from residents or families, it seeks to recover from the providers - which has the very real potential of creating significant cash flow problems. Action was to be taken at the January JCAR session, but has been delayed.

4. Compliance Pressures Are Building

Compliance programs are required for SNFs under the PPACA by 2013. There are several areas that merit attention: coding, documentation, and billing; HIPAA; protected health information (PHI); auditing and testing; recovery audit contractors (RACs); monitoring; education and training. CCNH is testing the UBWatch software; used in conjunction with CareWatch, the software performs logic tests on all CCNH bills to assure consistency between documentation contained in both the bill and the MDS. One of CCNH's goals for 2011 is the implementation of a compliance program.

5. Medicare Advantage

A current "market watch" factor is with Med Advantage, which are administered and paid by health plans. Currently, we have experienced instances where rehab cases have been re-directed to home care rather than to CCNH. All SNF providers appear to be experiencing this phenomenon (which is to be expected given the reimbursement structure of Med Advantage plans).

d. Objectives

Scavotto reviewed current status versus 2010 objectives and discussion ensued about objectives for 2011. Many of 2010's objectives were accomplished but will continue as on-going improvement efforts. Customer Service is a prime example; management expects customer service scores to be consistently at 4.5 or better on the Pinnacle system. Human Resource training and skill development improved during 2010 but, realistically, HR development needs to continue to receive special emphasis.

Scavotto will draft a summary emphasizing the objectives: 1) developing clinical rehab skills; 2) developing CHF-COPD protocols and working with the local hospitals to implement them; 3) marketing dementia directly to the community in the form of support groups and community education sessions; 4) providing excellent customer service.

8. Other Business

None

9. Next Meeting Date

Monday February 14, 2010, 6 pm.

10. Adjournment

Chair O'Shaughnessey declared meeting adjourned at 7:00 pm.

Respectfully submitted

Michael A. Scavotto
Recording Secretary