

**Board of Directors
Champaign County Nursing Home (CCNH) –Minutes
Urbana, Illinois
October 5, 2015**

Directors Present: Anderson, Cowart Hodson, Lynn, Palinkas

Directors Absent/Excused: Emanuel, Banks

Also Present: Busey, Gima, Noffke, Nolan

1. Call to Order

In Chair Emanuel's absence, the meeting was called to order at 6:03 p.m. by Vice Chair Palinkas.

2. Roll Call

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

3. Approval of Agenda

Agenda was approved as distributed (motion by Hodson, second by Lynn, unanimous).

4. Approval of Minutes

The open and closed session minutes of September 14, 2015 were approved as submitted (motion by Hodson, second by Anderson, unanimous).

5. Public Participation

Lloyd Carter expressed concern that the Department of Public Health visited the nursing home without residents being informed, and he commented that the nursing home's operations are inefficient. Additionally, Mr. Carter stressed that the nursing home belongs to the taxpayers of the county.

David Laker expressed concerns about the nursing home's dietary services as well as the timeliness and temperature of meals. Mr. Laker noted that the acoustics in the meeting room prevent members of the public from hearing what the board is discussing during meetings and asked if meetings could be held at Lyle Shields Room at the Brookens Administration Center where proper audio equipment is available. Mr. Laker also commented that cooperation is needed when handling the nursing home's finances and discussions at the board meetings need to include more issues than operational metrics. Additionally, Mr. Laker asked the board to diminish weekend expenditures and to fill the open Social Services Director position.

Marsha Grothe commented that she appreciates the quality of care Unit 2 staff members have provided to her mother; however, she is concerned the number of CNA's being cut from Unit 2 will negatively impact the quality of care received by the residents due to staff members being overworked.

Douglas Goodwine commented that his mother has gone without meals at the nursing home because she was left in her room during meal times. Mr. Goodwine noted that he has hired companions for his mother to ensure she is fed at each meal, which has cost him an extra \$4,000 per month on top of nursing home charges.

Vice Chair Palinkas asked if the Lyle Shields Room at the Brookens Administration Center can be utilized for future meetings. Ms. Busey explained that the nursing home bylaws require the board of directors to meet at the nursing home for the convenience of residents and family members; however, the bylaws can be amended to hold meetings in Lyle Shields Room at the Brookens Administration Center.

6. Communications

None

7. Management Report

a. Monthly Financial/Management Report

Mr. Gima noted that the nursing home's census has continued to decrease due to fewer hospital discharges to area nursing homes, and many of the nursing home's competitors are also experiencing decreases in admissions. Mr. Gima is hopeful that this decrease is a cyclical trend.

Mr. Palinkas asked if any area competitors have plans to abandon the marketplace. Mr. Gima did not anticipate any competitors to leave the area.

Mr. Gima noted that net income for August was -\$13,948, cash flow from operations totaled \$45,000, and revenues have decreased since July. Mr. Gima explained that revenues decreased due to fewer residents being in the building as well as the decision to adjust Medicaid revenue in anticipation of a State Medicaid cut. A 5% Medicaid rate cut will be made in coming months in order to avoid a large revenue adjustment later in the year.

Mr. Anderson asked if the 5% rate cut reduce annual revenues by \$600,000. Mr. Gima confirmed.

Mr. Gima noted that the State has made Medicaid payments for July and August Services, but the August payment was about a week late and did not arrive until September 1st. It is anticipated that the State will not be able to continue payments starting in early 2016. Mr. Palinkas commented that this is a bad situation because there is no cash reserve at the nursing home if the state is unable to make Medicaid payments. Mr. Gima noted that lobbying efforts at the state level can be utilized to secure future payments as well as delaying payments to vendors in order to conserve cash. Mr. Palinkas did not advise delaying payment to vendors.

Ms. Busey noted that Medicaid payments from the state come from the federal government and asked if it is expected that the federal government will not have a budget in place to provide Medicaid payments. Mr. Gima explained that full Medicaid payments are made by the state and 50% is matched by the federal government only when the state has already made its payments. If the state is unable to make Medicaid payments, the federal government will not reimburse the state for payments they did not make.

Mr. Anderson asked what contingency plans are in place to maintain operations at the nursing home in the event Medicaid payments are no longer received. Ms. Busey noted that Revenue Anticipation Notes are the nursing home's best option to maintain operations and the county's reserves would only maintain operations at the nursing home for 45 days. Mr. Anderson noted that a plan needs to be in place as soon as possible. Mr. Palinkas confirmed.

Mr. Gima noted that work on Revenue Anticipation Notes is ongoing and explained that they will support the nursing home for 12 months. Mr. Anderson asked for the value of the Revenue Anticipation Notes. Mr. Gima noted that the Revenue Anticipation Notes would function as a working capital loan and would be valued at \$350,000 to \$400,000 per month.

Ms. Busey noted that a plan should be fully developed in order to determine how Revenue Anticipation Notes will work and how long they will carry the nursing home. Ms. Busey also advised the board to determine which alternatives will be available if the Revenue Anticipation Notes do not fully support operations at the nursing home.

Mr. Lynn and Ms. Cowart asked if any plans are place to cut expenditures in the short term to prepare for potential long term revenue problems. Mr. Gima noted that agency and turnover costs need to be corrected, and he will address these issues during the Strategic Objective Metrics portion of the agenda.

Mr. Anderson asked for clarification in regards to the Net of Uncollectable Amounts on the Asset Sheet of the financial statements. Mr. Gima noted this amount is the aggregate of what the nursing home is owed for private pay residents, which includes resident's social security payments and Medicaid pending applications.

Ms. Cowart asked if social security checks for private pay residents come directly to the nursing home or if they are first deposited in the resident's bank account. Mr. Gima explained social security rules state that the nursing home can not require a resident to have their social security check come directly to the nursing home; however, the resident has the option to send payments directly to the nursing home. It is noted that while social security rules do not require social security checks to go to the nursing home, Medicaid rules state that social security checks are owed to the nursing home to cover room and board costs. Mr. Gima commented that involuntary discharges can be utilized after 90 days if social security payments are not being sent to the nursing home by private pay residents.

b. Strategic Objective Metrics

1. CNA & Dietary Staffing

Mr. Gima noted that turnover rates have increased since July and CNAs continue to leave the facility. CNAs left the facility during August due to school obligations, new job opportunities, terminations for care and attendance issues, and transportation issues. A preceptor training program has been implemented to help retain more staff members.

Ms. Coward asked if staff meetings are held to address these issues. Ms. Noffke confirmed and noted that weekly and monthly meetings are held with staff members and management.

Mr. Lynn asked how the nursing home received a three out of five staffing rating when turnover rates continue to increase. Ms. Noffke noted that this score is reflective of all positions at the nursing home and the score is determined once per year during the annual survey window. The score does not change until the next annual survey is completed.

2. Quality of Care

Mr. Gima provided the board with the last four quarters of data for Pinnacle scores. The survey categories of overall satisfaction, nursing care, dining services, quality of food, cleanliness, communication, and safety and security have continued to improve over the past four quarters. The survey categories of Individual needs, laundry service, response to problems, dignity, respect, recommend to others, activities, professional therapy, and admission process have showed declining survey scores over the past four quarters.

Champaign County Nursing Home has 755 quality measure points and a 4 star rating on the CMS Quality Measures. It is noted that 760 quality measure points are needed for a 5 star rating.

3. Outpatient Therapy

The outpatient clinic is open with two adult day care referrals. Services will also be offered to residents who are discharged from the facility to provide better continuity of care and to secure more referrals.

4. Food Service Improvement

Mr. Gima noted that Healthcare Services Group is actively making improvements to ensure competency with each of their workers, to review their orientation program, to provide staff members with daily responsibilities, to update cleaning schedules, to stagger staff break times, and to recruit a registered dietician.

Mr. Palinkas asked for an explanation in regards to food service metrics showing improvements while members of the public expressed concerns about the quality of food services. Mr. Gima explained that variations in food services are seen from day to day and work is ongoing to further improve food services.

5. Contract Management

Mr. Gima reported that Champaign County Nursing Home is currently working with Christie Clinic on the Cardiopulmonary Rehab contract for Dr. Sheik. Dr. Sheik would be providing regular consultation to residents that require pulmonary rehab services. The goal of the program is to reduce readmissions and to improve the nursing home's ability to care for complex cardiopulmonary residents.

8. Chair's Report

None

9. Other Business

MOTION by Hodson to enter closed session Pursuant to 5 ILCS 120/2(c)2 to Consider Collective Negotiating Matters Between Champaign County and Its Employees and Their Representatives, and for the following individuals to remain present: Scott Gima, Karen Noffke, County Administrator and recording secretary.

Roll call vote:

Aye: 5 – Cowart, Hodson, Lynn, Anderson, Palinkas

Nay: 0

Motion carried.

The Champaign County Nursing Home Board of Directors entered Closed Session at 7:27 p.m.

The Champaign County Nursing Home Board of Directors resumed Open Session at 7:51 p.m.

15. Next Meeting Date & Time

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

12. Adjournment

Vice Chair Palinkas declared the meeting adjourned at 7:52 p.m.

Respectfully submitted:

Brian Nolan

Recording Secretary