

**Board of Directors
Champaign County Nursing Home (CCNH) –Minutes
Urbana, Illinois
February 9, 2015**

Directors Present: Anderson, Emanuel, Lyn, Hodson

Directors Absent/Excused: Banks, Cowart, Palinkas

Also Present: Busey, Gima, Noffke, Nolan

1. Call to Order

The meeting was called to order at 6:00 p.m. by Chair Emanuel.

2. Roll Call

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

3. Agenda & Addendum

Agenda was approved as amended (motion by Anderson, second by Lyn, unanimous).

4. Approval of Minutes

The minutes of January 12, 2015 were approved as submitted (motion by Anderson, second by Hodson, unanimous).

5. Public Participation

David Laker noted that food service has improved, but additional staff members are needed on weekends to meet the needs of each resident.

6. Administrator's Report

a. Quality – Kathy Vanderslice, Director of Nursing; Brandi Newell, Unit 2 Nurse Manager

Brand Newell was introduced as the new Unit 2 Nurse Manager. Ms. Newell explained that she is focused on organizing her unit while concentrating on skin issues with the residents. She has worked as a nurse for 5 years with a main background in geriatrics.

Kathy Vanderslice was introduced as the new Director of Nursing. Ms. Vanderslice has worked as a nurse for 30 years and has a wide background in nursing including acute care, labor and delivery, long-term care, hospice and management. She plans to focus on Unit 4 staffing problems and implement a recruiting and retention program to ensure consistent staffing in consistent areas.

Ms. Emanuel asked Ms. Vanderslice to name her top three priorities for the next month. Ms. Vanderslice noted that improvements need to be made in regards to infection control, updated crash carts need to be implemented in order to be better prepared for emergencies and skin issues need to be better managed. Additionally, implementing and transitioning to electronic medical records is a top priority. Mr. Lyn noted that electronic records would cut down on time spent at the nurse's stations.

Ms. Emanuel noted that the board is focused on falls and would like Ms. Vanderslice to update the board with any improvements that could be made to the falls management program. Mr. Lyn noted that many wheelchairs were fixed in the past month and the repairs will improve the problems with falls. Ms. Vanderslice explained she developed a falls management program at a previous facility and will look to see how it can be implemented at the nursing home in the future.

7. Management Report

a. December 2014 Financial Management Report

Mr. Gima reported the average daily census for December was 190. Medicare census was 9.8. Conversion days totaled 1,980. Without the conversion, the actual number of private pay days totaled 2,262. The census in January was 190 with Medicare showing closer to an average census of 15. The census started to rebound in the last week of January due to a higher number of referrals and admissions.

December shows a net loss of \$167,025. Net income for the year is \$508,792. Cash flow from operations for the month is -\$107,287. The YTD cash flow from operations is \$1,302,724.

The conversion of 1,980 private pay days to Medicaid days reduced revenue by \$79,200 in December due to a \$40 per day difference between the private pay rate and Medicaid rate. Property tax revenue is half the normal accrual due to the 13 month fiscal year and the accounting decision to accrue 12 months of property tax instead of 13 months. This was a collective decision between MPA, CCNH, the County Treasurer and County Auditor.

Operating revenue in December fell to \$1.108 million from \$1.244 million in November. Conversion days reduced revenue about \$80,000. Medicare revenue fell by \$80,000 due to Medicare census falling from 14.6 to 9.8 between November and December.

Expenses increased slightly from \$1.304 million in November to \$1.316 million in December. Increases in expenses are due to holiday payouts, making wages increase. Expenses per day fell from \$218.52 to \$199.93. The average cost per day in FY2013 was \$220.81 per day. YTD cost per day is \$199.93. Agency expenses were \$98,588 in December. Agency costs should decrease as newly hired CNAs complete orientation. CNA separations were the lowest they have been since 2008, with only 41 separations in 2014.

The December ending cash balance was \$704,310, up from \$178,952 in November. Receivables fell from \$5.311 million in November to \$5.014 million in December. Accounts payable decreased from \$2.088 million to \$1.667 million. Payables are between 30 and 60 days. Mr. Gima noted that the cash position for the nursing home is largest problem they are facing. The nursing home is still waiting on 40 pending Medicaid applications totaling \$1.2 million in past due revenue. The nursing home's lobbyist Dave Stricklin will continue to reach out to contacts at the Department of Human Services in order get pending applications processed. Additionally, the County Auditor has met with State Representative Chad Hays and will be contacting DHS on the nursing home's behalf. The nursing home is also owed \$276,000 from Health Alliance for managed care programs.

Mr. Lyn asked what role the Department of Insurance has in the process of receiving past due payments. Mr. Gima explained that the Department of Insurance does not have a role in this process; it is mainly Medicaid and CMS.

b. Strategic Objective Metrics Report

The Pinnacle food quality score for December is 3.21 with a national average of 3.69. The Pinnacle dining service for December is 3.33 with a national average of 4.21. While scores continue to slowly improve, the nursing home still isn't where it needs to be with food service scores.

Plating times have remained the same between January and December, but there is still an issue between the time the trays are assembled and the time they are delivered to residents. Ms. Emanuel noted that plating times look to be the best they have been since the metric has been established. Mr. Gima noted that this metric does not account for the time it takes to get the tray to the resident; it is solely a measure of how fast plates are assembled and put on the food carts. My. Lyn noted that staff members need to work together in order to achieve better plating times and getting meals to residents quicker.

Mr. Gima noted a 36% Medicare 30-day Readmission Rate for the month of January. Zero out of 16 Pinnacle survey scores met the national average for the month of December. The CMS 5 Star Rating is still at 2 stars, but Ms. Noffke found unreported hours and believes the nursing can achieve a 3 star rating once those hours are processed.

The annual turnover rate for FY14 was 49.3%, an improvement from FY13 which was 63%. The average daily census for the year was 202.1 residents, an increase from previous years.

Ms. Emanuel noted that there are still areas that need improvements. Pinnacle scores on food still need major improvements, and a time period for improvements needs to be set with Healthcare Group Services in order to see real, observable changes. Mr. Lyn noted that food survey scores are suffering because residents are expecting a certain standard of meals that Healthcare Group Services is not delivering. Once a new menu is developed, scores should see improvements. Mr. Lyn noted more residents should be surveyed on the Pinnacle score. Ms. Hodson noted that many families who are surveyed may not visit the nursing home and do not know the quality of the food, which will negatively impact the score.

c. Management Update

Payment delays may be experienced with Medicaid Payments due to amount of money the State of Illinois will be expected to pay. Revenue Anticipation Notes have been considered in the past, which is a vehicle that can be used to borrow against Medicaid receivables. In 2013, 26 lending institutions were approached with no takers. The problem was that no one was willing to increase their exposure to Illinois government. The nursing home may face the same predicament but market interest needs to be determined. A disinterested financial market could help the cause for special treatment by the State. Lobbying work in 2012 and 2013 determined Governor Quinn's office and the Comptroller were very sympathetic to the position of county homes. The previous Director of HFS, Julie Hamos was not sympathetic to county homes. The new Director, Felicia Norwood may have a different opinion of county homes.

d. Compliance Update

Mr. Gima did not have the report with him, but noted he will forward the information to the board as soon as possible.

8. Other Business

a. Pharmacy RFP – Management Recommendation

The current pharmacy services provider in the nursing home is responsible for providing all medications to all residents in the home regardless of payer source. Additionally, they are responsible for pharmacy consulting services, medication recommendations and medication cost control. Since CMS has pushed to reduce the use of psychotropic medications, the nursing home has used this as a metric in the evaluation of potential pharmacy service providers. Pricing, references and pharmacy consulting were all considered in determining the new pharmacy service provider. Evanta, the current pharmacy provider, Williams Brothers and RXperts were each considered and evaluated. Based upon the scoring matrix of pricing, references and pharmacy consulting services, it was determined that Evanta will continue to provide pharmacy services to the nursing home.

The Pharmacy RFP was approved as recommended (motion by Lyn, second by Anderson, unanimous.)

b. Therapy RFP – Management Recommendation

The current therapy services provider is Symbria, formerly known as Alliance Rehab. Therapy Services provide therapy program management, an on-site program manager and staff, care and discharge planning, staff education, clinic protocol development, marketing of the therapy program and out-patient therapy programming for adult day care. Five criteria were developed in order to evaluate each potential therapy service provider. Those criteria included pricing and contract terms, references, administration and corporate support, program management, and staffing and turnover. Symbria, Rehab Care Group and HealthPro responded to the RFP to be considered. Based on the evaluation criteria, HealthPro was chosen to provide therapy services to the nursing home.

Ms. Emanuel asked where the closest HealthPro nursing home is located. Mr. Gima noted that the closest home is in Morris, IL. Mr. Lyn asked where the headquarters is located. Mr. Gima noted the regional headquarters is located in Chicago. Mr. Anderson asked how staffing will change and how long it will take to get fully staffed in order to provide the services the nursing home requires. Mr. Gima noted that typically the new therapy provider will communicate with the previous therapy provider to see if any staff wants to remain at the nursing home. Otherwise, recruiting will occur with interim help. Ms. Noffke noted that HealthPro has a 23 day fill rate for open positions. Ms. Emanuel asked when the current contract ends and when the new contract would begin. Mr. Gima noted that the contract with the current provider has a 60 day notification for termination; however, he does not know if the RFP stands as the beginning of the notification period. He plans to provide written notice to the current provider, which gives the new provider 60 days to establish itself with the nursing home.

The Therapy RFP was approved as recommended (motion by Anderson, second by Lyn, unanimous.)

c. Compliance Program Commitment Reestablishment Resolution

Mr. Gima noted that a resolution was passed in 2013 to establish the Compliance Program Commitment. There is no guidance on where or not a resolution should be reestablished or reissued. It was decided that a resolution will be passed each year to show that the nursing

home is committed to its Compliance Program.

d. Administrative Report on MPA Performance Expectations

Ms. Busey noted that an administrative review of MPA Performance Expectations was initiated in October 2014 when issues and concerns with MPA contract requirements were raised. The review team included Ms. Emanuel, Mr. Banks, Deputy County Administrator Van Anderson and Ms. Busey. Concerns were raised about the annual survey and its results, food services and nursing home staffing issues. The review team met and identified 6 critical issues and performance expectations for each of those issues. The team then met with MPA and worked together to document responses to those issues and performance expectations. An action plan was then developed.

The number one issue identified during the process was the need to establish and hire a Human Resources Director in order to deal with staffing and employment issues.

A monthly report will be provided on the action plan so the board is aware of what is being done to address the issues in the MPA Performance Expectations.

9. Closed Session

Closed Session pursuant to 5 ILCS 120/2©1 to consider the employment, compensation, discipline, performance, or dismissal of an employee.

10. Next Meeting Date & Time

The next meeting date and time for the Nursing Home Board of Directors is Monday, March 9, 2015 at 6:00 p.m.

11. Adjournment

Chair Emanuel declared the meeting adjourned at 7:30 p.m.

Respectfully submitted

Brian Nolan
Recording Secretary