

**Minutes of the
Operating Board of Directors
DeKalb County Rehab & Nursing
Center September 14, 2016**

Present Directors: Veronica Casella, Greg Millburg, Jeff Whelan, Rita Nielsen, Ferald Bryan, Ron Klein,
Misty Haji-Sheikh

Absent Directors: none

Also Present: Kris Decker, Bart Becker, Gary Hanson, Gary Winschel

Veronica Casella called the meeting to order at 7:00 am.

Motion: Misty Haji-Sheikh moved to approve the agenda, Jeff Whelan seconded the motion.

Voice Vote: Veronica Casella asked for a voice vote on the approval of the agenda. All Members voted yea.
Motion carried unanimously.

Motion: Jeff Whelan moved to approve the July 2016, Operating Board minutes, Greg Millburg
seconded the motion.

Voice Vote: Veronica Casella asked for a voice vote on the approval of the minutes. All Members
voted yea. Motion carried unanimously.

Public Comments: There were no public comments.

Old Business: None

New Business

Management Report:

Operations and Finance:

Gary Winschel gave a report:

July financial statements reflect a gain of \$218,3208, which has the Home \$451,981 above the year-to-date 2016 budget. The following occupancy table compares year-to-date actuals to year-to-date budget. As a reminder, please note that IGT Revenue has been moved from Non-Operating Revenue to Operating Revenue. Since the IGT Revenue is part of Medicaid, it was agreed with the Auditors that this move was appropriate.

During July, Revenues exceeded budget by \$185,041, while expenses were over by \$5,456 - resulting in Net Income exceeding budget by \$179,585. The attached Actual vs. Budget Statement of Operations highlights the differences by department. Other Income was credited \$99,715 for a refund from an IMRF payment made in 2015, but was successfully challenged in 2016. Medicare A revenue exceeded budget by \$109,733. The following entry continues to be made:

1. Medicaid revenue adjustment decreasing booked revenue by 5% to account for Medicaid overpayments resulting from a lack of published 2016 rates.
2. Total ADC of 176.1 is 3.1 above budget

The July census decreased by .5, coming in over budget by 3.1; Medicare census was 6.2 over budget, Medicaid census was 5.2 lower than budget and Private Pay was 2.1 over.

The 723 conversion day's year-to-date increases Medicaid by 3.4 and decreases Private pay by the same. Approximately \$33,500 less revenue has been recognized this year.

Medicare A revenue year-to-date exceeds budgeted year-to-date by \$235,970. Net Revenues were over budget year-to-date by \$227,641. Expenses year-to-date are under budget by \$224,339. Nursing is under budget by \$90,789, Special Care is under by \$61,675 and Administrative expenses are under by \$57,380. Net income through July 2016 was \$723,182, exceeding budget by \$451,981.

As of Friday, September 2nd, the Home's cash balance was \$5,723,655.

Gary Winschel discussed that DCRNC currently has twelve Public Aid pending residents. Public Aid is further behind and their conversions are slower which can become a financial hardship. Staff are working with resident families and the Public Aid hub to attempt to expedite this process.

Bart Becker, Administrator for DCRNC, gave a report:

Illinois Department of Public Health arrived on a complaint visit on August 18, 2016. There were no findings during that visit.

Mr. Becker explained that the CVS/Dementia Unit was repainted and that the "A" West hallway would be repainted next.

Mr. Becker updated the Operational Board regarding the resident's family member (wife) that had been banned from the facility on June 30, 2016. A telephone hearing was held in July and recently another hearing, with an Administrative Law Judge, from the Illinois Department of Public Health, was held in the Multi-Purpose Room. The ALJ stated that a decision would be made in thirty to forty-five days, as to whether the resident's wife will continue to be denied access to the facility, or not.

The house in Genoa, that DCRNC acquired, has been sold for \$72,300. After costs there will be approximately \$48,000 remaining which will be applied to the outstanding balance of the former resident (from which the house was acquired).

The reduction of hospital re-admissions was briefly discussed. The hospital re-admission rates for July and August were higher. The average percentage for the year is 15.9%.

The scope adjustment increases for R.N.'s and L.P.N.'s took place. The R.N. base pay was increased to \$25.00 per hour and the L.P.N. base pay was increased to \$20.00 per hour. Current nurses received an hourly increase of 10 cents for each year of employment. Six new nurses have been hired, so far.

The Union vote and ratification of the Tentative Agreements for the contract took place on 8/1/16. The changes for the new Union contract that had been previously discussed included: Effective 7/1/16 minimum rate was increased to \$8.50 per hour for all positions. There would be no lump sum bonus. The Retention and Attendance Incentive Bonuses will be eliminated effective 1/1/17. Gain Sharing was removed. The reduction in Paid Hours Off for new hires was removed. The increase in the current volunteer shift pay was removed. The PHO payment at termination restriction was removed.

Wages: (annual increases) total 9% for five year contract

- a. 1/1/16: 1.5%
- b. 1/1/17: 2.25%
- c. 1/1/18: 1.5%

d. 1/1/19: 1.75%

e. 1/1/20: 2.0%

Kris Decker, Clinical Compliance, gave a report:

Mrs. Decker distributed the current five star rating and quality measures report. She reported that DCRNC is the only 5 Star facility in a twenty-five mile radius. The new five star reports take information from four quarters rather than three (as in the past). The Quality Measure score is currently 810 points which is a three star. Twenty additional Quality Measure points would bring the QM up to a four star rating. There are three new Quality Measures. The annual Compliance training is scheduled for October. The Performance Improvement Plans (PIP) continue and have assisted in increasing QM scores and maintaining the Five Star Rating. A question was brought up as to why the Physical Therapy Staffing shows one minute per resident per day. This information didn't look accurate and will be reviewed.

Gary Winschel:

Mr. Winschel discussed MPA's Engagement Letter for Project Management. Mr. Klein questioned why the contract was based on a percentage of how much is spent on the project. Mr. Klein stated that he would like to see a limit. He further stated that the liability for MPA is limited and also discussed the Indemnification section. The construction contracts would be reviewed by the State's Attorney's office. MPA's Engagement Letter for Project Management will be reviewed and voted on at the next Operational Board meeting. The Board agreed that that the construction project would continue to move forward and that costs would be appropriately reimbursed for services provided. Any contract changes that result in a change in compensation will be applied retroactively. Mr. Klein asked that Mr. Hanson forward copies of MPA's Management contract to review.

Mr. Winschel informed the Board that the Medicaid Integrity Audit was complete. Initially the OIG audit indicated that a balance of approximately \$325,000 was owed by the facility. Upon providing detailed information to OIG disputing the balance a final payout of \$18.86 was determined to be the accurate amount owed by the facility.

Gary Winschel collected the Conflicts of Interest Policy and Questionnaire forms which were signed by Operational Board members.

Misty Haji-Sheikh stated that she spoke to the Master Gardeners who expressed an interest in being involved in any upcoming changes to the gardening related to the construction project.

Executive Session:

No closed session took place

Next Meeting: November 16, 2016 at 7:00 a.m.

Motion: Veronica Casella moved to adjourn the meeting, Jeff Whelan seconded the motion.

Meeting adjourned at 7:50 a.m.

Respectfully submitted

Bart J. Becker

Recording Secretary