NURSING HOME BOARD OF DIRECTORS AGENDA

County of Champaign, Urbana, Illinois

Monday, November 9, 2015 – 6:00pm

In Service Classroom, Champaign County Nursing Home
500 S. Art Bartell Road, Urbana

CHAIR: **Catherine Emanuel**

DIRECTORS: **Jack Anderson, Sam Banks, Lorraine Cowart, Don Lyn, Mary Hodson, Robert Palinkas**

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

Award-winning care is their mission

Sun, 10/11/2015 - 6:00am | Tracy Crane (/author/tracy-crane)

In a bequest from the late Martin Wagner, a UI professor, the Gloria Valenti Awards were established six years ago to honor health care professionals who have touched the lives of others with their compassionate care and professional standards.

Mr. Wagner received home health care services provided by registered nurse Gloria Valenti and others with her agency prior to his death in 2009. The bequest was Mr. Wagner's way of thanking Valenti and the others for their care in the last years of his life.

Any health care worker in Champaign County who treats patients of any age and consistently demonstrates technical skill and sincere compassion in caring for patients, families and co-workers is eligible to be nominated for the award, given by the Community Foundation of East Central Illinois.

This year, more than 25 health care workers were nominated for the award by patients, family members of patients and co-workers. Four were selected for this year's awards that will be presented at a dinner on Tuesday at the Hilton Garden Inn.

Advanced reservations are required and can be made by e-mailing valentiaward@gmail.com (mailto:valentiaward@gmail.com) or calling 356-1305.

(Photos for The News-Gazette by Darrell Hoemann)

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Tracy Rhone

LPN, Champaign County Nursing Home

Nursing is not a job to Tracy Rhone. It's personal.

"She makes sure the residents are taken care of in a way she would want her own family members cared for," said Karen Noffke, administrator at the Champaign County Nursing Home where Rhone has been an LPN for the last 10 years.

Rhone said she's more passionate today than when she first became a nurse 17 years ago.

"I feel needed. I make a difference. I love my residents," she said.

Noffke said all of Rhone's residents are like family to her, and she gets lots of compliments about Rhone from family members of residents.

"She really has been a role model for our staff and takes pride in her work," Noffke said.

Her personal touch made an impact on the son of a 91-year-old female resident, who's a native of Columbia and in Rhone's care at the nursing home. The son nominated her for the Valenti Award, writing that Rhone "went out of her way to make my mother feel welcomed, safe and loved. In particular, the affectionate care that Ms. Rhone regularly bestowed on my mother, and the light-hearted, familiar manner that she regularly and genuinely shared with my mother bridged her cultural differences and made my mother feel right at home. ... I observed Ms. Rhone exhibit this very individualized and sensitive care, adapting her manner as appropriate to suit the comfort and needs of each patient and their family members."

Rhone's career choice was inspired by her mother, who also worked as a nurse in a nursing home. As a little girl, Rhone often went to the nursing home on the weekends with her mother, who told Rhone all the residents were her grandmothers.

"So growing up I thought I had a bunch of grandmas," she said.

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Ndeni Ussiri

CNA, Diversified Healthcare Services, Champaign

A home health nurse who has often cared for patients nearing the end of their lives, Ndeni Ussiri said she likes what she does every day, especially when she can make a small difference in the lives of her patients.

"Sometimes just to share a cup of tea with a lonely elder is more than a Christmas gift. I believe senior care is a family and community issue because many people are living longer and not all of them are healthy enough to live a full life without someone else's support. And allowing people to stay in their homes for all of their lives is especially important. For me, knowing what you can do and liking it is a blessing from God," said Ussiri, a native of Tanzania who came to the U.S. in 1997 with her husband who was pursuing his doctorate.

Peg Santiago, a registered nurse and Ussiri's supervisor, said Ussiri is kind, gentle, respectful, professional, always puts her patients first, and for all those reasons, she wasn't "a bit surprised" when Ussiri was nominated for and won the Valenti Award.

"She's always willing to go above and beyond," said Santiago, who's witnessed Ussiri's wonderful way with all her patients, including the family members who nominated her for this award. They wrote "during times when my mother was failing and my fear of her passing became almost debilitating, Ndeni helped me overcome that with gentle words of encouragement. ... My fear was replaced with the knowledge that the process of aging and dying is something to embrace with love. ... During her last days, I will never forget how Mom looked to Ndeni and the fear in her eyes turned to trust: we were both reassured immeasurably by her presence."

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Shirley Walker

RN, Parish Nurse at First Presbyterian Church, Urbana, and Health Educator at Frances Nelson Health Center

After retiring from 28 years of teaching nursing at Parkland College in 1998, Shirley Walker helped found First Presbyterian Church's parish nurse program that same year, and she's still volunteering for that program and at Frances Nelson Health Center.

She provides a variety of services to members in the church congregation, including advice on health-related issues, blood pressure screenings, nutrition and wellness advice as well as attending medical appointments with members and organizing visits and assistance to members in need. Walker also finds time to serve as a health educator at Frances Nelson Health Center.

According to the church's annual records, Walker and her colleagues have provided annually, an average of 78 Sunday morning office visits, 124 blood pressure screenings, 162 phone calls, 25 hospital visits, 121 home visits to members and attended an average of 25 medical appointments with church members.

Walker said the parish nurse program is gratifying because it allows her to combine her faith with her nursing knowledge.

"I count it a privilege to be able to be a parish nurse," she said. "I like what I do. I appreciate being with other people, and if I can be of help to them, that makes me feel good."

One of her Valenti Award nominators said the "entire church family stands in awe of the amount of time, energy and caring she devotes to any and all members."

Another nominator said, "Shirley is one of the most compassionate and caring people I have ever had the pleasure of knowing. She sets the bar for humility, servant hood and putting the needs and welfare of others above her own."

Deborah Owen, intentional interim minister at the church, said Walker is an extraordinary woman who goes above and beyond.

"She is so kind and gentle with all the people in our church. She is just a very spiritual woman. We are very blessed that she's in our church staff. We are just delighted about this award, because it's so well deserved," said Owen, adding that Walker doesn't hesitate to go to the hospital with a member even late at night. "She loves people. She's just a very loving, spirit-filled woman. She radiates her warmth and care for people."

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Dang Ho

Doctor at Christie Clinic and Champaign County Christian Health Center

Dang Ho considers his medical work, even the volunteer hours at the Champaign County Christian Health Center, a privilege, because, he said, it allows him to give back to the Urbana community, which helped him when he first came here in 1984.

A native of Vietnam, Dr. Ho trained as a primary care physician and then cardiology, but his career was interrupted by war in his home country. He left Vietnam in 1979 and spent four years practicing medicine in Montreal before coming to Urbana, where he retrained for 13 months without pay at McKinley Health Center.

He received assistance from many colleagues and friends, inspiring him to make Urbana his home, so he could give back to the community.

One of Dr. Ho's nominators, Ann Burger, a volunteer nurse at the Christian Health Center, said even though Dr. Ho is semi-retired now, he still faithfully comes to the clinic every Tuesday to see patients just as he did when he was working full-time. She said he lives a compassionate life every day, always going the extra mile for patients. And he's egalitarian in his thinking,

she said, an educator, willing to explain a decision to staff around him and include family members in the process of caring for his patients.

"You can ask him any kind of question. He is by nature an educator as well as a healer. He's always in a delightful mood. He is grateful for life, happy. ... He's a godsend to the Christian Health Center," she said.

Nominators also said medicine is a calling for him not a job, as he has such compassion for all patients, checking in on them at home to helping international patients break down communication barriers and understand the American medical system. His work is "deeply personal" to him, one nominator said, but he's "rigorously professional."

Another nominator talked about going with her parents — who had paid little attention to their health previously — for a first visit to Dr. Ho.

"After being cordially greeted and treated with the utmost respect, and as if he had all the time in the world to spend with them, they made regular visits which meant many ailments were detected and treated before they caused debilitating damage."

Action Plan Update

Issue 1
Current Open Positions

The table below summarizes the current open positions. The CNA openings reflect availability for both full-time and part-time positions. The total number of available positions equals 31.6 FTEs. Overtime and agency are used to fill the open shifts. There are no immediate needs for RNs and LPNs, however, recruitment will continue in efforts to obtain a higher mix of RNs and the need to find RNs and LPNs that are willing to work on a PRN basis.

Number of Open Positions

	9/1/2015	10/1/2015	11/1/2015
Accountant			
Business Office Manager			
Human Resources Director	1	1	1
Director of Nursing			
Assistant Director of Nursing (RN)			
Unit Manager for Dementia	1	1	1
Unit Manager for Rehabilitation (RN)			
RN Shift Supervisor	1	1	1
Nurse (1 FT, RN or LPN; 1 PT, RN or LPN)	RN FT, RN PT 2	RN FT, RN PT 2	RN FT, RN PT 2
Nurse Scheduler			
Care Plan Coordinator (RN preferred)	1	1	1
Assistant Care Plan Coordinator (RN preferred, LPN minimum)			
CNA Team Leader - Long Term Care	2	1	2
CNA Team Leader - Rehabilitative			
CNA Team Leader - Dementia			
CNA (1 FT, 1 PT)	2	2	2
Social Services Director (LCSW or MSW)		1	hired
Assistant Activities Director		1	
Activities Assistant	1	2 PT	
Cook/Assist Cook	1 Cook, 1 Asst Cook		
Food Service Worker	PT 1		
Kitchen Steward			
Transporation Assistant			
Volunteer Coordinator			
Laundry Worker	1		1
Housekeeper			2
Central Supply Clerk			
Maintenance Assistant		2	
Adult Day Care Assistant	1 FT and 1 PT		
Total	17	15	13

Issue 1
HR Dashboard

Retention Rate	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Benchmark
All	68.9%	70.0%	67.0%	68.1%	66.4%	65.0%	65.9%	64.9%	65.6%	73.1%
All Nursing	67.80%	70.9%	66.9%	69.2%	68.1%	66.9%	66.9%	62.9%	63.4%	67.8%
CNAs	69.2%	71.6%	72.2%	70.7%	68.9%	64.0%	64.9%	59.5%	62.0%	67.5%

Turnover Rate (12 month rolling average)	Jan 14 to Jan 15	Feb 14 to Feb 15	Mar 14 to Mar 15	Apr 14 to Apr 15	May 14 to May 15	Jun 14 to Jun 15	Jul 14 to Jul 15	Aug 14 to Aug 15	Sep 14 to Sep 15	Benchmark
All	51.3%	55.3%	58.4%	60.6%	62.2%	62.7%	59.7%	64.0%	64.2%	45.2%
All Nursing	52.9%	57.3%	54.8%	60.7%	62.9%	62.7%	62.7%	69.8%	69.6%	51.4%
CNAs	64.1%	70.3%	75.0%	72.0%	74.3%	74.7%	72.7%	81.1%	78.9%	52.4%

Benchmark - American Healthcare Association Quality Report 2013

Separation Statistics (12 month rolling average)		Total	< 6 mos	6-11 mos	12 or less	1 year	2 years	3 years	4+ years
January 14 to January 15	All	115	52	13	65	24	8	4	14
	CNAs	50	19	8	27	13	5	0	5
	Dietary	28	21	4	25	1	1	0	1
February 14 to February 15	All	120	56	15	71	21	9	4	15
	CNAs	52	22	9	31	10	5	0	6
	Dietary	27	19	4	23	2	1	0	1
March 14 to March 15	All	129	62	14	76	23	9	5	16
	CNAs	54	24	8	32	11	5	0	6
	Dietary	31	23	4	27	2	1	0	1
April 14 to April 15	All	131	64	13	77	24	9	6	15
	CNAs	54	26	7	33	16	5	0	4
	Dietary	31	23	4	27	2	1	0	1
May 14 to May 15	All	130	60	19	79	22	10	6	13
	CNAs	55	26	9	35	9	5	1	4
	Dietary	30	22	4	26	2	1	0	1
Jun 14 to Jun 15	All	136	64	20		23	10	6	13
	CNAs	56	26	10	36	10	6	1	3
	Dietary	31	21	5	26	3	1	0	1
Jul 14 to Jul 15	All	135	20	24	44	24	9	5	13
	CNAs	56	27	9	36	11	5	1	4
	Dietary	31	23	5	28	2	0	0	0
Aug 14 to Aug 15	All	142	65	24	89	25	10	5	13
	CNAs	60	28	11	39	10	6	1	4
	Dietary	29	19	5	24	3	2	0	0
Sep 14 to Sep 15	All	138	61	24	85	22	10	5	16
	CNAs	56	26	13	39	7	5	1	4
	Dietary	26	18	4	22	3	1	0	0

Open Positions by Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Target FTEs
CNAs Hired (FTEs)	55.4	50.2	52.6	53.3	54.2	57.5	54.2	46.6	48.1				84.2
CNAs Open Positions (FTEs)	28.8	34.0	31.6	30.9	30	26.7	30	37.6	36.1				
Dietary Hired (FTES)	3	15.2	16.2	15.8	17.8	18.6	14.8	16.2	19.5				19.65
Dietary Open Positions (FTES)	1.72	4.45	3.5	3.85	1.85	1.05	4.85	3.45	0.15				

Applications/Hires/Separations	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
CNAs												
Applications	13	18.0	25	14	22	21	16	6	20			
Hires	3	4	8	2	4	9	6	3	1			
Separations	5	7	4	4	5	5	3	9	4			
Dietary												
Applications	22	35.0	26	20	30	18	13	14	18			
Hires	3	0	4	1	1	8	0	4	1			
Separations	0	4	4	1	0	3	2	0	1			

Issue 1

CNA Staffing

- CNA retention improved from 59.5% to 62.0% between August and September.
- CNA turnover improved slightly from 81.1% to 78.9%
- In October, 35 CNA applications were reviewed. 9 were hired. Two additional offers were turned down – one decided to stay at their current facility and the other decided to stay closer to home. 12 applications are in the evaluation process (pending interviews, drug testing, or physical examination). The remaining 12

Dietary Staffing

- Dietary hires has increased to 19.5 by the end of September, which is just under the 19.65 that is needed.

Preceptor Training Program

- The dietary preceptor has returned from medical leave and will be involved in new employee training.

- The preceptor group continues to work on their own specific orientation process and competencies and follow up sessions will focus on reviewing orientation materials with preceptor group.

Champaign County Nursing Home
Strategic Objective Metrics – Issue 1
Updated October 31, 2015

Annual Turnover Rate	
Annual turnover rate – Data from American Healthcare Association Quality Report 2013 • 45.0% 2011 • 37.0% 2010 • 42.0% 2009 • 45.1% 2008	FY2015 – 64.2% (Sept 14 to Sept 15) FY2014 – 52.0% FY2013 – 63% FY2012 – 52% FY2011 – 68% FY2010 – 53%

Issue 2
Supervision Improvement

CMS Direct Care Staffing Levels (CMS data file update – October 22, 2015)

There were no updates to any of the Champaign facilities. The Illinois state averages were updated.

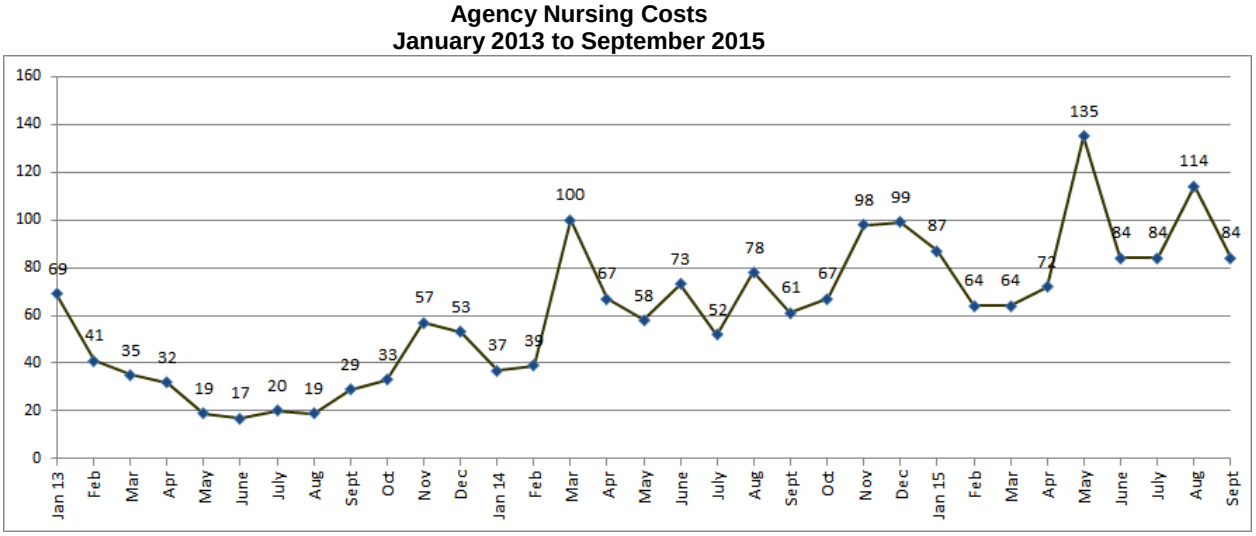
		This first group of values include values derived from those reported by the nursing home on the CMS 671 and 672 reporting forms.					This second group of values presents CMS's calculation of expected staffing time based on the RUGS 53 staff time values for residnets in the nursing home at the time of the survey.					This third group of values represents the adjusted time, which is calculated by this formula: Hours Adjusted = (Hours Reported/Hours Expected)* Hours National Average				
		Reported Hours Per Resident Per Day					**Expected Hours Per Resident Per Day**					**Adjusted Hours Per Resident Per Day**				
Provider Name	CITY	Aides	LPNs	RNs	Total License	Total Nursing	exp_aide	exp_LPN	exp_RN	exp_nurse	exp_all	adj_aide	adj_lpn	adj_rn	adj_nurse	adj_total
CHAMPAIGN COUNTY NURSING HOME	URBANA	2.63	0.52	0.57	1.09	3.72	2.36	0.59	0.91	1.50	3.86	2.74	0.73	0.47	1.20	3.89
CHAMPAIGN URBANA NRSG & REHAB	SAVOY	2.17	0.92	0.62	1.54	3.71	2.41	0.69	1.15	1.84	4.25	2.21	1.10	0.41	1.32	3.52
HELIA HEALTHCARE OF CHAMPAIGN	CHAMPAIGN	1.60	0.51	0.48	0.99	2.59	2.22	0.59	0.90	1.49	3.72	1.77	0.71	0.40	1.04	2.81
HEARTLAND OF PAXTON	PAXTON	1.98	0.89	0.88	1.78	3.75	2.49	0.70	1.17	1.87	4.36	1.95	1.06	0.56	1.50	3.47
HEARTLAND OF CHAMPAIGN	CHAMPAIGN	2.47	0.71	0.69	1.41	3.88	2.53	0.71	1.22	1.93	4.47	2.39	0.84	0.42	1.15	3.50
ILLINI HERITAGE REHAB & HC	CHAMPAIGN	1.87	0.70	0.46	1.15	3.02	2.31	0.59	0.84	1.43	3.73	2.00	0.98	0.41	1.28	3.27
COUNTRY HEALTH	GIFFORD	1.86	0.65	0.76	1.41	3.27	2.46	0.60	0.98	1.58	4.04	1.86	0.90	0.58	1.41	3.27
Area Average		2.08	0.70	0.64	1.34	3.42	2.40	0.64	1.02	1.66	4.06	2.13	0.90	0.46	1.27	3.39
Illinois State Average		2.23	0.60	0.93	1.53	3.76	2.40	0.64	1.04	1.68	4.07	2.26	0.79	0.64	1.43	3.68

The following are the previous state averages.

Illinois State Average		2.22	0.59	0.92	1.51	3.73	2.38	0.63	1.03	1.66	4.04	2.27	0.78	0.64	1.42	3.69

Agency Usage Trends - Expenses

$67,070 is the estimated agency expenses for October.



Champaign County Nursing Home
Strategic Objective Metrics – Issue 2
Updated October 31, 2015

Nursing Management	**Status**
Fill Director of Nursing Position in 2015	Filled 1/26/15.
Nurse Education	
Carle Clinic Emergency Department Collaborative Training for nurses and CNAs. The goal is to train 90% of nurses and CNAs.	Added to orientation going forward *Plan to use this in orientation but replace with Skills proficiency days by Summer 15
IV training through pharmacy. The goal is 90% of nurses trained by end of 2015.	Annual training requirement: 69% - 27/39 nurses trained Next class to training in October 2015.
Trach education. 90% of all nurses will be trained by the end of 2015.	April to current 46% (18/39) nurses trained PEL/VIP updating competencies with all licensed nurses to complete training requirements for licensed staff.
Skills training opportunities – collaborative effort with Carle Clinic or teaching programs. 90% of all nurses will be trained by the end of 2014.	See above Carle Clinic ER collaborative training.
Staff education from Carle Clinic Nurse Practitioners. Quarterly training is ongoing will see about whether monthly is feasible. Education topics and schedule still to be determined.	Dr. McNeal and Christie Clinic Nurse Practitioner have taken over the Quarterly nurse training activities. Jan 2015 Delirium assessment/reporting April 2015 Customer Service Seizures training is currently TBD

Issue 3
Quality of Care

Champaign County Area Homes – CMS Nursing Home Compare Summary

The Nursing Home Compare data was updated on October 22, 2015. The chart on the next page summarizes the current CMS five-star ratings for the eight nursing homes in the Champaign County area. The following changes were seen between June and July:

- Champaign Urbana Nursing & Rehab – Quality measure rating fell from 3 to 2 stars. Overall rating unchanged. Their QM rating has fallen from 4 stars in June 2015.
- Heartland of Champaign – Staffing rating improved from 2 to 3 stars.
- Country Health – Quality measure rating fell from 4 to 3 stars.
- Illini Heritage – Quality measure rating improved from 3 to 4 stars.
- Clark-Lindsey Village – Quality measures fell from 2 to 1 stars.

Issue 3 - *Champaign County Area Homes – CMS Nursing Home Compare Summary – CMS Data Updated October 22, 2015*

NURSING HOME GENERAL INFORMATION	CHAMPAIGN COUNTY NURSING HOME	CHAMPAIGN URBANA NRSG & REHAB	HELIA HEALTHCARE OF CHAMPAIGN	HEARTLAND OF PAXTON	HEARTLAND OF CHAMPAIGN	COUNTRY HEALTH	ILLINI HERITAGE REHAB & HC	CLARK-LINDSEY VILLAGE
	500 SOUTH ART BARTELL DRIVE URBANA, IL 61802 (217) 384-3784 **Distance : 1.0 miles**	302 WEST BURWASH SAVOY, IL 61874 (217) 402-9700 **Distance : 4.9 miles** **10/22/15 Update**	1915 SOUTH MATTIS STREET CHAMPAIGN, IL 61821 (217) 352-0516 **Distance : 3.9 miles**	1001 EAST PELLS STREET PAXTON, IL 60957 (217) 379-4361 **Distance : 31.9 miles**	309 EAST SPRINGFIELD CHAMPAIGN, IL 61820 (217) 352-5135 **Distance : 1.0 miles** **10/22/15 Update**	RURAL ROUTE 1 BOX 14 GIFFORD, IL 61847 (217) 568-7362 **Distance : 21.8 miles** **10/22/15 Update**	1315B CURT DRIVE CHAMPAIGN, IL 61820 (217) 352-5707 **Distance : 4.2 miles** **10/22/15 Update**	101 WEST WINDSOR ROAD URBANA, IL 61801 (217) 344-2144 **Distance : 2.1 miles** **10/22/15 Update**
Overall Rating	**Rating: 1 out of 5** **Much Below Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 2 out of 5** **Below Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 2 out of 5** **Below Average**	**Rating: 3 out of 5** **Average**	**Rating: 4 out of 5** **Above Average**	**Rating: 4 out of 5** **Above Average**
Health Inspection	**Rating: 1 out of 5** **Much Below Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 3 out of 5** **Average**	**Rating: 4 out of 5** **Above Average**	**Rating: 5 out of 5** **Much Above Average**
Staffing	**Rating: 3 out of 5** **Average**	**Rating: 3 out of 5** **Average**	**Rating: 2 out of 5** **Below Average**	**Rating: 2 out of 5** **Below Average**	**Rating: 3 out of 5** **Average**	**Rating: 3 out of 5** **Average**	**Rating: 2 out of 5** **Below Average**	**Not Available** **Not Enough Data to Calculate**
Quality Measures	**Rating: 4 out of 5** **Above Average**	**Rating: 2 out of 5** **Below Average**	**Rating: 5 out of 5** **Much Above Average**	**Rating: 1 out of 5** **Much Below Average**	**Rating: 5 out of 5** **Much Above Average**	**Rating: 3 out of 5** **Average**	**Rating: 4 out of 5** **Above Average**	**Rating: 1 out of 5** **Much Below Average**
Number of Certified Beds	243	213	118	106	102	89	60	25
Participation: (Medicare/Medicaid)	Medicare and Medicaid	Medicare and Medicaid	Medicare and Medicaid	Medicare and Medicaid	Medicare and Medicaid	Medicare and Medicaid	Medicare and Medicaid	Medicare
Automatic Sprinkler Systems: in All Required Areas	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Retirement Community (CCRC)	No	No	No	No	No	No	No	Yes
Within a Hospital	No	No	No	No	No	No	No	No
With a Resident and Family Council	BOTH	RESIDENT	RESIDENT	NONE	RESIDENT	RESIDENT	RESIDENT	RESIDENT
Ownership	Government - County	For profit - Partnership	For profit - Corporation	For profit - Individual	For profit - Corporation	Non profit - Other	For profit - Corporation	Non profit - Corporation

Issue 3
Quality of Care (Continued)

Please see attached Pinnacle Satisfaction Survey for September 2015. The following monthly scores showed improvement between August and September:

1.	Quality of food	3.23 to 3.39
2.	Laundry service	3.39 to 3.62
3.	Communication	3.93 to 4.30
4.	Response to problems	3.93 to 4.29
5.	Activities	4.18 to 4.50
6.	Professional therapy	4.40 to 4.56

The following scores showed fell between August and September:

1.	Overall satisfaction	4.20 to 4.07
2.	Nursing care	4.13 to 4.07
3.	Dining service	3.32 to 3.29
4.	Cleanliness	4.27 to 3.97
5.	Individual needs	4.13 to 3.97
6.	Dignity and respect	4.46 to 4.40
7.	Recommend to others	4.40 to 4.33
8.	Admission process	4.42 to 4.17
9.	Safety and security	4.68 to 4.33
10.	Combined average	4.10 to 4.06

Issue 3
Quality of Care (Continued)

The accompanying charts summarize the Pinnacle scores using a rolling four-quarter history instead of comparing monthly scores.

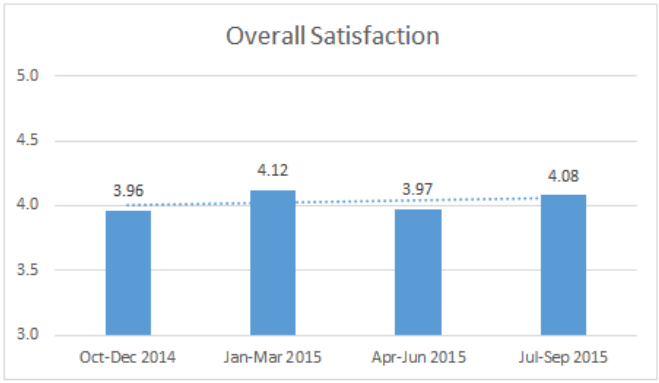
The following measures show a four quarter trend up:

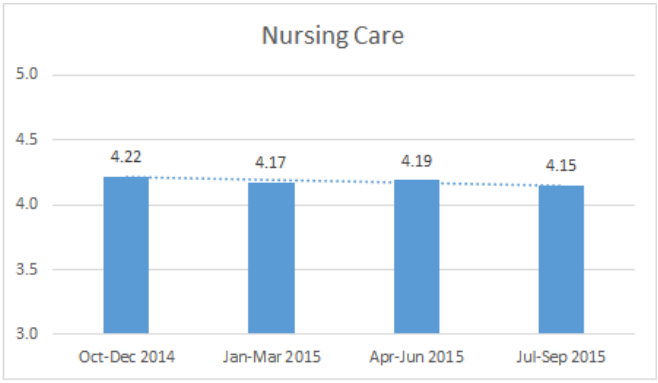
1. Overall satisfaction
2. Dining service
3. Quality of food
4. Cleanliness
5. Communication
6. Recommend to others
7. Professional therapy

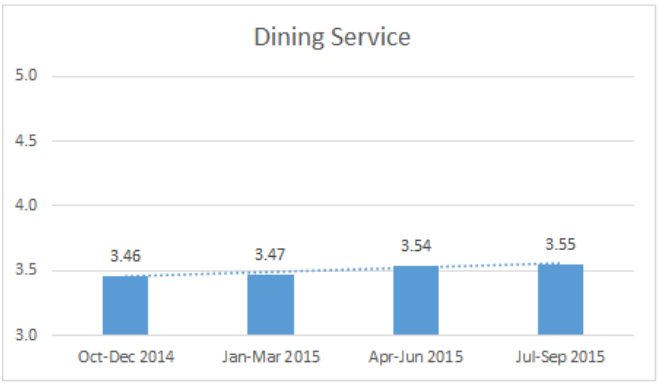
The following measures show a four-quarter trend down:

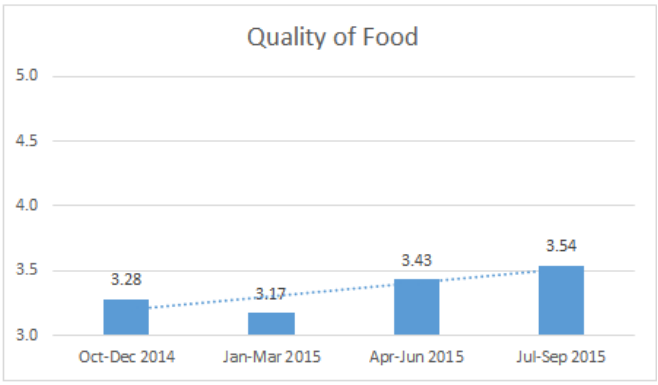
1. Nursing care
2. Individual needs
3. Laundry service
4. Response to problems
5. Dignity and respect
6. Activities
7. Admission process
8. Safety and security
9. Combined average

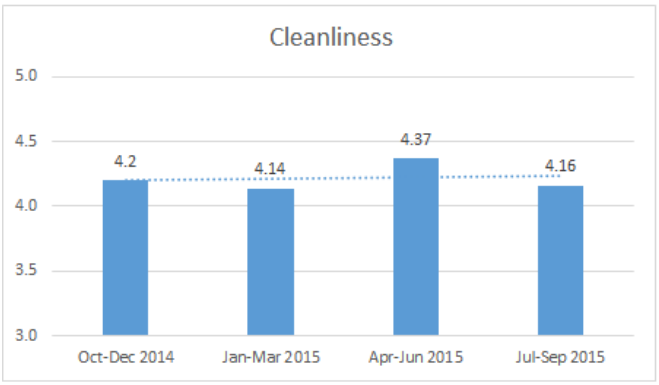
Pinnacle Survey – Quarterly Scores
October 2014 through September 2015

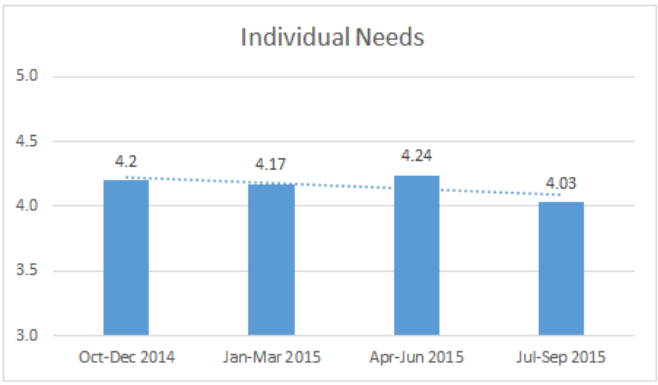


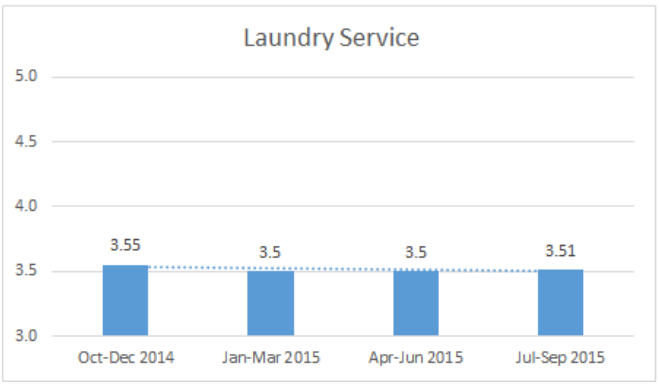


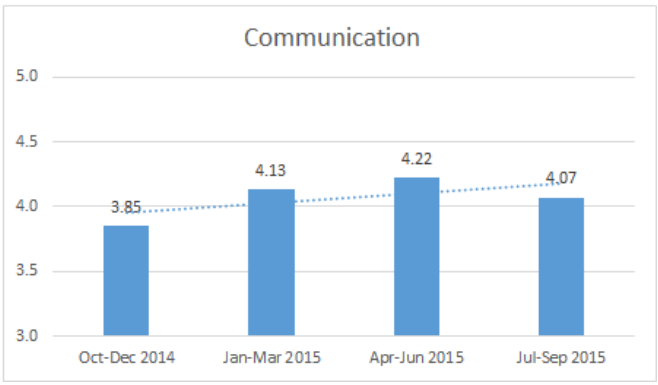




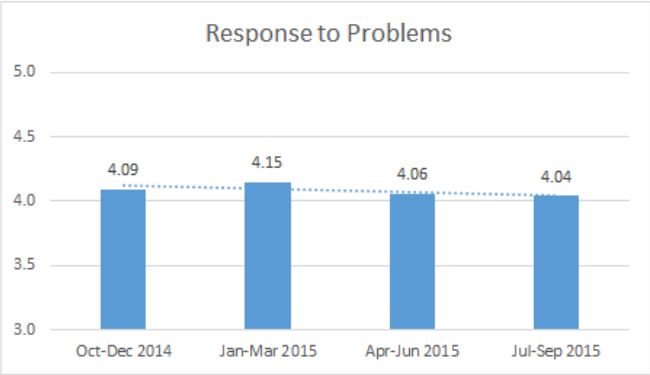


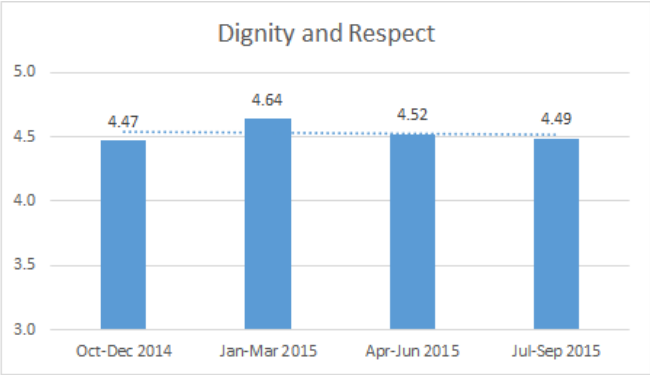


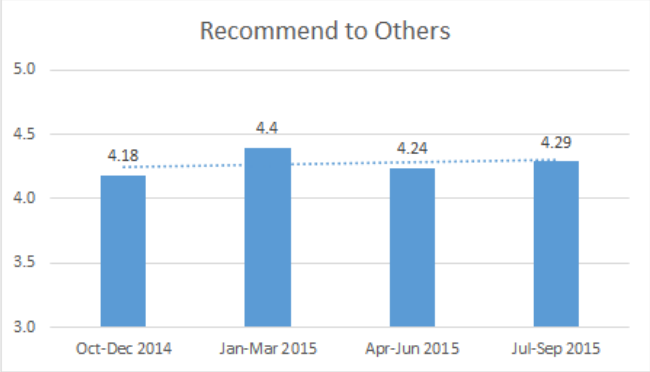


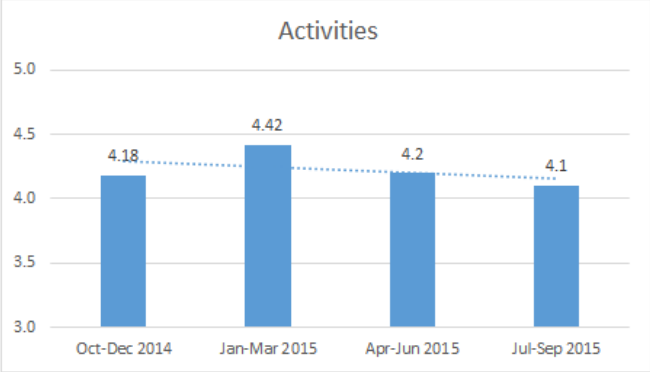


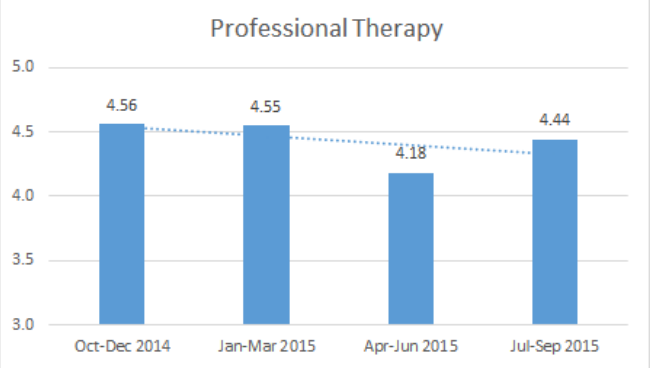
Pinnacle Survey – Quarterly Scores
October 2014 through September 2015

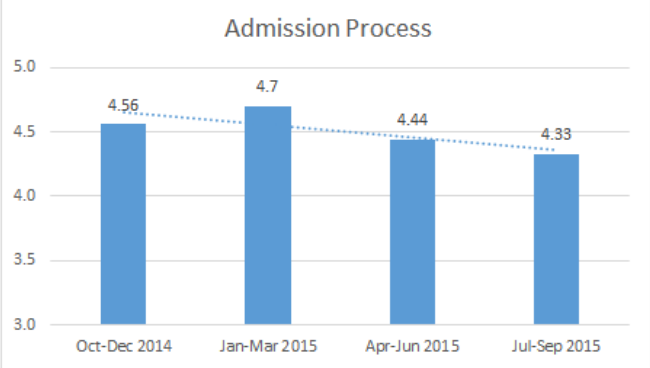


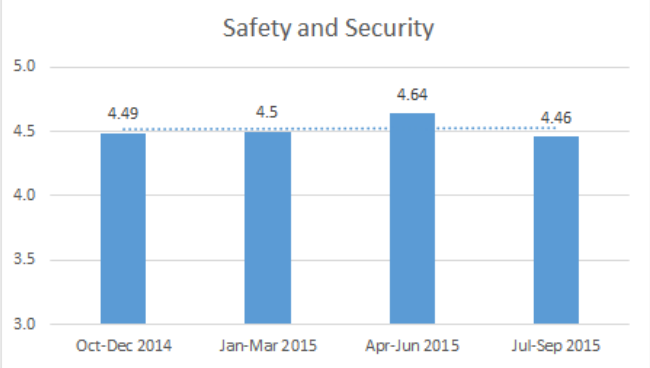


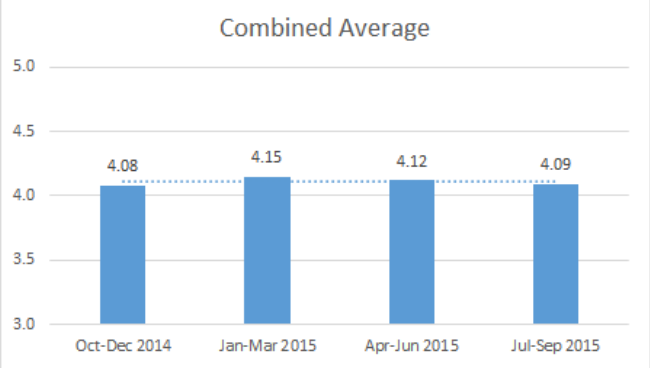












Champaign County Nursing Home
Strategic Objective Metrics – Issue 3
Updated October 31, 2015

Medical Management Metric	Status
Carle Clinic and Christie Clinic	
Carle Clinic – maintain 3 physicians and 2 full-time nurse practitioners	Carle is currently recruiting a NP. Residents are being covered by a current full-time NP and another Carle Clinic NP on site on a part-time basis
Christie Clinic – maintain current level of care (one physician and one nurse practitioner)	Maintained
Implement QA with NPs monthly Metric replaces "Implement daily rounds on the Medicare unit by 1/1/14."	Monthly meetings with Carle Clinic NP are occuring.
Expanded Specialized Services	
Establish pulmonary clinic by July 1, 2015	MPA, Administrator and PEL-VIP met with Christie Clinic pulmonologist. Working on a Cardiopulmonary Rehab Coordinator agreement.
Current wound/pain caseload is 13 residents.	13 currently on caseload 7 wound/5 pain 52 residents have healed and have been taken of the caseload.
Establish outpatient rehab program by July 1, 2015.	Outpatient clinic is open. Caseload is currently 3 residents. Two referrals from recent facility discharges to home.

Champaign County Nursing Home
Strategic Objective Metrics – Issue 3
Updated October 31, 2015

Non-Financial Metrics	Status
Medicare 30-Day Readmission Rate	
The national average rate is 19.8 percent. The 25th percentile is 14.8 percent The 75th percentile is 23.4 percent. Source: MedPac Report to Congress: Medicare Payment Policy, March 2013. (Data is from 2011). CCNH will have a current baseline readmission rate by January 1, 2014.	Interact Data Aug (3/15) 20% Sept (1/12) 8% Oct (6/15) 40% Nov (5/16) 31% Dec (6/18) 33% Jan 2015 (2/15) 36% Feb (1/12) 8% March (4/9) * 44% April (3/11) 27% May (0) 0% June (1/12) 8% July (2/10) 20% Aug (5/19) 26% Sept (2/12) 17% Oct (3/11) 27%
Pinnacle Survey Scores	
Meet or exceed national average scores, which are shown below. There are 16 separate survey scores. The summation of all surveys conducted in 2012 resulted in two out of 16 scores exceeded the national average. The metric goal is to have four score exceeding the national average for 2013 and six scores for 2014.	# of measures that met or exceeded the national average. Sept 2014 3 out of 16 Oct 2 out of 16 Nov 4 out of 16 Dec 0 out of 16 Jan 2015 7 out of 16 Feb 5 out of 16 March 2 out of 16 April 2 out of 16 May 6 out of 16 June 8 out of 16 July 2 out of 16 Aug 3 out of 16 Sept 3 out of 16

CMS 5 Star Rating	
Increase overall rating from one star to two star by the end of 2014	One Star as of July, 2015 No changes to staffing our quality measure ratings as of the October 22, 2015 CMS update. New nursing home compares V3.0 started with the Jan 31 report.

Champaign County Nursing Home
CMS Quality Measures - Issue 3
Updated September 30, 2015

MDS3.0 Quality Measures for Provider 145364						
	Provider 145364					National Average
	Part of QM Rating?	Q3 2014	Q4 2014	Q1 2015	3-quarter average	3-quarter average
Long-Stay Residents						
Note: For the following measures, higher percentages are better.						
% of residents assessed and appropriately given the seasonal influenza vaccine	No	84.9%	84.2%	98.3%	88.9%	92.8%
% of residents assessed and appropriately given the pneumococcal vaccine	No	97.3%	98.0%	98.9%	98.0%	93.6%
Note: for the following measures, lower percentages are better.						
% of residents experiencing one or more falls with major injury	Yes	6.5%	4.6%	5.0%	5.3%	3.2%
% of residents who have moderate to severe pain[1]	Yes	3.4%	2.7%	2.8%	3.0%	7.2%
% of high-risk residents who have pressure sores	Yes	2.5%	3.7%	1.5%	2.6%	5.9%
% of residents who had a urinary tract infection	Yes	3.2%	0.0%	0.6%	1.3%	5.5%
% of low-risk residents who lose control of their bowels or bladder	No	43.8%	51.4%	50.0%	48.4%	45.5%
% of residents who have/had a catheter inserted and left in their bladder[1]	Yes	5.5%	5.5%	5.0%	5.4%	3.0%
% of residents who were physically restrained	Yes	0.0%	0.0%	0.0%	0.0%	1.0%
% of residents whose need for help with daily activities has increased	Yes	18.8%	22.4%	28.4%	23.1%	15.8%
% of residents who lose too much weight	No	5.4%	11.8%	12.8%	10.0%	7.2%
% of residents who are more depressed or anxious	No	6.1%	4.9%	4.2%	5.1%	5.9%
% of residents who received an antipsychotic medication	Yes	16.5%	17.3%	14.9%	16.3%	19.0%
Short-Stay Residents						
Note: For the following measures, higher percentages are better.						
% of residents assessed and appropriately given the seasonal influenza vaccine	No	86.2%	88.8%	88.6%	87.8%	82.5%
% of residents assessed and appropriately given the pneumococcal vaccine	No	85.5%	87.0%	89.8%	87.2%	81.8%
Note: for the following measures, lower percentages are better.						
% of residents who had moderate to severe pain	Yes	6.5%	0.0%	6.1%	4.5%	18.0%
% of residents with pressure ulcers that are new or worsened[1]	Yes	0.8%	0.0%	0.0%	0.3%	0.9%
% of residents who newly received an antipsychotic medication	Yes	1.6%	1.8%	0.0%	1.2%	2.3%

Detailed descriptions and specifications for all the QMs can be found here:
https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/NHQIQualityMeasures.html.

[1]These measures are risk adjusted.

NA means no data are available for this measure. Values are not displayed for the long-stay measures if there are fewer than 30 eligible resident assessments and are not displayed for the short-stay measures if there are fewer than 20 eligible resident assessments. A 3-quarter average measure will be shown if there are at least this number of eligible resident assessments summed across all three quarters.

CCNH has 755 quality measure points. The point range for a 4 star rating is 690 to 759. A score of 760 is needed for a quality measure five-star rating.

Issue 4
Food Service Improvement

The Pinnacle score for dining service dropped slightly from 3.32 in August to 3.29 in September. The 12-month rolling average increased slightly from 3.47 to 3.51. The national average is 4.19. The Pinnacle score for food quality improved from 3.23 to 3.39 during the same period. The 12-month rolling average improved slightly from 3.33 to 3.36. The national average is 3.67. The table below summarizes the quarterly average scores for the past 4 quarters. Both scores show a positive trend over the four quarters.

	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	July-Sep 2015	National Average
Dining service	3.46	3.47	3.54	3.55	4.19
Quality of food	3.28	3.17	3.43	3.54	3.67

The HCSG Dietician conducts an informal dining room satisfaction survey of 10 residents. This survey includes the following questions:

- Does your food taste good?
- Are you served foods you like to eat?
- Are hot and cold food served the way you like?
- Do you get enough to eat?
- Do you get snacks and beverages when requested?
- Do you receive substitutes?
- Is a snack offered in the evening?
- Are your meals served timely?

The monthly scoring from this survey is summarized below and shows a positive trend since the start of this survey in September 2014. One of the resident's interviewed stated that the food has been "good for the past few weeks." Another resident stated that more seasoning was needed.

September 2014	58%
October	62%
November	76%
December	77.5%
January 2015	69.8%
February	80%
March	80%
April	74%
May	86%
June	90.6%
July	not available
Aug	98.0%
September	98.0%

The following is a summary of the current actions taken by HCSG to improve food quality and dining service:

- Staffing is up to 19.5, just under the 19.65 required. This effectively reaches full staffing levels. In August and September, there were 5 new hires and one separation.
- Last month, the Dietary Manager and Regional Manager met with Karen to review the current onboarding/orientation program. This month, the dietary preceptor is back from FMLA and will not be involved in new employee training.
- A CNA and food service staff work group has been established to work on meal service/dining room improvements.
- Healthcare Services Group has hired a new dietician who will be starting on November 16th.

The number of issues and complaints are down from previous months. However issues do remain. Feedback from the October 20th family council meeting included food temperatures and quality of the food preparation. As noted in the above bullets, a dining room work group that includes CNAs and dietary staff has been put together to address these ongoing concerns. Involvement of the direct care staff with the problem solving will improve the chances of a timely and effective solution.

Champaign County Nursing Home
Strategic Objective Metrics – Issue 4
Updated October 31, 2015

Dietary	**Status**
Meals will be delivered within 15 minutes of scheduled meal times.	Plating times summary table on the following page
The Pinnacle food quality score will meet or exceed Pinnacle national average of 3.67.	2014 annual average was 3.43. The rolling 12 month average is 3.36 (Sept) Sept 2014 2.91 Oct 3.53 Nov 3.04 Dec 3.21 Jan 2015 2.96 Feb 3.55 Mar 3.04 Apr 3.35 May 3.30 Jun 3.65 July 3.90 Aug 3.23 Sept 3.39
The Pinnacle dining service score will meet or exceed national average of 4.19	The 2014 annual average was 3.41. The rolling 12 month average is 3.51 (Sept) Sept 2014 2.93 Oct 3.39 Nov 3.67 Dec 3.33 Jan 2015 3.63 Feb 3.69 Mar 3.08 Apr 3.46 May 3.25 June 3.33 July 4.00 Aug 3.32 Sept 3.29

Kitchen Plating Times

	Breakfast Start				Breakfast End			
	Avg	Min	Max	Range	Avg	Min	Max	Range
Nov	7:36	7:15	7:55	0:40	8:40	8:10	9:28	1:18
Dec	7:35	7:15	7:50	0:35	8:34	8:04	8:50	0:46
Jan 15	7:27	7:15	7:40	0:25	8:38	8:20	8:50	0:30
Feb	7:25	7:15	7:45	0:30	9:00	8:22	9:17	0:55
Mar	7:29	7:15	8:16	1:01	8:52	8:18	9:15	0:57
Apr	7:19	7:15	7:35	0:20	8:42	8:27	9:00	0:33
May	7:22	7:15	7:40	0:25	8:48	8:34	9:07	0:38
Jun	7:17	7:15	7:30	0:15	8:59	8:28	9:34	1:06
Jul	7:21	7:15	8:05	0:50	8:41	8:20	9:05	0:45
Aug	7:16	7:15	7:30	00:15	8:35	8:21	8:52	00:31
Sept	7:24	7:14	8:30	1:16	8:40	8:14	9:35	1:21

	Lunch Start				Lunch End			
	Avg	Min	Max	Range	Avg	Min	Max	Range
Nov	11:40	11:30	11:50	00:20	12:57	12:12	12:50	00:38
Dec	11:41	11:30	12:00	00:30	12:26	12:09	12:43	00:34
Jan 15	11:37	11:30	11:50	00:20	12:26	12:06	12:40	0:34
Feb	11:36	11:30	11:50	00:20	12:37	12:15	12:59	0:44
Mar	11:33	11:15	11:50	0:40	12:30	12:12	12:58	0:46
Apr	11:30	11:30	11:35	0:05	12:31	12:20	12:50	0:30
May	11:32	11:30	11:40	0:10	11:45	12:25	13:05	0:40
Jun	11:32	11:30	11:40	0:10	12:45	12:25	13:05	0:40
Jul	11:30	11:15	11:43	0:28	12:26	11:45	12:47	1:02
Aug	11:30	11:30	11:35	0:05	12:22	12:00	12:44	00:44
Sept	11:29	11:15	11:30	00:15	12:23	12:07	12:40	00:33

	Dinner Start				Dinner End			
	Avg	Min	Max	Range	Avg	Min	Max	Range
Nov	4:46	4:26	5:10	0:44	5:38	5:11	6:00	0:49
Dec	4:37	4:00	5:34	1:34	5:32	5:05	6:00	0:55
Jan 15	4:29	4:04	4:37	0:33	5:33	5:15	5:50	0:35
Feb	4:31	4:25	4:37	0:12	5:41	5:15	6:10	0:55
Mar	4:30	4:26	4:35	0:09	5:34	5:20	6:00	0:40
Apr	4:30	4:30	4:39	0:09	5:33	5:20	5:45	0:25
May	4:30	4:25	4:40	0:15	5:35	5:00	5:55	0:55
Jun	4:30	4:25	4:40	0:15	5:35	5:00	5:55	0:55
Jul	4:30	4:30	4:32	0:02	5:27	5:10	5:40	0:30
Aug	4:30	4:25	4:35	00:10	5:26	4:57	5:45	0:48
Sept	4:30	4:40	4:30	00:00	5:27	4:58	6:00	1:02

Issue 5
Resident Services Programming

Therapy
Outpatient therapy started during the week of September 21st. The caseload remains unchanged with three adult day care residents. There are two pending referrals from two "inpatient" residents that recently were discharged to home, which was one of our strategies to provide continuity of therapy that we will communicate to the hospitals and managed care organizations as a value-added service that cannot be provided by the other area nursing homes. CCNH is the only SNF with an outpatient therapy program.

Issue 6
Contract Management

CCNH continues to work with Christie Clinic on the Cardiopulmonary Rehab contract for Dr. Sheik, a Christie Clinic pulmonologist. As previously stated, Dr. Sheik will be manage the cardiopulmonary rehab program and provide regular consultation to residents that require pulmonary rehab services, such as pneumonia, COPD and other chronic lung diseases. The goal of the program is to reduce readmissions, improve our ability to care for complex cardiopulmonary residents.

To: Nursing Home Board of Directors
Champaign County Nursing Home

From: Scott Gima
Manager

Date: November 4, 2015

Re: September 2015 Financial Management Report – Statistics Only

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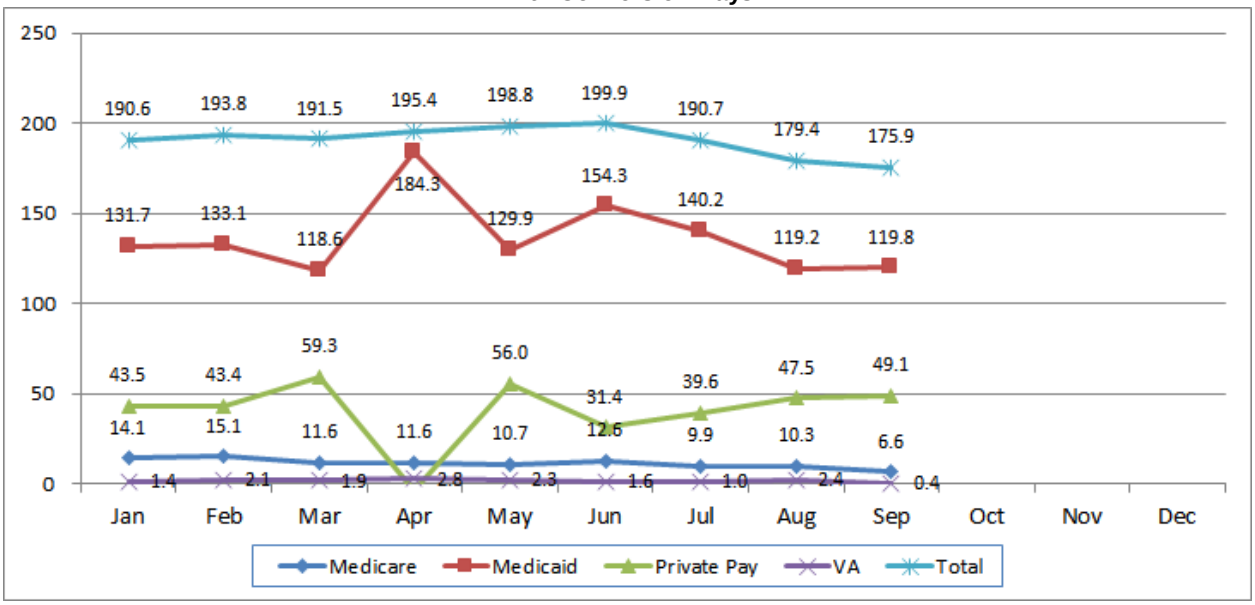
The September income statement, balance sheet and cash statements are not ready for the board packet distribution due to an issue with the accuracy of the Medicare Part B and Medicare Part A revenue. The financials will be distributed as soon as the issue has been corrected.

Statistics
The census after conversions was 175.9 in September, down from 179.4 in August. Medicare was as expected at 6.6. There was 493 Medicaid conversion days for the month.

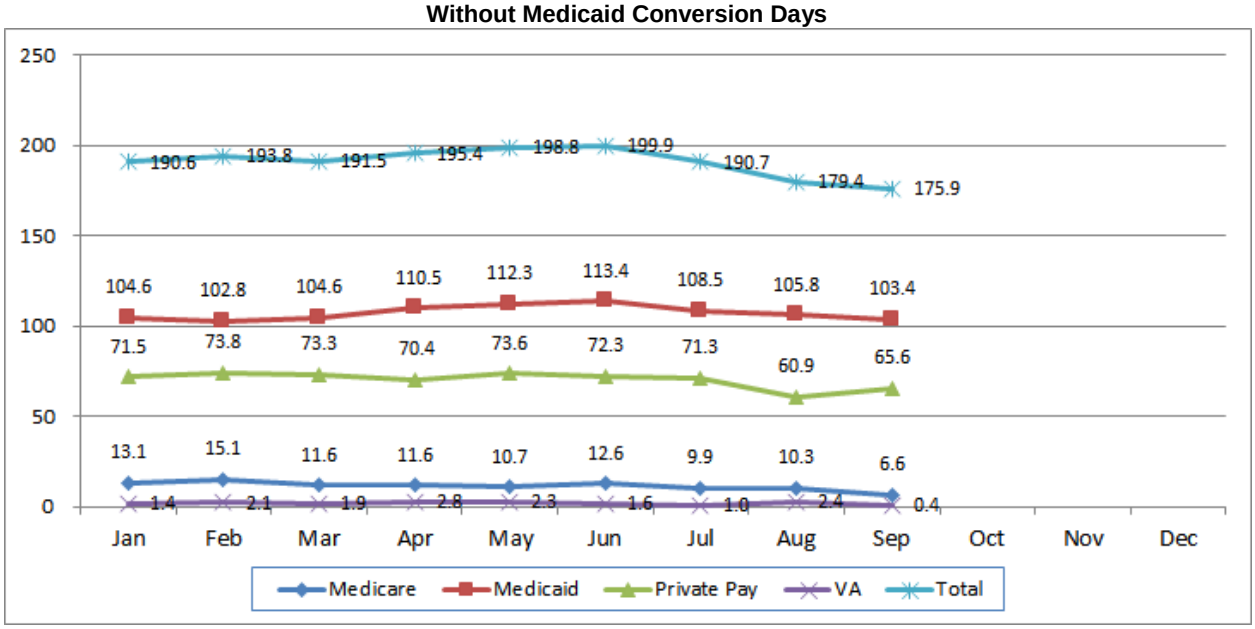
The October census is expected to average 171.5 with 8.3 Medicare. Census on November 3rd was 173 with improvement in Medicare at 11 residents.

Average Daily Census by Payor – FY2015
With Conversion Days



The table below summaries the census without Medicaid conversion days and provides a clearer picture of the payor mix of residents actually in the facility each month. Without the conversion days, the YTD census is Medicaid – 107.4, Medicare – 11.3, Private pay – 70.3 and VA – 1.8. This provides the statistics based on residents in the facility during the year.

Average Daily Census by Payor – FY2015
Without Medicaid Conversion Days

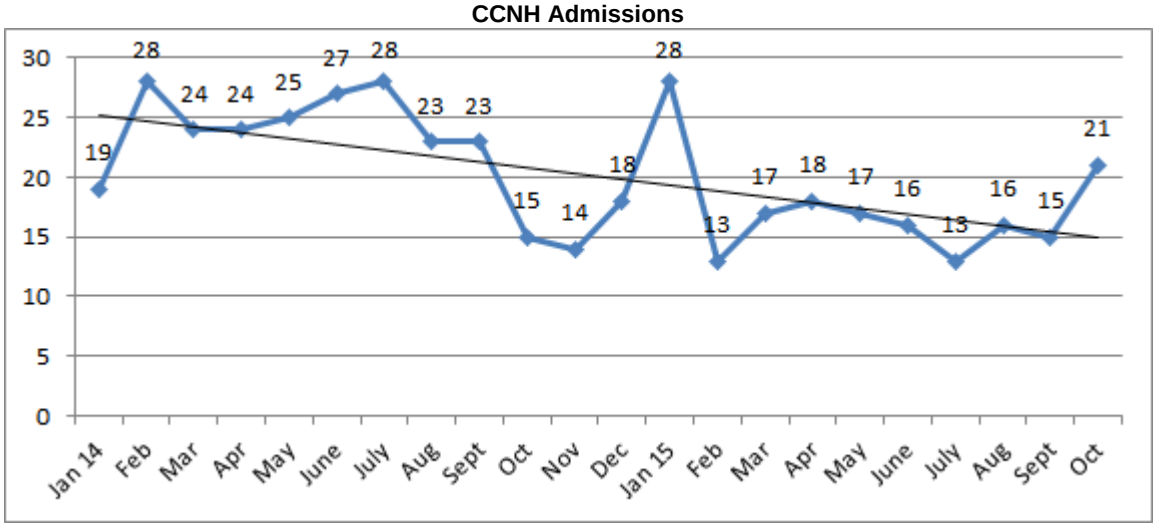


Admissions were up in October – a very positive trend and Medicare admissions fueled the increase. Unfortunately separations remained at levels seen in previous months.

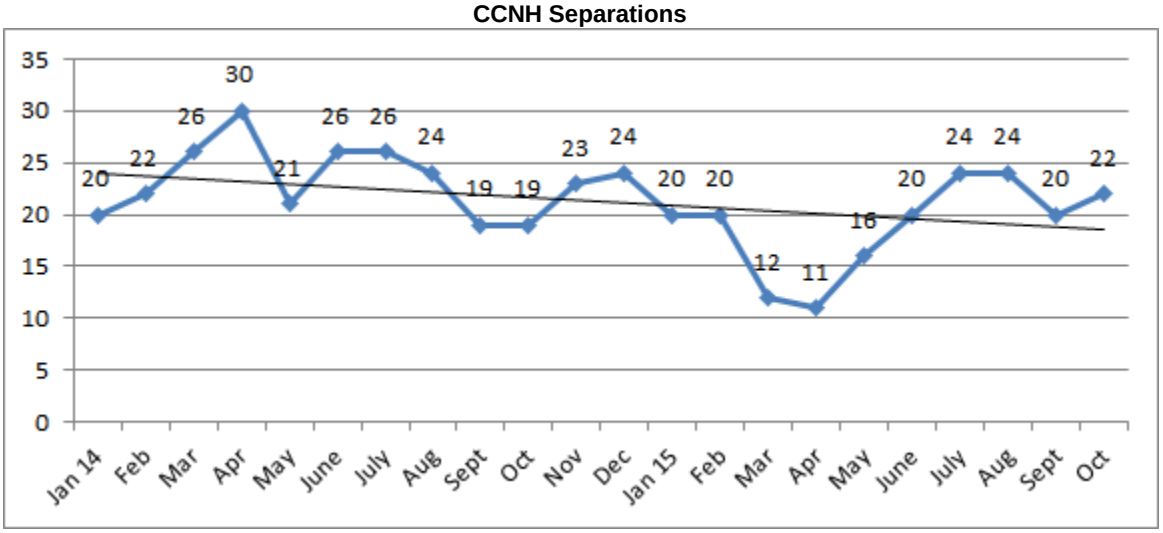
Admissions and Discharges
October 2014 to October 2015

	Medicare Admits	Non-Medicare Admits	Total Admits	Discharges	Expirations	Total Discharges/Expirations
Oct	12	3	15	13	6	19
Nov	7	7	14	13	10	23
Dec	10	8	18	16	8	24
Jan	11	17	28	11	9	20
Feb	7	6	13	14	6	20
Mar	10	7	17	8	4	12
Apr	8	10	18	9	2	11
May	8	9	17	10	6	16
June	7	9	16	13	7	20
July	9	4	13	14	10	24
Aug	7	9	16	17	7	24
Sept	8	7	15	11	9	20
Oct	13	8	21	12	10	22

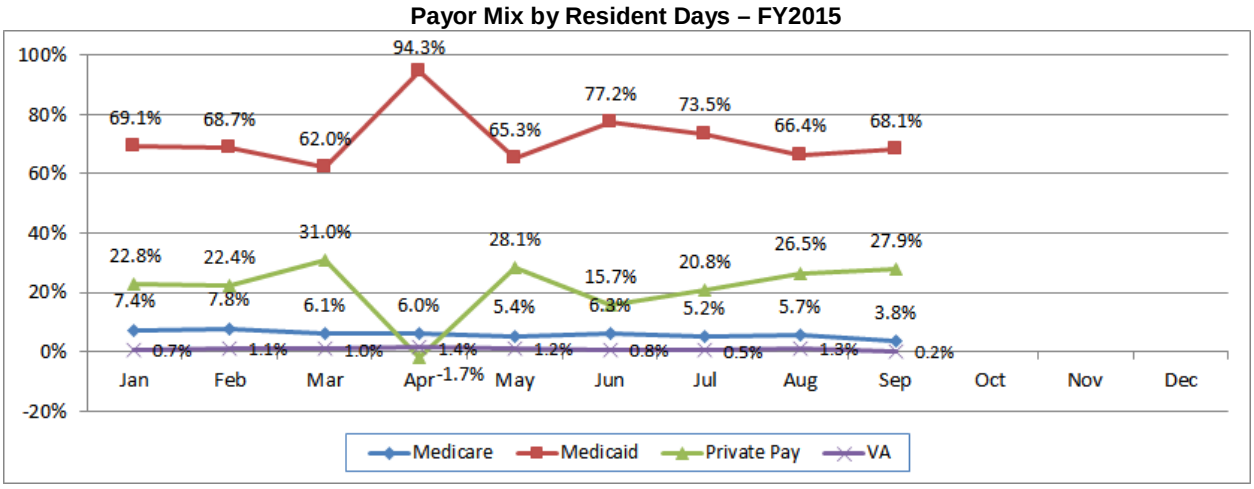
The chart below summarizes the monthly admissions. In FY2012, monthly admissions averaged 22.2 per month. FY2013 admissions averaged 25.5. The monthly average for 2014 was 22.9. The 2015 YTD average is 16.4.



The chart below summarizes separations. In FY2012, the average separations per month was 23.5. The monthly average for FY2013 was 28.1. For 2014, the monthly average was 23.4. The 2015 YTD average is 17.6.

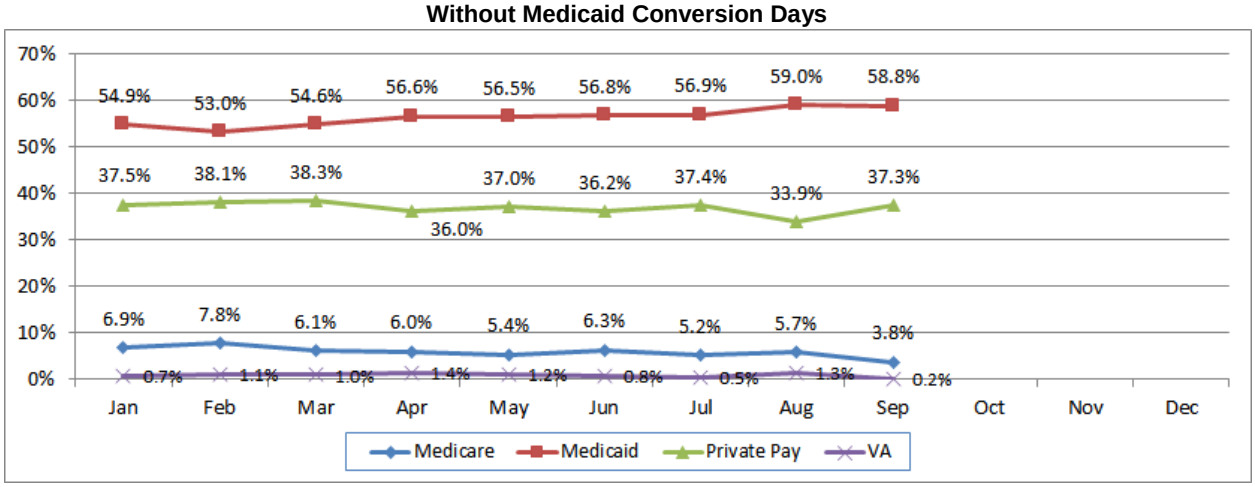


The FY2013 payor mix was Medicare – 8.7%, Medicaid – 56.3% and Private pay 35.0%. FY2014 conversion days totaled as follows: December – 87, January – 970, February, 112, March – 437, April – 70, May – 160, June – 2,139, July – 578 and August – 367. The 2014 payor mix for the year was Medicare – 7.5%, Medicaid – 58.3%, Private pay – 32.8%, and VA – 1.3%. For 2015, the YTD payor mix is Medicare – 6.0%, Medicaid – 71.7%, Private pay – 21.4%, and VA – 0.9%.



The payor mix without conversion days is Medicare -5.9%, Medicaid – 56.3%, Private pay – 36.9% and VA – 0.9%.

Payor Mix by Resident Days – FY2015
Without Medicaid Conversion Days



To: Board of Directors
Champaign County Nursing Home

From: Scott T Gima
Manager

Date: November 4, 2015

Re: Management Update

Champaign County Nursing Home Relative Market Positions and Market Share Analysis

The 2009-2014 market analysis that has been included in last month's management report is included in this month's management report. It providers a good review of the Champaign County market trends for CCNH and the other area facilities. Particular attention should be paid to our two main competitors, Champaign Urbana Nursing & Rehab Center (CUNR) and Heartland of Champaign.

- Overall nursing home census has declined in the market resulting in some homes showing a reduction in average census
- The overall private pay census has declined in the market
- CUNR's census has fallen dramatically
- Heartland-Champaign has seen a significant decline in private pay census
- Heartland-Champaign has increased its' Medicaid census in order to maintain overall census
- CCNH's census has increased during a period of market contraction
- CCNH has maintained its' private pay census when the market is showing private pay declines resulting in an increase in its private pay market share
- CCNH's Medicaid census has been stable and no significant change in its Medicaid market share

Medicare/Rehabilitation Unit

Unit 4 opened on November 2nd. Four existing short-term rehab residents were moved to the unit. Currently there is one hospital referral. The following is a recap of the reasons for the development of the Medicare unit.

1. Medicare census is needed to balance the operating losses that occur in the care of Medicaid and to a much lesser extent – private pay.
2. CCNH is competing with all of the other skilled nursing facilities for a piece of the Medicare pie.
3. The Center for Medicare and Medicaid Services (CMS) is actively moving away from the traditional Medicare payment system to alternative methods such as Medicare Advantage, MMAI, bundled payments, accountable care organizations and payment for quality.

4. The move away from traditional Medicare requires new strategies which require nursing homes to become partners with physicians, hospitals and managed care organizations such as Molina Healthcare. The goal is to control the length of stay for all Medicare referrals. This requires a concentration of therapy and nursing services provided in a shorter period of time. This requires better oversight by physicians, nurse practitioners and nursing staff.
5. The Medicare unit allows CCNH to concentrate the short term Medicare residents in one unit instead of spreading them throughout the facility which will enhance the medical and nursing care.
6. Providing private rooms differentiates CCNH from all of the other nursing homes – no other facility can provide the same number of private rooms.
7. Improving Medicare census will improve overall census. While many of the Medicare residents will be discharged, a percentage will become long term residents – both Medicaid and private pay which improves overall census.
8. With the possibility of a Medicaid rate cut in 2015-2016, increasing Medicare volume is a necessary strategy.

Access to Working Capital - Revenue Anticipation Notes

See accompanying executive summary titled "Champaign County Strategy: Financing CCNH in a State-induced Medicaid Payment Slowdown."

Implementation of Electronic Medical Records

CCNH is currently working on the implementation of an electronic medical records upgrade with our current clinical software vendor – MatrixCare. Initial planning started in July. CCNH will "go live" with the system sometime in early 2016. The components of the system include 1) an electronic point of care system that allows staff to input all nursing care data, information and notes; 2) electronic physician orders and medication prescribing; 3) electronic medication administration system.

The following are the anticipated benefits from the system:

- Replace an inefficient paper-based system which will free up time for nurses and CNAs to provide bedside care
- Improve accuracy of resident data and information collection – this will have a direct impact on Medicare and Medicaid reimbursement which are both calculated using the Minimum Data Set (MDS) resident assessment tool.
- Improves management oversight of resident care
- In the future, an EHR system will allow CCNH to improve transitions of care between other health care providers

Gloria Valenti Award to CCNH LPN Tracy Rhone

Congratulations to Tracy Rhone for receiving the Gloria Valenti Award, which honors area health care professionals that are nominated by their peers, patients and/or families. A copy of the News Gazette article from October 11th is included.

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As always, give me a call (314-434-4227, x21) or contact me via e-mail at stg@healthcareperformance.com.

To: Board of Directors
Champaign County Nursing Home

From: Scott Gima
Manager

Date: September 30, 2015

Re: Champaign County
Relative Market Positions and Market Share
Source: Medicaid Cost Reports 2009-2014

Using the Medicaid Cost Reports for 2009-2014, volume and payor mix trends were compared for the relevant market providers. Supporting data and tables are included with this memorandum. The Medicaid Costs Reports are official documents filed with Illinois Healthcare & Family Services (HFS); they are the best source of data on skilled nursing facilities, though they are not perfect.

This analysis looks at market position (volumes at individual facilities) and market share (individual facility volumes in relation to total volume).

The primary facilities in the local market are CCNH, CUNR, and Heartland Champaign. Helia and Illini Heritage are smaller while Heartland Paxton and Country Health are more remote; they comprise the secondary market.

Primary Market Facilities	**Beds**
CCNH	243
CUNR	213
Heartland Champaign	102
Secondary Market Facilities	
Helia	118
Heartland Paxton	106
Country Health	89
Illini Heritage	60

Findings

The market has changed dramatically since 2009 with lower occupancies affecting most SNFs; this is certainly the case at the larger, local facilities. CCNH and Country Health have adapted to the new marketplace better than the other competitors. Country Health census has increased from 61.8 in 2009 to 83.7 in 2014. CCNH's census has increased from 188 to 200.7.

In terms of market position, CCNH's Medicare position is up 8 percent since Medicare volume

peaked in 2013. Medicaid is down 10 percent while Private Pay is up 10 percent over 2012's peak volumes.

In 2014, CCNH had the largest market share of any competitor. It ranks 4th with 16 percent of the Medicare market; 1st with 33 percent of the Medicaid market; and 1st with 35 percent of the Private Pay segment.

Highlights

The significant points are as follows.

1. In terms of total resident days (exhibit 1), the market peaked in 2010. By 2012, the market almost regained its 2010 high, but fell significantly in 2013 (down 5.2 percent) and again in 2014 (down 2.2 percent). By 2014, CCNH had recovered to the point that it was 2 percent ahead of 2010's volume and virtually equal to its highest volume (2012). In 2014, CUNR was off by 34 percent from its 2010 peak, having experienced reduced volume every year since 2010. Heartland Champaign was off its 2010 volume by 7 percent.

   In 2009, CCNH and CUNR had equal shares of the market – 25 percent each (see exhibit 2). By 2014, CCNH had moved to 29 percent, the largest share of all resident days. CUNR had declined to 18 percent. Country Health shared third place – 12 percent - with Heartland Champaign.

   Of the primary market facilities, CCNH was the only one to return to its peak volume by 2014 (exhibit 3); all other primary competitors have experienced consistent declines in volume. Of the secondary competitors, Country Health and Illini Heritage experienced steady volume increases. Country Health turned in a very strong performance; in 2014, occupancy was at 94 percent; in 2009, it was 69 percent.

   There is no Medicaid Cost report on file for Illini Heritage for 2011, creating a gap in its data between 2010, 2011 and 2012. Illini Heritage's performance over the years can be characterized as stable; occupancy was 88 percent in 2014 versus 84 percent in 2009.

2. Examination of resident days by payor class revealed some different patterns. Medicaid (exhibit 9) and Private Pay (exhibit 14) days peaked in 2012. Medicare peaked in 2013 (exhibit 4). All payor segments were down from their peaks: Medicare and Medicaid by 14 percent; Private Pay by 18 percent.

3. In 2013, Medicare volume peaked at 40,635 days (Exhibit 4). By 2014, the Medicare market had shrunk by 14 percent to 34,938 days. Exhibit 5 shows that the two Heartland facilities – Champaign and Paxton – remained the market leaders in terms of number of Medicare days; however, their volumes were down 9 percent and 17 percent, respectively. CUNR was third in the market but its Medicare volume had dropped by a

very significant 24 percent. By 2014, CCNH was up by 8 percent but still trailed CUNR in terms of number of days. CCNH's high point for Medicare was 2009 when it had 7,555 days; volume dropped to a low of 2,984 in 2011 and has rebuilt consistently each year to 5,053 in 2014.

Despite their declines in volume, the Heartland facilities still have the largest Medicare market shares – Champaign 28 percent; Paxton 21 percent. CUNR ranks third at 20 percent (exhibit 7). CCNH represents a share percent of 16, down 20 percent over 2009. Despite steady improvement in market position since 2012, CCNH still trails Heartland and CUNR. Volume gains at CCNH and at Country Health have been significant and have come at the expense of CUNR and the Heartland facilities; however, those facilities still retain the dominant Medicare market shares.

4. Medicaid is similar to Medicare; the Medicaid market is also down by 14 percent, but it peaked in 2012 rather than in 2013 (exhibit 9). CCNH remains the market leader in Medicaid; its volume for 2014 (39,434), however, was down 10 percent from 2012.

   Big changes are afoot with Medicaid (exhibit 10). Helia, currently in second place for Medicaid volume, was down 28 percent over 2012, but moved ahead of CUNR. CUNR was down an inexplicable 43 percent. Heartland Champaign was up 63 percent since 2012, but is up 228% since 2009. Heartland Paxton was up 22 percent since 2012 and up 142 percent since 2009.

   The most stable Medicaid market share is CCNH; it also remains the largest (exhibit 12). CUNR's share has dropped from 25 percent (2009) to 14 percent (2014); this is a highly visible decline of 44 percent. Notably, the Heartland facilities experienced a sharp rise in Medicaid volumes, presumably needed to off-set declines elsewhere in Medicare and Private Pay business.

5. The Private Pay market has contracted by 32 percent since 2009 (exhibit 14). The market did increase in 2012 at 85,663 days but by 2014, it declined 18 percent to 70,669 days. At CCHN, however, Private Pay days grew 6 percent from 2012 (exhibit 15). No other facility in the primary market experienced growth in Private Pay days. In the extended market, Country Health and Helia experienced increased volumes.

   In terms of market share, CCNH dominates the Private Pay market. Exhibit 15 shows that in 2014, CCNH represented 24,743 private days; Country Health was next at 15,862. CUNR dropped 60 percent over 2012. Both Heartland facilities were also down over 2012 – 27 percent at Champaign and 24 percent at Paxton.

   In 2009, CCNH's share of Private Pay days was 25 percent (exhibit 17). In 2014, it was 35 percent. CUNR's share dropped to 11 percent. Heartland Champaign dropped from 15 to 10 percent. Heartland Paxton was stable at 18 percent. Country Health holds second

place in Private Pay share at 22 percent; however, in terms of actual days, Country Health's volume is 64 percent of CCNH's Private Pay volume.

Summary

- Between 2209 and 2014, CCNH's total market share increased from 25 percent to 29 percent.

- CCNH dominates the private pay market, increasing from 25 percent in 2009 to 35 percent in 2014.

- Between 2009 and 2014, CCNH Medicaid market share increased from 30% to 33%.

- CCNH Medicare days are rebounding after peaking in 2009. CCNH's market share was 20% in 2009, fell to 13% in 2010 but rebounded to 16% in 2014.

- Heartland – Champaign and CUNR remain the market share leaders for Medicare; both facilities have experienced significant declines in Medicare volumes.
- Private pay days at CUNR, Heartland – Champaign and Heartland – Paxton all show significant declines.

- Both Heartland – Champaign and Heartland – Paxton experienced large percentage increases in Medicaid volumes, presumably in response to declining Medicare and Pvt Pay business. Between 2009 and 2014, Medicaid at Heartland-Champaign was up 228 percent and up 142% at Heartland- Paxton.

Exhibit 1
All Resident Days in the Market

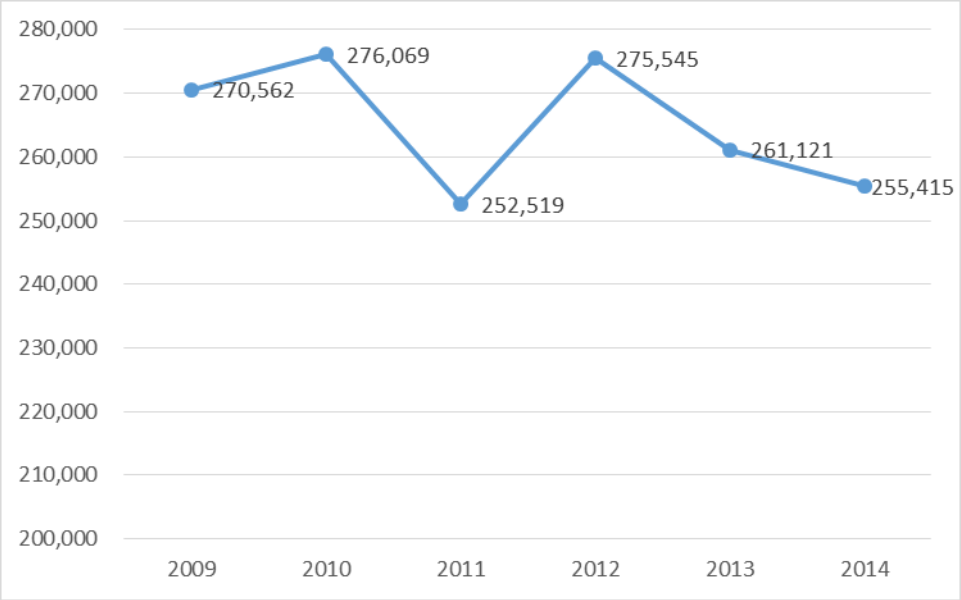
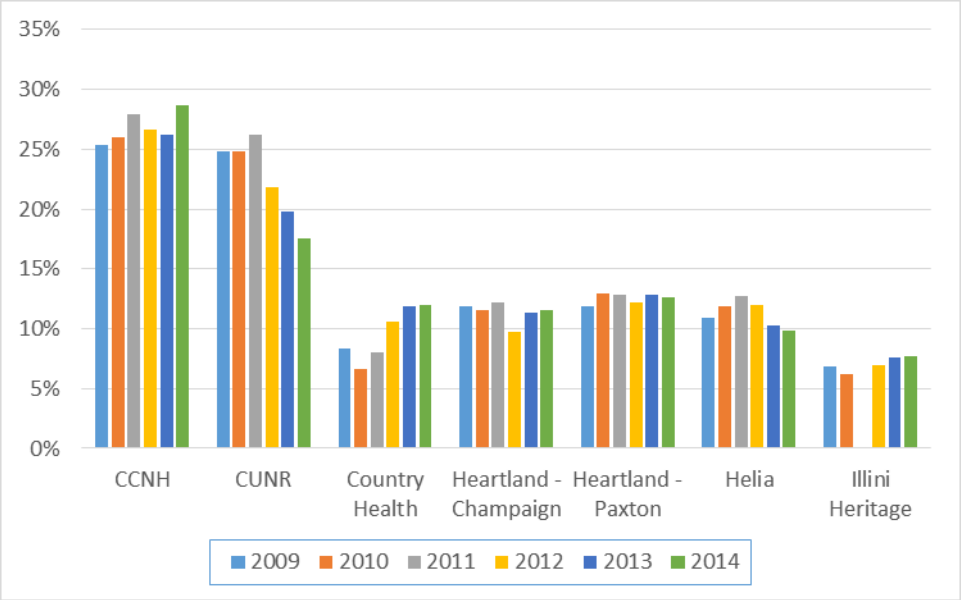
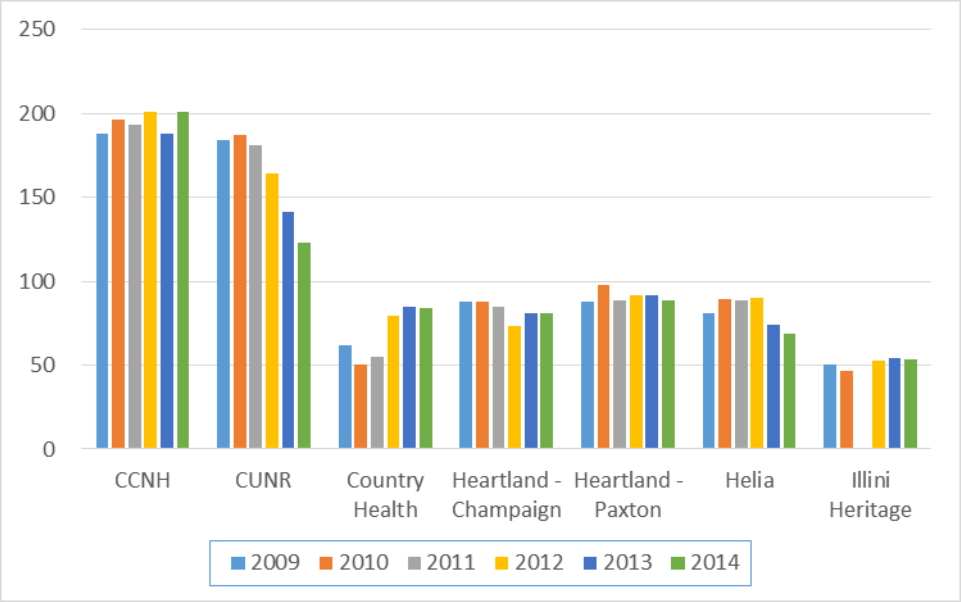


Exhibit 2
Overall Market Share – All Payors



	2009	2010	2011	2012	2013	2014
CCNH	25.4%	26.0%	28.0%	26.7%	26.3%	28.7%
CUNR	24.8%	24.8%	26.2%	21.9%	19.8%	17.6%
Country Health	8.3%	6.7%	8.0%	10.6%	11.9%	12.0%
Heartland - Champaign	11.9%	11.6%	12.2%	9.8%	11.3%	11.6%
Heartland - Paxton	11.9%	12.9%	12.8%	12.1%	12.8%	12.6%
Helia	10.9%	11.8%	12.8%	12.0%	10.3%	9.9%
Illini Heritage	6.8%	6.2%	0.0%	7.0%	7.6%	7.7%

Exhibit 3
Overall Census by Facility



	2009	2010	2011	2012	2013	2014
CCNH	188.0	196.7	193.5	201.0	187.9	200.7
CUNR	184.1	187.5	181.4	164.5	141.5	123.0
Country Health	61.8	50.5	55.3	79.8	85.1	83.7
Heartland - Champaign	88.0	87.6	84.7	73.6	80.9	81.1
Heartland - Paxton	88.1	97.7	88.5	91.4	91.7	88.4
Helia	80.7	89.4	88.4	90.1	73.8	69.1
Illini Heritage	50.5	46.9	0.0	52.4	54.5	53.8
All Occupied Beds	741.3	756.4	691.8	752.9	715.4	699.8

Exhibit 4
All Medicare Days

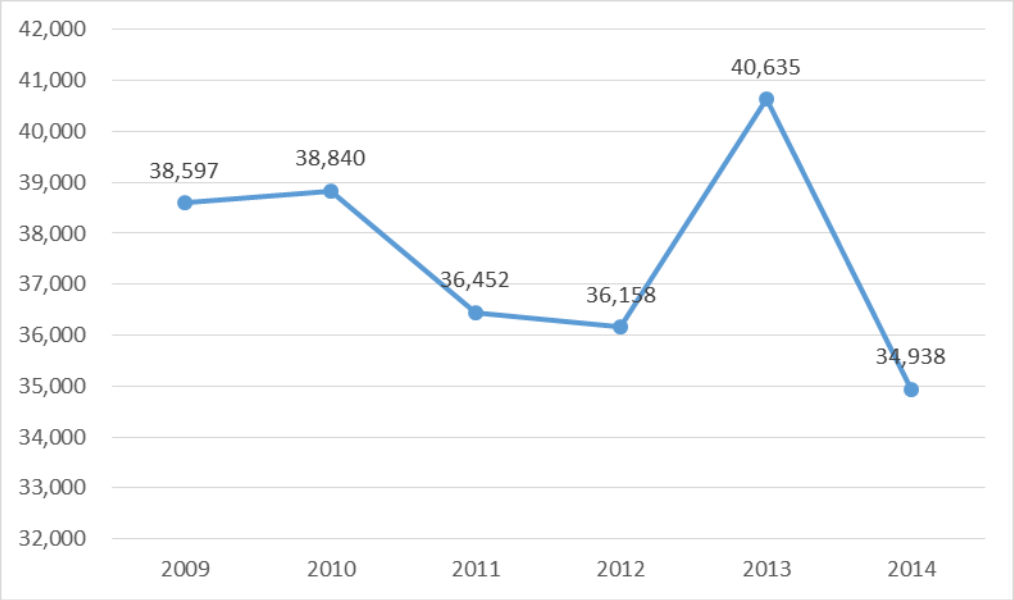
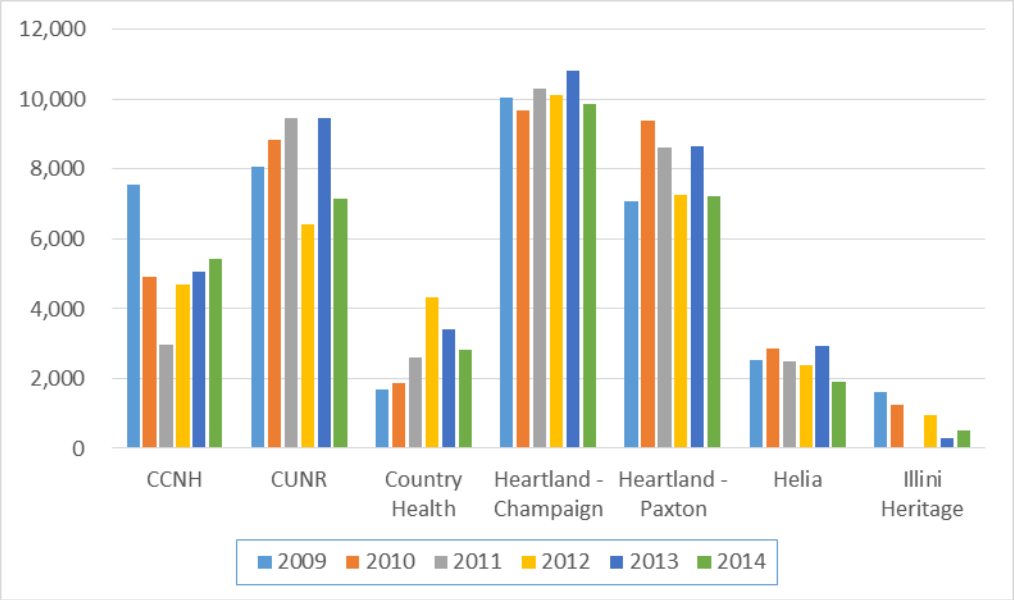
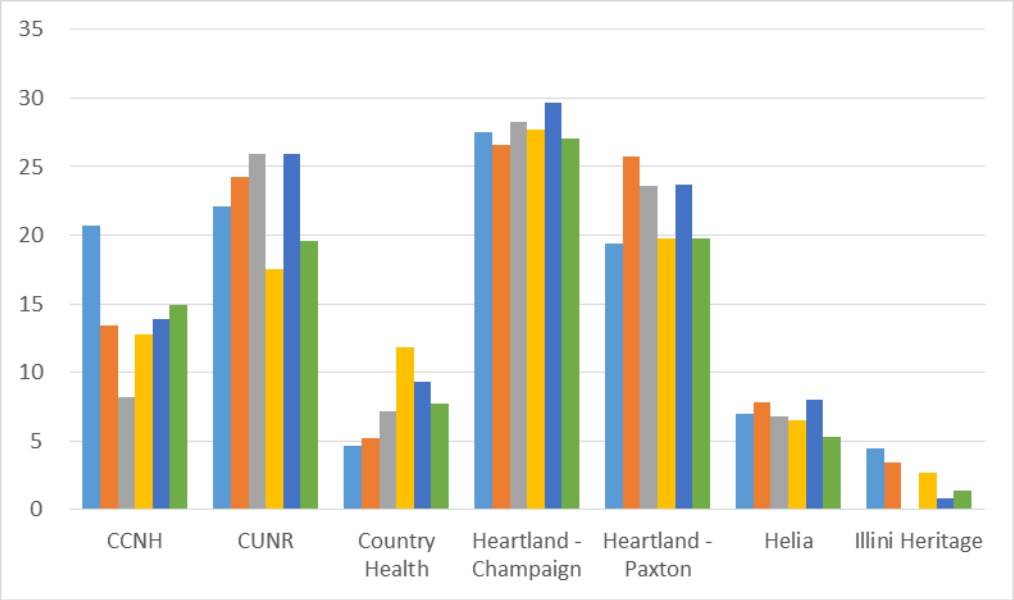


Exhibit 5
Medicare Days by Facility



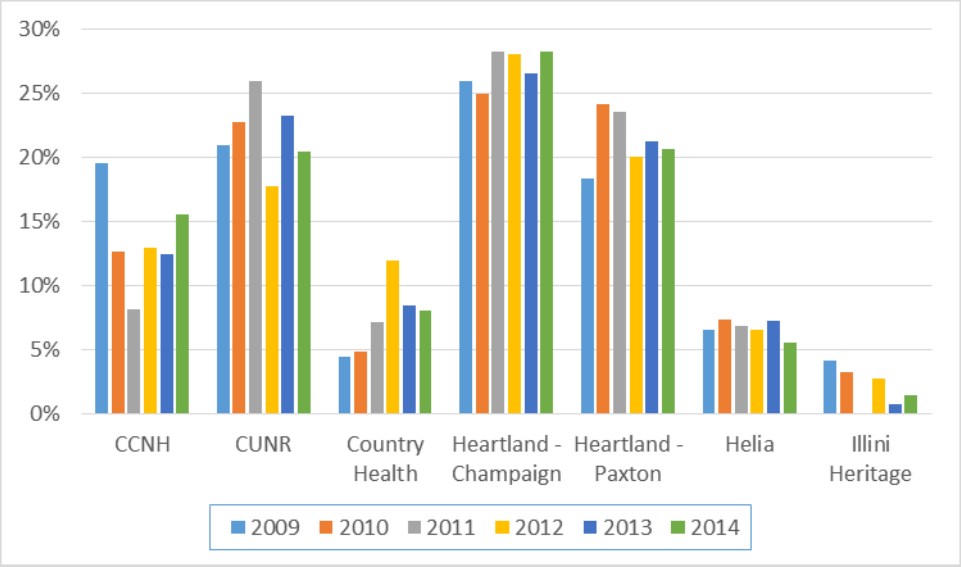
	2009	2010	2011	2012	2013	2014
CCNH	7,555	4,903	2,984	4,683	5,053	5,438
CUNR	8,076	8,849	9,461	6,417	9,473	7,162
Country Health	1,703	1,886	2,603	4,333	3,413	2,820
Heartland - Champaign	10,045	9,695	10,307	10,143	10,814	9,886
Heartland - Paxton	7,075	9,388	8,609	7,248	8,648	7,218
Helia	2,532	2,866	2,488	2,367	2,932	1,915
Illini Heritage	1,611	1,253	0	967	302	499

Exhibit 6
Medicare Census by Facility



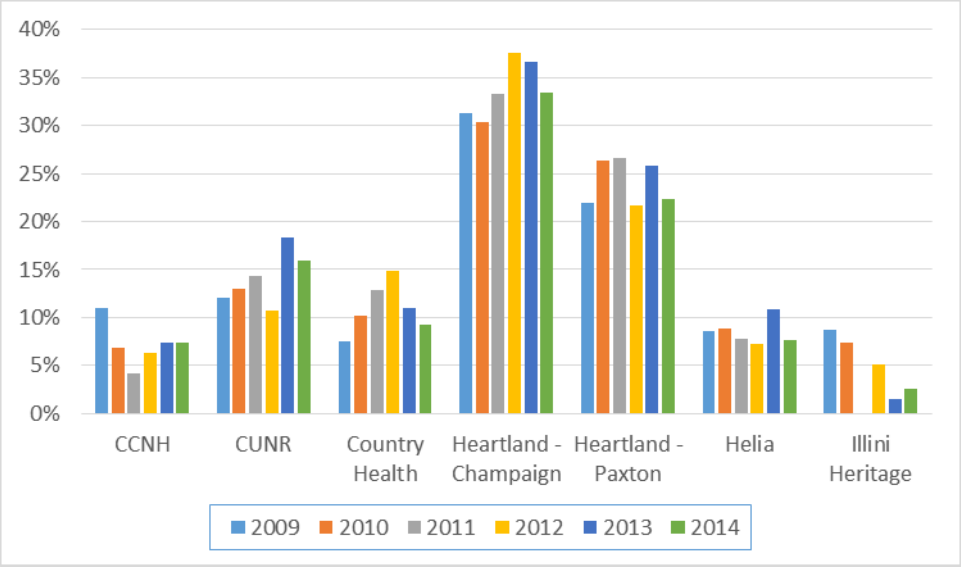
	2009	2010	2011	2012	2013	2014
CCNH	20.7	13.4	8.2	12.8	13.8	14.9
CUNR	22.1	24.2	25.9	17.5	26.0	19.6
Country Health	4.7	5.2	7.1	11.8	9.4	7.7
Heartland - Champaign	27.5	26.6	28.2	27.7	29.6	27.1
Heartland - Paxton	19.4	25.7	23.6	19.8	23.7	19.8
Helia	6.9	7.9	6.8	6.5	8.0	5.2
Illini Heritage	4.4	3.4	0.0	2.6	0.8	1.4

Exhibit 7
Medicare Market Share



	2009	2010	2011	2012	2013	2014
CCNH	19.6%	12.6%	8.2%	13.0%	12.4%	15.6%
CUNR	20.9%	22.8%	26.0%	17.7%	23.3%	20.5%
Country Health	4.4%	4.9%	7.1%	12.0%	8.4%	8.1%
Heartland - Champaign	26.0%	25.0%	28.3%	28.1%	26.6%	28.3%
Heartland - Paxton	18.3%	24.2%	23.6%	20.0%	21.3%	20.7%
Helia	6.6%	7.4%	6.8%	6.5%	7.2%	5.5%
Illini Heritage	4.2%	3.2%	0.0%	2.7%	0.7%	1.4%

Exhibit 8
Facility Medicare Payor Mix



	2009	2010	2011	2012	2013	2014
CCNH	11.0%	6.8%	4.2%	6.4%	7.4%	7.4%
CUNR	12.0%	12.9%	14.3%	10.7%	18.3%	16.0%
Country Health	7.6%	10.2%	12.9%	14.8%	11.0%	9.2%
Heartland - Champaign	31.3%	30.3%	33.3%	37.6%	36.6%	33.4%
Heartland - Paxton	22.0%	26.3%	26.6%	21.7%	25.8%	22.4%
Helia	8.6%	8.8%	7.7%	7.2%	10.9%	7.6%
Illini Heritage	8.7%	7.3%		5.0%	1.5%	2.5%

Exhibit 9
All Medicaid Days

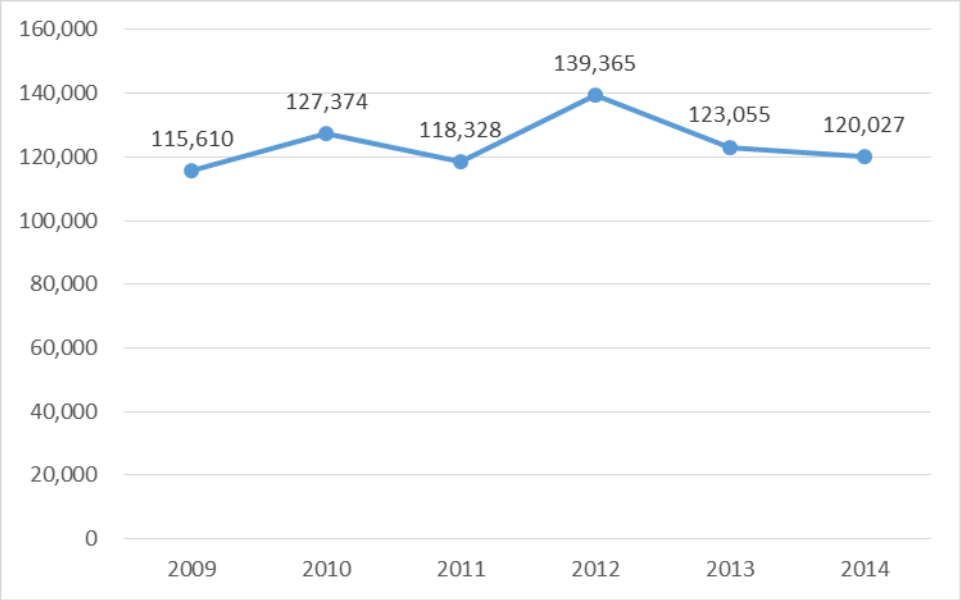
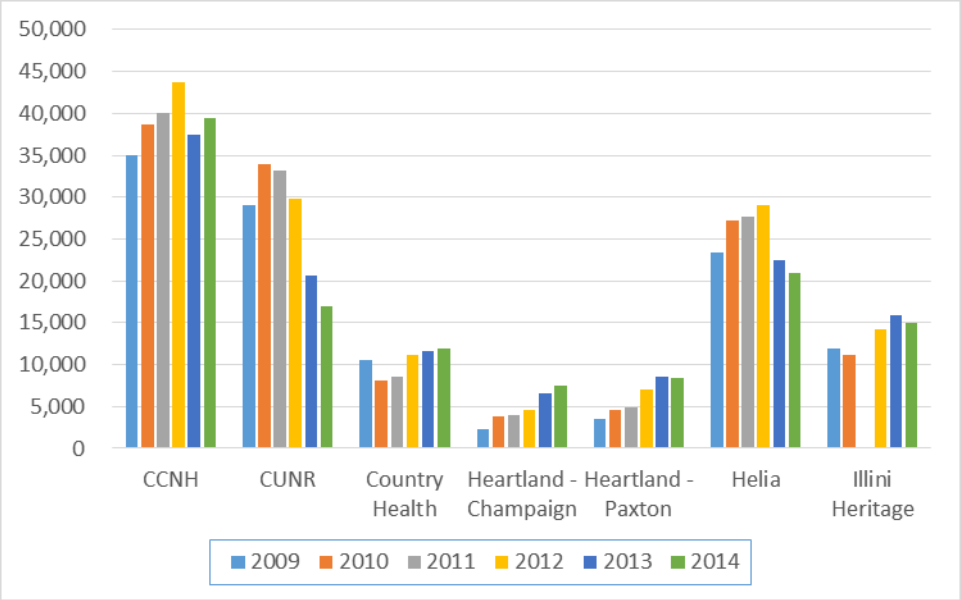
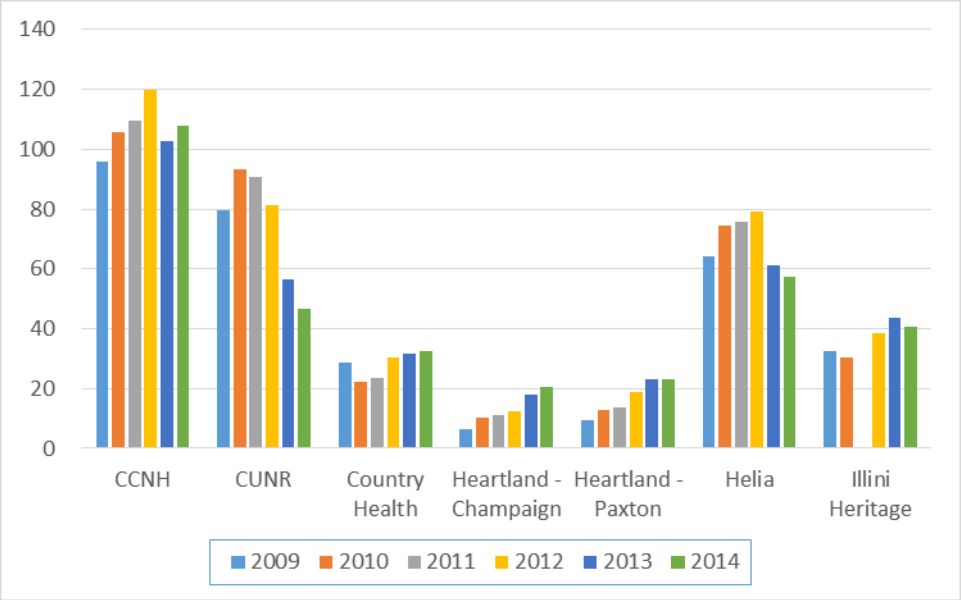


Exhibit 10
Medicaid Days by Facility



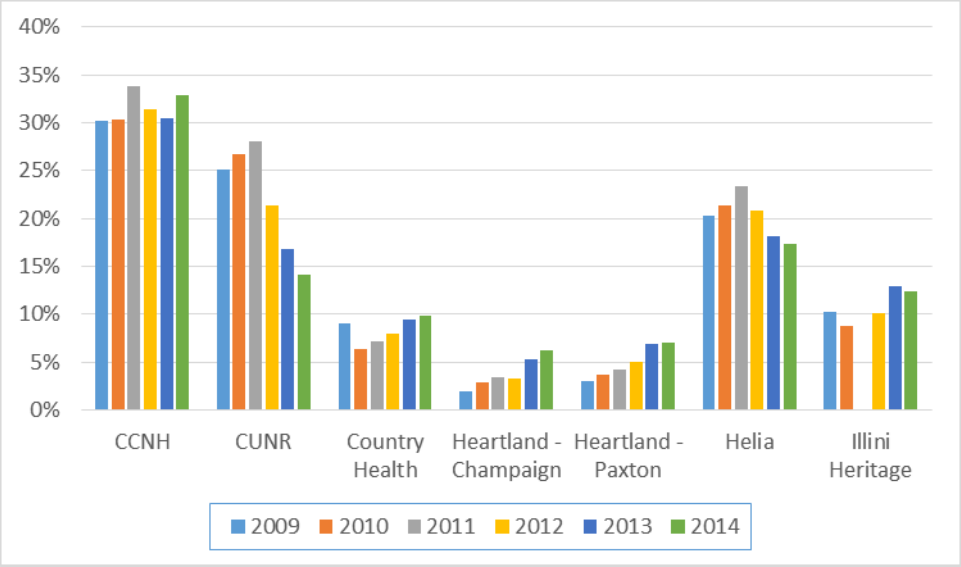
	2009	2010	2011	2012	2013	2014
CCNH	34,971	38,606	40,032	43,790	37,426	39,434
CUNR	28,999	34,009	33,194	29,817	20,680	16,984
Country Health	10,502	8,093	8,552	11,082	11,622	11,867
Heartland - Champaign	2,281	3,753	4,008	4,590	6,556	7,475
Heartland - Paxton	3,496	4,651	4,944	6,957	8,508	8,476
Helia	23,434	27,159	27,598	28,973	22,394	20,886
Illini Heritage	11,927	11,103	0	14,156	15,869	14,905
	115,610	127,374	118,328	139,365	123,055	120,027

Exhibit 11
Medicaid Census by Facility



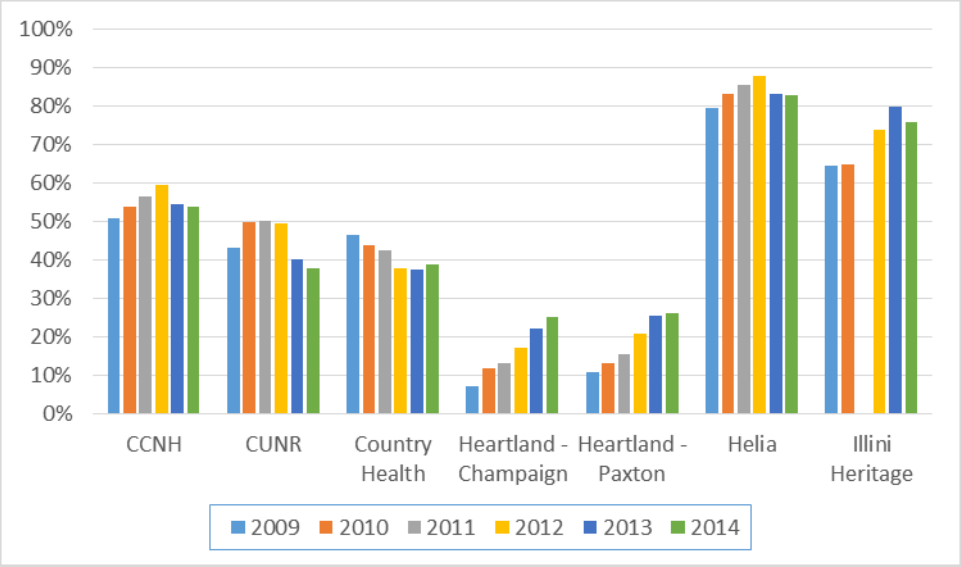
	2009	2010	2011	2012	2013	2014
CCNH	95.8	105.8	109.7	119.6	102.5	108.0
CUNR	79.4	93.2	90.9	81.5	56.7	46.5
Country Health	28.8	22.2	23.4	30.3	31.8	32.5
Heartland - Champaign	6.2	10.3	11.0	12.5	18.0	20.5
Heartland - Paxton	9.6	12.7	13.5	19.0	23.3	23.2
Helia	64.2	74.4	75.6	79.2	61.4	57.2
Illini Heritage	32.7	30.4	0.0	38.7	43.5	40.8

Exhibit 12
Medicaid Market Share



	2009	2010	2011	2012	2013	2014
CCNH	30.2%	30.3%	33.8%	31.4%	30.4%	32.9%
CUNR	25.1%	26.7%	28.1%	21.4%	16.8%	14.2%
Country Health	9.1%	6.4%	7.2%	8.0%	9.4%	9.9%
Heartland - Champaign	2.0%	2.9%	3.4%	3.3%	5.3%	6.2%
Heartland - Paxton	3.0%	3.7%	4.2%	5.0%	6.9%	7.1%
Helia	20.3%	21.3%	23.3%	20.8%	18.2%	17.4%
Illini Heritage	10.3%	8.7%	0.0%	10.2%	12.9%	12.4%

Exhibit 13
Medicaid Payor Mix



	2009	2010	2011	2012	2013	2014
CCNH	51.0%	53.8%	56.7%	59.5%	54.6%	53.8%
CUNR	43.2%	49.7%	50.1%	49.5%	40.0%	37.8%
Country Health	46.6%	43.9%	42.4%	37.9%	37.4%	38.8%
Heartland - Champaign	7.1%	11.7%	13.0%	17.0%	22.2%	25.2%
Heartland - Paxton	10.9%	13.0%	15.3%	20.8%	25.4%	26.3%
Helia	79.6%	83.2%	85.5%	87.9%	83.1%	82.8%
Illini Heritage	64.7%	64.8%	0.0%	73.8%	79.8%	75.9%

Exhibit 14
All Private Pay Days

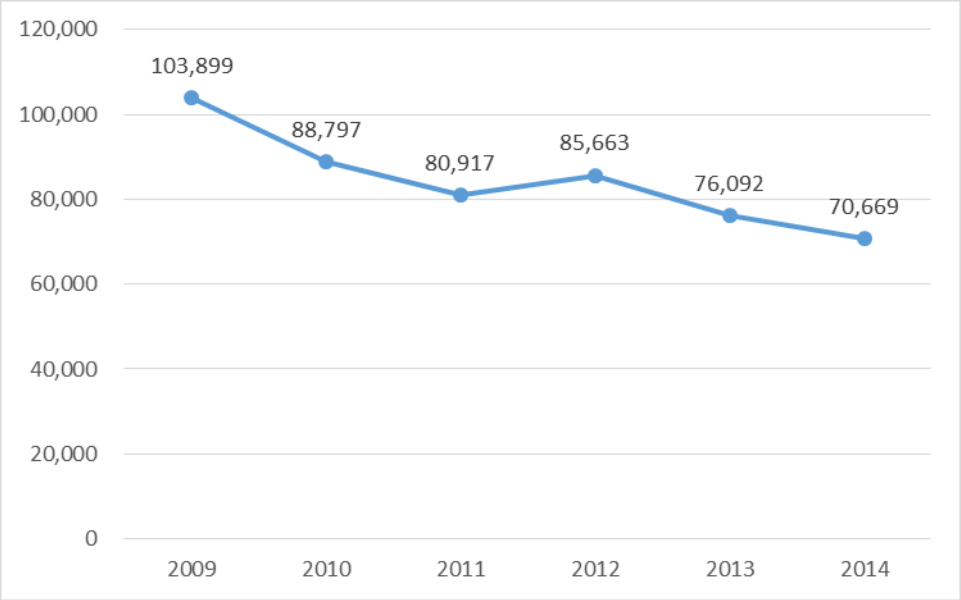
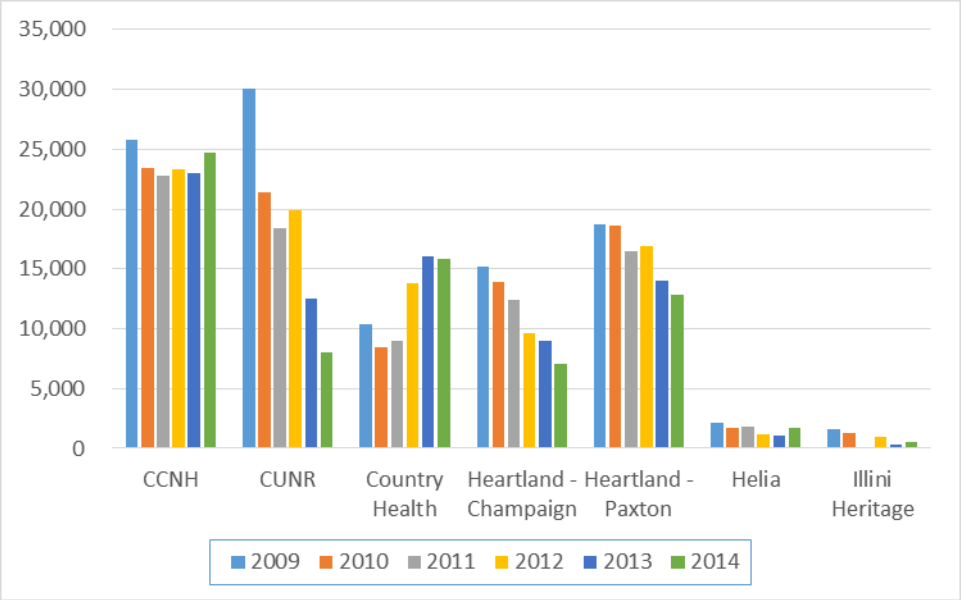
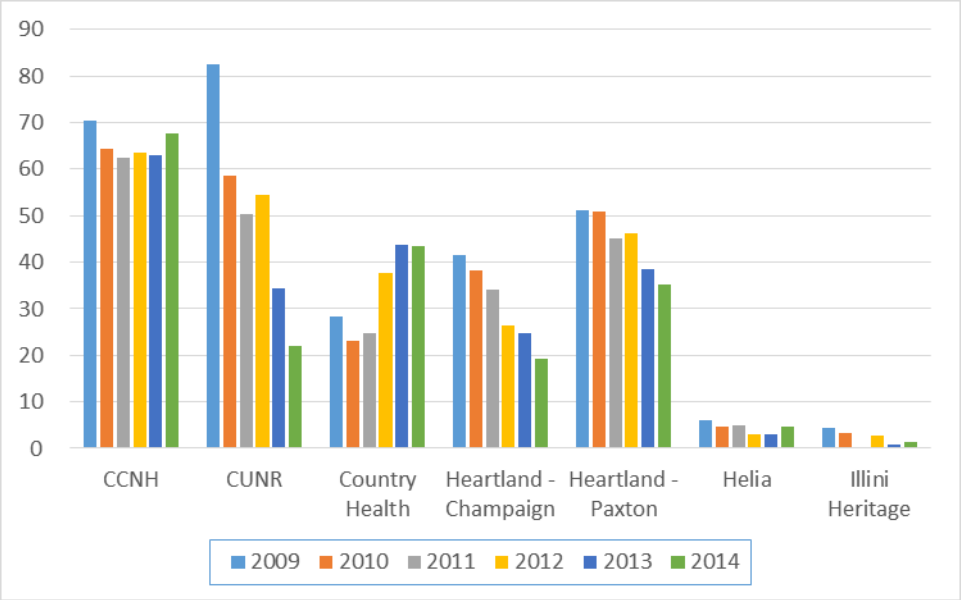


Exhibit 15
Private Pay Days by Facility



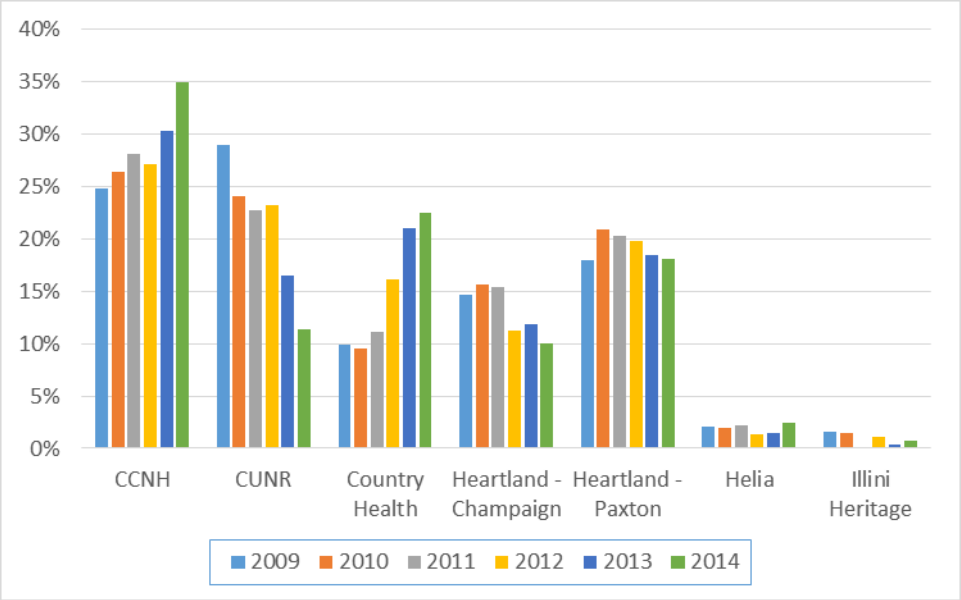
	2009	2010	2011	2012	2013	2014
CCNH	25,739	23,480	22,786	23,295	23,041	24,743
CUNR	30,112	21,349	18,404	19,907	12,548	7,999
Country Health	10,350	8,448	9,022	13,801	16,015	15,862
Heartland - Champaign	15,211	13,947	12,430	9,627	9,030	7,051
Heartland - Paxton	18,697	18,588	16,466	16,932	14,061	12,805
Helia	2,179	1,732	1,809	1,134	1,095	1,710
Illini Heritage	1,611	1,253	0	967	302	499

Exhibit 16
Private Pay Census by Facility



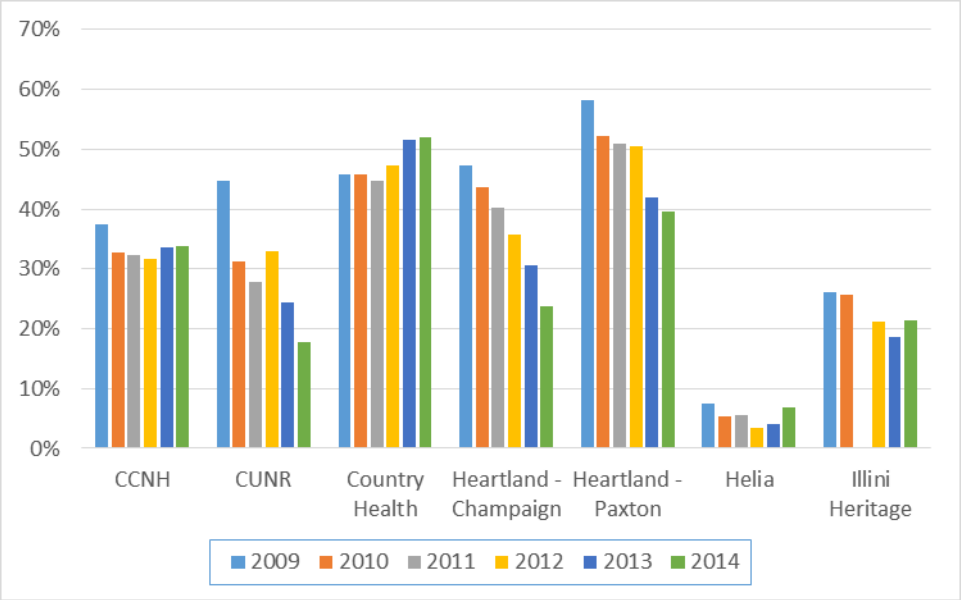
	2009	2010	2011	2012	2013	2014
CCNH	70.5	64.3	62.4	63.6	63.1	67.8
CUNR	82.5	58.5	50.4	54.4	34.4	21.9
Country Health	28.4	23.1	24.7	37.7	43.9	43.5
Heartland - Champaign	41.7	38.2	34.1	26.3	24.7	19.3
Heartland - Paxton	51.2	50.9	45.1	46.3	38.5	35.1
Helia	6.0	4.7	5.0	3.1	3.0	4.7
Illini Heritage	4.4	3.4	0.0	2.6	0.8	1.4

Exhibit 17
Private Pay Market Share



	2009	2010	2011	2012	2013	2014
CCNH	24.8%	26.4%	28.2%	27.2%	30.3%	35.0%
CUNR	29.0%	24.0%	22.7%	23.2%	16.5%	11.3%
Country Health	10.0%	9.5%	11.1%	16.1%	21.0%	22.4%
Heartland - Champaign	14.6%	15.7%	15.4%	11.2%	11.9%	10.0%
Heartland - Paxton	18.0%	20.9%	20.3%	19.8%	18.5%	18.1%
Helia	2.1%	2.0%	2.2%	1.3%	1.4%	2.4%
Illini Heritage	1.6%	1.4%	0.0%	1.1%	0.4%	0.7%

Exhibit 18
Private Pay Payor Mix



	2009	2010	2011	2012	2013	2014
CCNH	37.5%	32.7%	32.3%	31.7%	33.6%	33.8%
CUNR	44.8%	31.2%	27.8%	33.1%	24.3%	17.8%
Country Health	45.9%	45.8%	44.7%	47.2%	51.6%	51.9%
Heartland - Champaign	47.3%	43.6%	40.2%	35.7%	30.6%	23.8%
Heartland - Paxton	58.1%	52.1%	51.0%	50.6%	42.0%	39.7%
Helia	7.4%	5.3%	5.6%	3.4%	4.1%	6.8%
Illini Heritage	26.2%	25.8%		21.2%	18.7%	21.5%

Executive Summary
Champaign County Strategy: Financing CCNH in a State-induced Medicaid Payment Slowdown
October 2015

1. A Medicaid payment slowdown is likely.

2. A payment slowdown may be followed by a rate cut. The rate cut is an operational issue; financing will still be necessary if there is a slowdown.

3. Payment slowdowns and/or rate cuts hurt those providers with the largest Medicaid volumes.

4. Given the political realities of the current budget crisis, CCNH must prepare to raise cash.

5. The financing option available to the County is the Revenue Anticipation Note (RAN).

6. We have prepared two (2) scenarios depicting the application of RAN financing. The scenarios represent payment delays of 3 or 6 months.

The following table summarizes the two (2) scenarios:

Item	**3 months**	**6 months**
Payment delays start	Feb 2016	Feb 2016
Payment resume	May 2016	August 2016
Number RANs issued	-0-	8
Aggregate amount	-0-	$4,760,000
Interest expense	-0-	$87,500
Max Cash Shortfall	$435,000	$660,000

Champaign County Strategy: Financing CCNH in a State-induced Medicaid Payment Slowdown

The following is a summary of the current situation with no State budget in place:

The State has $4.4 billion in unpaid bills at the end of FY2015

The State has a projected $2.3 billion shortfall for FY2016 spending occurring under court orders or consent decrees.

An additional $4.2 billion of FY2016 spending is "on hold" due to the budget impasse.

We believe that a Medicaid payment delay will occur. What is not known and will not be known in advance is when the payment delay will occur. The Comptroller determines what bills are paid almost on a daily basis. What also is not predictable is the length of a payment delay.
The County Board has requested a presentation of options if the State budget crisis continues. The issues can be framed quite succinctly by the question: "What options does the County have if the State stops (or reduces) Medicaid payments?"

1. **Political:** It is no secret that the Rauner administration is being besieged by requests from businesses that are dependent upon State funding (reimbursement). As the largest Medicaid provider in Champaign County, CCNH has a large percentage of its revenues dependent upon the State's cash flow.

   While it is not at all clear that the Rauner administration is sympathetic to the plight of all the various social service agencies and related businesses, there is some indication that there *could* be some sympathy for County homes as they represent units of State government and usually care for the largest share of the Medicaid population in their respective Counties.

   MPA has been active in engaging the Rauner administration about the difficulties that County homes face without regular Medicaid payments. Our position is simple – State regulations prohibit local government bodies, including counties from obtaining lines of credit or loans from banks and other lending institutions. Mandated benefits such as IMRF must continue to be paid.

   We will continue this effort although there can be no assurance that it will pay off. If we are able to secure an accommodation from the Rauner administration, we do not believe that the result will be 100 percent of CCNH's Medicaid reimbursement.

2. **Revenue Anticipation Notes:** If Medicaid payments stop, CCNH will have to find a means of financing operations until payments resume**.** The only plausible vehicle appears to be Revenue Anticipation Notes (RANs). RANs are not new to the Champaign County Board, having been researched and presented as a realistic means of financing in 2011, when faced with a 6 month payment delay. Fortunately, Medicaid payments resumed before RANs were needed. If the State stops payments in 2016, as it appears will be likely, RANs still remain the only realistic means for financing CCNH.

There are strict rules governing the use of RANs and the program for CCNH has been created to comply with all IRS requirements. The authorizing resolution contains all of the particulars related to the County's issuance of RANs. The receptivity of financial institutions to RANs remains to be seen; however, we believe that lenders are far more likely to give RANs serious consideration once the County has adopted a formal resolution and issued the initial RFP.

RANs are permitted financing vehicles for County governments, short-term, and refundable. The following are other important elements of RAN financing:

a. The State's obligation to pay serves as collateral for the RANs. This obligation to pay is documented by the pre-payment report issued by Illinois HFS, the administrator of Medicaid program.

b. The principal value of the RANs will not exceed 85 percent of the value of the Medicaid receivable.

c. Each RAN is due 12 months from the date of issue and carries a fixed rate of interest set during the RFP process. The RFP process will be followed each time a RAN is issued. Bond counsel advised that once issued, RANs can be refunded.

d. It is very important to recognize that, if the State stops Medicaid payments, CCNH will have revenue, but not cash. This distinction is critical; CCNH will have valid receivables from the State of Illinois against which it can borrow to raise cash.

MPA has been working with the County Treasurer and the County's bond counsel – Chapman & Cutler (Chicago) – and has developed a financing plan using RANs. The financial model that accompanies this memorandum is a working example of how RANs can be used at CCNH.

The financial model used in this analysis is a cash flow projection based on the current state of CCNH operations. Attached with this memorandum are the cash flow projections assuming a 3 month and 6 month payment delays. The assumptions can be changed to demonstrate how CCNH performs under different circumstances, but the included scenarios should provide a comprehensive sensitivity analysis

The key assumptions for RAN issuance are:

a. RANs will be issued in 2 month increments

b. The Department of Healthcare and Family Services (HFS) must issue a prepayment report for every month during the payment delay. Discussions with HFS are ongoing to determine if prepayment reports will be issued on a regular basis. The pre-payment reports serves as the collateral for the RAN.

c. Interest rate is estimated at 5%

d. Aggregate RAN issuance costs are estimated at $50,000.

e. Internal cash conservation is needed. The maximum amount is estimated at $660,000 (assuming a six month payment delay).

The operating assumptions for CCNH's cash flow model are:

a. Volume & Mix

	Average Daily Census	Percent
Medicaid	107.9	56.0%
Medicare	11.8	6.1%
Private Pay	72.8	37.9%

b. Revenues (YTD 8-30-2015)

	Monthly	Annually
Medicaid	$350,000	$4,200,000
All Others	$965,667	$11,588,000
Total	$1,325,667	$15,788,000

c. Operating Expenses (Including labor and accounts payable)

Total Expenses	$1,304,564	$15,654,766

Salaries and benefits represent 48 percent of total expenses.

d. RAN financing specifics

In both RAN scenarios, borrowing reaches a maximum assumed level, at which time State Medicaid payments resume. When Medicaid payments resume, the State will need to catch up and become current on its fiscal year obligations. RAN borrowings continue until all debt is repaid to the borrowers. RAN borrowings do not exceed the maximum RAN borrowings reflected on the balance sheet assumptions.

It is difficult to predict when a payment delay will occur; it is likely that any delay will happen quickly, with minimal advance notice. In order to respond appropriately, we recommend that the authorizing resolution be for $4.8 million via multiple RANs and that it include specific procedural steps for management and County officials to follow whenever a RAN is issued.

Also keep in mind that RANs will take some time to issue. For documentation purposes, the lender will want proof of the receivable; usually this is in the form of the HFS pre-payment report; the pre-payment reports normally are received two weeks after the month-end. Therefore, because the time to issue RANs could be several months, CCNH must start building cash now.

e. Balance sheet impact

The maximum liability incurred by RAN borrowings is the number of months that the State does not make Medicaid payments. Once payments resume, the State catches up and make its liabilities current for the fiscal year. [The State has no requirement to bring its Medicaid liabilities current; Federal rules, however, give the State every incentive to do so in order to receive the Federal Medicaid match promptly.)

In recent years, CCNH has hastened payments to most vendors so that they average 60 days. In any cash crunch, payments to selected vendors will be extended. If Medicaid payments stop throughout the State, CCNH will not be the only facility delaying vendor payments Since RAN borrowings are limited to 85 percent of the Medicaid liability, CCNH will need other means of raising cash.

3. **Payment Reductions:** If Medicaid payments are reduced, CCNH will change the nature of its operation. Technically, rate cuts are a purely operational issue. However, we believe that payment reductions will follow payment delays, in which case CCNH will need the RAN option outlined above.

   The logic behind reduced Medicaid payments is that specific budget cuts will be identified in any resolution to the State budget crisis; in order to realize those budget cuts within the fiscal year, provider rate cuts will be required. With Illinois ranking at least 49th of the 50 States in Medicaid payments, one can question the logic behind any rate cuts. Nonetheless, rate cuts are a reality. Medicaid rates for all Illinois SNFs were reduced by the equivalent of 12 percent in May and June of 2015.

   We are anticipating a rate cut; we don't know how much it will be as of this writing. In anticipation of a rate cut, the monthly income statements will reflect a 5% reduction in Medicaid revenues. The August financials reflect a 5% reduction totaling $100k for the months of July and August - $50k for each month.

   Rate cuts are difficult to deal with because the controlling regulatory framework remains in place. For instance, if a facility has 100 residents and rates are cut, the facility cannot cut its staff to off-set the reduced rates. Doing so would compromise necessary staffing levels. Staff will have to be paid; meals will be served; and utilities will continue. There is just less money to pay for everything.

   Similarly, reducing census does not allow for better expense management; while some expenses will vary with census, others including fixed expenses will not. As a result, total expenses will not fall in direct proportion to revenues; ironically, revenues will decline at a faster rate than expenses. By no means does this conclusion mean there is not room for improvement, both in the form of better expense management and productivity gains. Because labor represents so much of CCNH's expenses, that is where most efforts are directed. We have introduced specific strategies to reduce temporary staffing agency costs and employee turnover. These efforts

cover changes to new employee orientation and preceptorships, culture change, and collaborative proposals with AFSCME to changes in the collective bargaining agreement.

Rate cuts should be considered in their simplest form – lost revenue, never to be regained. CCNH has the largest Medicaid share of any provider in the market; as a result, Medicaid rate cuts would have an inordinate impact on CCNH compared to other competitors. In the Champaign County market, Medicaid represented 54 percent of all days in 2014. CCNH had 33 percent of all Medicaid days, virtually twice as many as the next competitor (Helia at 17 percent).

In order to recover lost revenue, CCNH must adapt its revenue mix, which means increasing Medicare and Private Pay while decreasing Medicaid. CCNH has already improved its Private Pay market share, ranking ahead of all competitors (except Clark-Lindsay). Some additional Private Pay revenue might be possible with rate increases; the market, however, is price-sensitive. Price sensitivity is a particular consideration as some competitors – CUNR, Heartland Champaign, Heartland Paxton, for example – have lost significant Private Pay volume over the last three years, while CCNH and Country Health have gained.

CCNH clearly would benefit from more Medicare. It ranks 4th in the market behind the two Heartland facilities and CUNR. Medicare is a far better replacement for Medicaid days than is Private Pay. Current efforts include: 1) active collaboration with Carle Clinic to reduce hospital readmissions and to improve medical and quality management; 2) implementation of clinical programs such as pulmonary rehab and outpatient therapy that address hospital and managed care organization needs; 3) internal quality assurance efforts to reduce readmissions, improve quality measures and survey results; 4) creation of a Medicare medical and rehab unit.

The dilemma is that, once the State imposes rate cuts, virtually all competitors will have the same strategy – replace lost Medicaid revenues with Medicare and Private Pay. Such replacement strategies take time to implement. An added complication is the fact that the market for inpatient skilled nursing days has been declining since 2010 and there is no indication that the industry will return to former utilization levels.

In some cases, new services can be added; these, too, take time to implement. The good news is that minimal start-up capital has been needed to implement CCNH Medicare strategies.

4. **Exit**: What if CCNH has to close due to non-payment?

    a. Certificate of Need required to close, sell, or lease

        In Illinois there is a specific requirement that County homes secure a Certificate of Need (CON) for any change in their status. Securing the CON depends upon the nature of the transaction. For example, a transaction where ownership is transferred involves a much lower profile and effort than one where a facility with a large Medicaid load closes.

b. IDPH approved plan to transfer residents (closure)

c. Transfer of license to successor entity (sale or lease)

   Successor entity applies to Illinois Department of Public Health for a license; IDPH reviews documentation, then schedules a licensure survey.

Commentary

Whether we are dealing with a political accommodation, payment delays, rate reductions, or an exit strategy, CCNH will need cash.

The simplest way to raise cash is via RAN borrowing. Rate cuts may preclude access to RAN financing, absent a payment delay. For reasons noted above, rate cuts will have a significant negative impact on CCNH. In the event of an exit strategy, CCNH will still be exposed to payment delays and to rate cuts, and will still need cash, not only for continuing operations, but also for winding down where significant benefit payments should be anticipated.

Accordingly, prepare to issue RANs. To provide the greatest flexibility, authorize the maximum amount of borrowing even though it may not be necessary to borrow the full amount. Approve specific procedures for County management and officials to follow in issuing each RAN; ensure the procedures provide clear documentation that each RAN was issued in accordance with County Board approvals.

Cash Flow Scenario Summary

Assumption Item	Three Month Payment Delay	Six Month Payment Delay
Medicaid Payment Delay	No payments in Feb, Mar and Apr 2016	No payments from Feb to July 2016
State restarts monthly payments	May 2016	August 2016
State begins catch up payments	May 2017	August 2017
RAN requirement	No RANs are required	Eight RANs are issued every two months between May 2016 and July 2017
RAN average balance	None	$1,190,000
RAN aggregate amount	None	$4,760,000 Payments start Aug 2016 Payments end Nov 2017
Total interest paid (5% estimate)	None	$87,500
2016 Cash conservation requirements via payment delays to CCNH vendors	$435,000 Delays do not exceed 6 months	$660,000 Delays do not exceed 6 months Paid down by the end of year
2017 Cash conservation requirements via payment delays to CCNH vendors	No shortfalls in 2017	$160,000 Paid down by the end of year
2018 Cash conservation requirements via payment delays to CCNH vendors	No shortfalls in 2018	No shortfalls in 2018

Scenario Notes

- Bond principal payments are included in cash expenditure projections
- Tax anticipation warrants are used
- Capital expenditures not included in the analysis
- No room rate adjustments or expense adjustments were made
- A 5% increase in private pay rates would generate an additional $178,000 in cash
- A 5% Medicaid rate cut would reduce cash by $271,000 annually
- A 10% Medicaid rate cut would reduce cash by $542,000 annually

Scenario 1 - 3 Month Payment Delay
RAN Not Required

	Jan 16	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Deposits												
Medicaid Payment	$250,000	$0	$0	$0	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Increase in monthly Medicaid Payment (due to approved applications)	50,000	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
MMAI Payment	50,000	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Payments (Private pay/Medicare, hospice)	884,000	884,000	884,000	884,000	884,000	884,000	884,000	884,000	1,004,000	884,000	884,000	1,864,000
Total Cash Deposits	$1,234,000	$884,000	$884,000	$884,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,354,000	$1,234,000	$1,234,000	$2,214,000
Cash Out												
Wages and Benefit Expenses (FICA and IMRF in non-labor exp.)	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000
Non-Labor Expenses	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	824,000
Other						50,883						260,883
Total Cash Disbursements	$1,229,000	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,279,883	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,584,883
Surplus/(Deficit)	$5,000	($345,000)	($345,000)	($595,000)	$5,000	($45,883)	$5,000	$5,000	($125,000)	$5,000	$5,000	$629,117
Beginning Cash Balance	$1,157,995	$1,162,995	$817,995	$472,995	($122,005)	($117,005)	($162,888)	($157,888)	($152,888)	($277,888)	($272,888)	($267,888)
Ending Cash Balance	$1,162,995	$817,995	$472,995	($122,005)	($117,005)	($162,888)	($157,888)	($152,888)	($277,888)	($272,888)	($267,888)	$361,229
Ending Cash Balance	$1,162,995	$817,995	$472,995	($42,005)	$107,995	$207,112	$212,112	$217,112	$92,112	$162,112	$167,112	$796,229
Delay/(Pay) Non-Labor Expenses	0	0	80,000	145,000	145,000	0	0	0	65,000	0	0	(435,000)
Ending Cash Balance - Adjusted	$1,162,995	$817,995	$552,995	$102,995	$252,995	$207,112	$212,112	$217,112	$157,112	$162,112	$167,112	$361,229

	Jan 17	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Deposits												
Medicaid Payment	$250,000	$500,000	$250,000	$250,000	$500,000	$500,000	$500,000	$250,000	$250,000	$250,000	$250,000	$250,000
Increase in monthly Medicaid Payment (due to approved applications)	$50,000	$100,000	$50,000	$50,000	$100,000	$100,000	$100,000	$50,000	$50,000	$50,000	$50,000	$50,000
MMAI Payment	$50,000	$50,000	$50,000	$50,000	$100,000	$100,000	$100,000	$50,000	$50,000	$50,000	$50,000	$50,000
Other Payments (Private pay/Medicare, hospice)	$884,000	$884,000	$884,000	$884,000	$884,000	$884,000	$884,000	$884,000	$1,004,000	$884,000	$884,000	$1,864,000
Total Cash Deposits	$1,234,000	$1,534,000	$1,234,000	$1,234,000	$1,584,000	$1,584,000	$1,584,000	$1,234,000	$1,354,000	$1,234,000	$1,234,000	$2,214,000
Cash Out												
Wages and Benefit Expenses (FICA and IMRF in non-labor exp.)	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000
Non-Labor Expenses	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$824,000
Other						$46,735						$261,735
Total Cash Disbursements	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,275,735	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,585,735
Surplus/(Deficit)	$5,000	$305,000	($245,000)	$5,000	$355,000	$308,265	$355,000	$5,000	($125,000)	$5,000	$5,000	$628,265
Beginning Cash Balance	$361,229	$366,229	$671,229	$426,229	$431,229	$786,229	$1,094,494	$1,449,494	$1,454,494	$1,329,494	$1,334,494	$1,339,494
Ending Cash Balance	$366,229	$671,229	$426,229	$431,229	$786,229	$1,094,494	$1,449,494	$1,454,494	$1,329,494	$1,334,494	$1,339,494	$1,967,759
Ending Cash Balance	$366,229	$671,229	$426,229	$431,229	$786,229	$1,094,494	$1,449,494	$1,454,494	$1,329,494	$1,334,494	$1,339,494	$1,967,759
Delay/(Pay) Non-Labor Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Ending Cash Balance - Adjusted	$366,229	$671,229	$426,229	$431,229	$786,229	$1,094,494	$1,449,494	$1,454,494	$1,329,494	$1,334,494	$1,339,494	$1,967,759

Scenario 1 - 3 Month Payment Delay
RAN Not Required

	Jan 18	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Deposits												
Medicaid Payment	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Increase in monthly Medicaid Payment (due to approved applications)	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
MMAI Payment	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Other Payments (Private pay/Medicare, hospice)	$884,000	$884,000	$884,000	$884,000	$884,000	$884,000	$884,000	$884,000	$1,004,000	$884,000	$884,000	$1,864,000
Total Cash Deposits	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,354,000	$1,234,000	$1,234,000	$2,214,000
Cash Out												
Wages and Benefit Expenses (FICA and IMRF in non-labor exp.)	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000
Non-Labor Expenses	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$729,000	$824,000
Other						$42,489						$267,489
Total Cash Disbursements	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,271,489	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,229,000	$1,591,489
Surplus/(Deficit)	$5,000	$5,000	($245,000)	$5,000	$5,000	($37,489)	$5,000	($245,000)	$125,000	$5,000	$5,000	$622,511
Beginning Cash Balance	$1,967,759	$1,972,759	$1,977,759	$1,732,759	$1,737,759	$1,742,759	$1,705,270	$1,710,270	$1,465,270	$1,590,270	$1,595,270	$1,600,270
Ending Cash Balance	$1,972,759	$1,977,759	$1,732,759	$1,737,759	$1,742,759	$1,705,270	$1,710,270	$1,465,270	$1,590,270	$1,595,270	$1,600,270	$2,222,781
Ending Cash Balance	$1,972,759	$1,977,759	$1,732,759	$1,737,759	$1,742,759	$1,705,270	$1,710,270	$1,465,270	$1,590,270	$1,595,270	$1,600,270	$2,222,781
Delay/(Pay) Non-Labor Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Ending Cash Balance - Adjusted	$1,972,759	$1,977,759	$1,732,759	$1,737,759	$1,742,759	$1,705,270	$1,710,270	$1,465,270	$1,590,270	$1,595,270	$1,600,270	$2,222,781

Scenario 2 - Six Month Payment Delay

	Jan 16	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Deposits												
Medicaid Payment	$250,000	$0	$0	$0	$0	$0	$0	$250,000	$250,000	$250,000	$250,000	$250,000
Increase in monthly Medicaid Payment (due to approved applications)	50,000	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000
MMAI Payment	50,000	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000
Other Payments (Private pay/Medicare, hospice)	884,000	884,000	884,000	884,000	884,000	884,000	884,000	884,000	1,004,000	884,000	884,000	1,864,000
RAN Proceeds (85%)					595,000		595,000		595,000		595,000	
Total Cash Deposits	$1,234,000	$884,000	$884,000	$884,000	$1,479,000	$884,000	$1,479,000	$1,234,000	$1,949,000	$1,234,000	$1,829,000	$2,214,000
Cash Out												
Wages and Benefit Expenses (FICA and IMRF in non-labor exp.)	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000
Non-Labor Expenses	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	824,000
Other						50,883						260,883
RAN Payments								355,833	250,104	355,833	250,104	355,833
Total Cash Disbursements	$1,229,000	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,279,883	$1,229,000	$1,584,833	$1,729,104	$1,584,833	$1,479,104	$1,940,716
Surplus/(Deficit)	$5,000	($345,000)	($345,000)	($595,000)	$250,000	($395,883)	$250,000	($350,833)	$219,896	($350,833)	$349,896	$273,284
Beginning Cash Balance	$1,157,995	$1,162,995	$817,995	$472,995	($122,005)	$127,995	($267,888)	($17,888)	($368,721)	($148,826)	($499,659)	($149,763)
Ending Cash Balance	$1,162,995	$817,995	$472,995	($122,005)	$127,995	($267,888)	($17,888)	($368,721)	($148,826)	($499,659)	($149,763)	$123,521
Ending Cash Balance	$1,162,995	$817,995	$472,995	($42,005)	$352,995	($42,888)	$352,112	$1,279	$366,175	$15,341	$510,237	$493,521
Delay/(Pay) Non-Labor Expenses	0	0	80,000	145,000	0	145,000	0	145,000	0	145,000	(290,000)	(240,000)
Ending Cash Balance - Adjusted	$1,162,995	$817,995	$552,995	$102,995	$352,995	$102,112	$352,112	$146,279	$366,175	$160,341	$220,237	$253,521

	Jan 17	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Deposits												
Medicaid Payment	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$500,000	$500,000	$500,000	$500,000	$500,000
Increase in monthly Medicaid Payment (due to approved applications)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000
MMAI Payment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000
Other Payments (Private pay/Medicare, hospice)	884,000	884,000	884,000	884,000	884,000	884,000	884,000	884,000	1,004,000	884,000	884,000	1,864,000
RAN Proceeds (85%)	595,000		595,000		595,000		595,000					
Total Cash Deposits	$1,829,000	$1,234,000	$1,829,000	$1,234,000	$1,829,000	$1,234,000	$1,829,000	$1,584,000	$1,704,000	$1,584,000	$1,584,000	$2,564,000
Cash Out												
Wages and Benefit Expenses (FICA and IMRF in non-labor exp.)	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000
Non-Labor Expenses	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	824,000
Other						46,735						261,735
RAN Payments	250,104	355,833	250,104	355,833	250,104	355,833	250,104	355,833	250,104	355,833	250,104	
Total Cash Disbursements	$1,479,104	$1,584,833	$1,729,104	$1,584,833	$1,479,104	$1,631,568	$1,479,104	$1,584,833	$1,729,104	$1,584,833	$1,479,104	$1,585,735
Surplus/(Deficit)	$349,896	($350,833)	$99,896	($350,833)	$349,896	($397,568)	$349,896	($833)	($25,104)	($833)	$104,896	$978,265
Beginning Cash Balance	$123,521	$473,417	$122,583	$222,479	($128,354)	$221,542	($176,027)	$173,869	$173,036	$147,932	$147,098	$251,994
Ending Cash Balance	$473,417	$122,583	$222,479	($128,354)	$221,542	($176,027)	$173,869	$173,036	$147,932	$147,098	$251,994	$1,230,259
Ending Cash Balance	$603,417	$252,583	$352,479	$81,646	$511,542	$113,973	$463,869	$333,036	$307,932	$307,098	$411,994	$1,390,259
Delay/(Pay) Non-Labor Expenses	0	0	80,000	80,000	0	0	(130,000)	0	0	0	0	(160,000)
Ending Cash Balance - Adjusted	$603,417	$252,583	$432,479	$161,646	$511,542	$113,973	$333,869	$333,036	$307,932	$307,098	$411,994	$1,230,259

Scenario 2 - Six Month Payment Delay

	Jan 18	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Deposits												
Medicaid Payment	$500,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Increase in monthly Medicaid Payment (due to approved applications)	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
MMAI Payment	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Payments (Private pay/Medicare, hospice)	884,000	884,000	884,000	884,000	884,000	884,000	884,000	884,000	1,004,000	884,000	884,000	1,864,000
RAN Proceeds (85%)	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Deposits	$1,584,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,234,000	$1,354,000	$1,234,000	$1,234,000	$2,214,000
Cash Out												
Wages and Benefit Expenses (FICA and IMRF in non-labor exp.)	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000	$750,000	$500,000	$500,000	$500,000	$500,000
Non-Labor Expenses	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	824,000
Other						42,489						267,489
RAN Payments	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Disbursements	$1,229,000	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,271,489	$1,229,000	$1,479,000	$1,229,000	$1,229,000	$1,229,000	$1,591,489
Surplus/(Deficit)	$355,000	$5,000	($245,000)	$5,000	$5,000	($37,489)	$5,000	($245,000)	$125,000	$5,000	$5,000	$622,511
Beginning Cash Balance	$1,230,259	$1,585,259	$1,590,259	$1,345,259	$1,350,259	$1,355,259	$1,317,770	$1,322,770	$1,077,770	$1,202,770	$1,207,770	$1,212,770
Ending Cash Balance	$1,585,259	$1,590,259	$1,345,259	$1,350,259	$1,355,259	$1,317,770	$1,322,770	$1,077,770	$1,202,770	$1,207,770	$1,212,770	$1,835,281
Ending Cash Balance	$1,585,259	$1,590,259	$1,345,259	$1,350,259	$1,355,259	$1,317,770	$1,322,770	$1,077,770	$1,202,770	$1,207,770	$1,212,770	$1,835,281
Delay/(Pay) Non-Labor Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Ending Cash Balance - Adjusted	$1,585,259	$1,590,259	$1,345,259	$1,350,259	$1,355,259	$1,317,770	$1,322,770	$1,077,770	$1,202,770	$1,207,770	$1,212,770	$1,835,281