

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
November 14, 2011**

Directors Present: O'Shaughnessey, Hirsbrunner, Hambrick, Anderson, Czajkowski

Directors Excused: Palinkas, Nudo

Also Present: Busey, Scavotto, Schuette

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 Hirsbrunner) the agenda was approved as submitted (unanimous).

4. Approval of Minutes

The open and closed session minutes of October 17, 2011 were approved as submitted (motion Hambrick, second Hirsbrunner, unanimous).

5. Public Participation

The League of Women Voters distributed more copies this year's guide to Who's Who in Government, noting that the Nursing Board was listed in the guide.

6. Old Business

There was no old business.

7. New Business

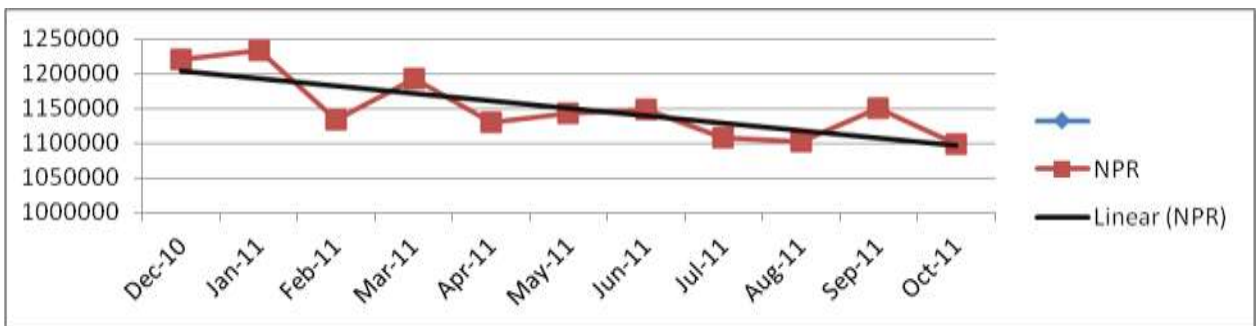
Management Report: Operations and Short-Term Financing

Schuette presented a brief summation of his few weeks as Administrator. There was extended discussion of hospital initiatives to reduce hospitalizations, something that would benefit CCNH as well as the hospitals.

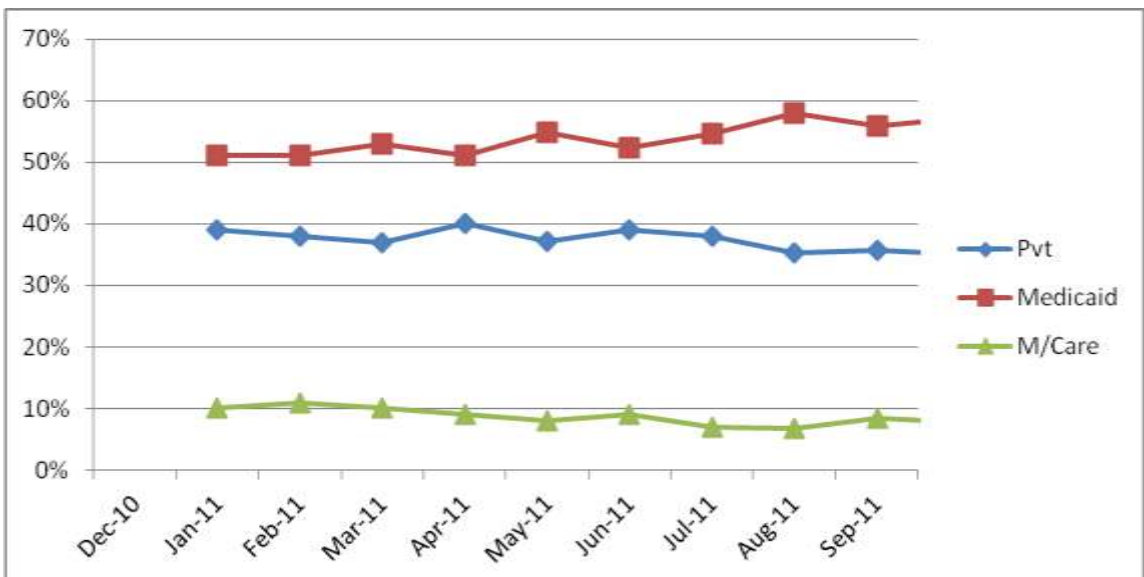
Scavotto summarized the operating results for September, which involved an operating loss, and summarized the outlook for October, which also portends an operating loss due to lower revenues. Even though census has rebounded over the past few months – October ended at 194.6 ADC – the revenue trends are lower.

The trend lines are very clear on this as the following graphs of Net Patient Revenue and Payer Mix show:

Net Patient Revenue



Payer Mix



While census is important, so is the revenue base. Medicaid is trending up, especially over the past 5 months. Pvt Pay mirrors Medicaid only in reverse.

Medicare A revenues remain low. October was the first month under the new PPS reimbursement rates and initial indications are that CCNH did not perform well. The initial Medicare per diem appears to be far below our past experience; if total Medicare revenues are low, as expected, then CCNH has to make some significant improvements in operating performance.

Management continues to pursue short-term financing, particularly revenue anticipation Notes. Bond Counsel has drafted the authorizing resolution for the County Board. In the next few days, management hopes to have some indication of interest from the local banks of their willingness to participate in revenue anticipation notes.

Scavotto presented two scenarios indicating the sources of funds the IGT, from Tax Anticipation Warrants, and from Revenue Anticipation Notes. Funds were applied to reduce Accounts Payable and maintain a minimum cash balance. There is ample of opportunity to revise the reduction of payables to maintain more cash on hand.

The Intergovernmental Agreement remains stalled at the federal level. Officially, approvals are pending. County homes still remain cash-poor.

8. Other Business

None

9. Next Meeting Date

Monday December 12, 2011, 6 pm.

10. Adjournment

Chair O'Shaughnessy declared meeting adjourned at 6:35 pm.

Respectfully submitted

Michael A. Scavotto
Recording Secretary