

**Board of Directors
Champaign County Nursing Home
Urbana, Illinois
April 9, 2012**

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

Directors Absent/Excused: Emanuel

Also Present: Busey, Gima, 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

The agenda was approved as submitted (motion by Czajkowski, second by Anderson, unanimous).

4. Approval of Minutes

The open session minutes of March 12, 2012 were approved as submitted (motion by Anderson, second by Czajkowski, unanimous).

5. Public Participation

There was no public participation.

6. Old Business

There was no old business.

7. New Business

a. Administrator's Report

Schuette provided an update on the recent IDPH surveys:

The IDPH revisit was completed with no findings. The Life Safety Survey plan of correction was also completed. The survey window is now closed.

Kenna Williamson, Care Plan Coordinator, provided an overview of the MDS 3.0 assessment process:

MDS 3.0 is a holistic look at a resident. It is a 40 page document that requires between 1 to 3 hours to complete, including interviews with residents and families. It is used to determine our reimbursement for both Medicare and Medicaid. In the coming months, it will be used to determine how surveys are conducted. Surveyors will know what areas of care that will be targeted in the survey process based on the quality indicators that will be derived from the MDS. In February, a total of 227 assessments were completed. In January, 198 were completed. Medicare assessments are done at day 5, day 14, day 30 and every 30 days thereafter. Private pay and Medicaid residents are assessed within 14 days of admission, every quarter and if a significant change in condition occurs.

b. Management Report: Operations and Financial Position

Gima reviewed the February financials. February showed a net loss of -\$16k. Revenues were just under \$1.1 million, under budget by \$87k. Expenses were just under \$1.2 million, \$4k under budget. Three factors contributed to the loss. Census drop in February,

December operations were profitable with a gain of \$25k. January revenues are expected to be \$1.266 million, which bodes well for January's results.

Census for January 2012 was 197.6. The mix for the last two months has been excellent with Pvt Pay coming in very strong. Medicare volume still needs improvement:

	Dec 11	Jan 12
Medicaid	53%	53.1%
Pvt Pay	38%	37.8%
Medicare A	9%	9.2%

Medicare Advantage plans are exerting new pressures to reduce length of stay. CCNH has no difficulties with that objective. There are issues with establishing proper measures of performance that correctly reflect the responsibilities of each party.

CCNH's cash position increased slightly from 1.1 million in January to \$1.13 million in February. Accounts receivable increased from \$3.8 million to \$4.0 million. Accounts payable increased slightly from \$1.62 million to \$1.8 million during the same period. The cash balance is at the mercy of the state's status on Medicaid payments. The Comptroller's office stated that it is possible that there could be an additional payment delay before the end of the state fiscal year. CCNH is currently facing a three-month payment delay.

c. Medicaid Payment Status\Medicaid Rate Cuts

The rhetoric out of Springfield is much stronger this year than last year regarding Medicaid provider rate cuts. The Governor has thrown out a 9% rate cut. HFS has an internal memo stating a 6% cut. The message is clear – nursing homes will see some level of rate cuts starting in July. The state currently does not have enough funds to pay all of its bills. It is highly unlikely that any budget cuts implemented in 2013 will be deep enough to the point where the state will have enough cash to pay its' bills. As a result, it is also highly likely that we will also face additional payment delays.

The IGT program will dampen Medicaid rate cuts. With the IGT, a 5% rate cut will result in an effective rate cut of about 3.2% - which still reduces our Medicaid revenue by almost \$200k over 12 months.

d. Corporate Compliance

Additional background information was provided to the Board in the management update. Information on services that would be provided under the Shared Compliance Program was reviewed.

e. Renal Dialysis Update

Management met with a third renal dialysis company last week. A follow-up meeting is expected within the next two weeks.

8. Next Meeting Date

Monday March 12, 2012, 6 pm.

10. Adjournment

Chair O'Shaughnessey declared meeting adjourned at 6:50 pm.

Respectfully submitted

Scott T. Gima
Recording Secretary