

Minutes

**Operating Board of Directors
DeKalb County Rehab & Nursing Center
November 8, 2017**

Present Directors: Jeff Whelan, Rita Nielsen, Ferald Bryan, Greg Millburg, Misty Haji-Sheikh
Absent Directors: none

Also Present: Gary Hanson, Gary Winschel, Bart Becker

Jeff Whelan called the meeting to order at 7:00 am.

Motion: Misty Haji-Sheikh moved to approve the agenda, Greg Millburg seconded the motion.

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

Motion: Greg Millburg moved to approve the September 2017, Operating Board minutes, Rita Nielsen seconded the motion.

Voice Vote: Jeff Whelan 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:

Gary Winschel reported that two additional board members are still needed. Misty Haji-Sheikh, Greg Millburg, and Rita Nielsen's two-year terms will end this year. All three stated that they will remain on the board for another term. Mr. Winschel stated that the longest that someone may be on the board is four consecutive, two-year terms (eight years), without being off the board at least one year.

Mr. Winschel updated the board on the construction project. Mr. Winschel and Mike Scavotto (from Management Performance Associates) met with the Public Building Commission on November 7, 2017. Mr. Winschel stated that the PBC is reviewing the construction contracts (for the Architect, Larson and Darby, Construction Manager, Ringland-Johnson, and General Conditions) and anticipate that the contracts will be passed at the next PBC meeting (in December). The PBC agrees that DCRNC is working with two strong construction vendors.

Misty Haji-Sheikh stated that she has the name of a new potential board member.

New Business:

Management Report:

Operations and Finance:

Gary Winschel gave a report:

September 2017 financials reflect a gain of \$112,443, which gives the Home a year-to-date Net Income of \$588,345, \$170,080 above the year-to-date budget. Average Daily Census is at 184.2 (10.2 above budget).

Gary Hanson brought up the increase in resident acuity. Mr. Becker and Mr. Winschel explained the increase in resident acuity as well as the training of nursing staff and competencies of nursing staff to handle these requirements.

Gary Winschel gave a report (continued):

During September, Revenues were over budget by \$64,004, while expenses were over by \$1,964 - resulting in Net Income being over budget by \$65,968. The attached Actual vs. Budget Statement of Operations highlights the differences by department.

Private Pay Revenues exceeded budget by \$8,876, while Medicaid Revenues exceeded budget by \$87,015. 1,142 Medicaid Pending account days were approved to pay in September, slowly correcting the current imbalance that has been discussed. Medicare A Revenues were below budget by \$43,575. Nursing expenses were over budget by \$44,035. Agency usage decreased in September, though the goal remains to reduce and then eliminate agency.

Net Revenues are over budget year-to-date by \$495,445. Private Pay revenue year-to-date exceeds y-t-d budget by \$1,146,646. Medicaid revenue y-t-d is below budget by \$443,571. The imbalance between these two is due in a large part to the State's lack of converting Pending Medicaid accounts. Expenses y-t-d are over budget by \$325,365. Nursing is over budget by \$418,836. This is due primarily to Agency use, retirements and payouts and PHO and replacement training costs. Net Income through September 2017 is \$588,345, over budget by \$170,080. As of Tuesday, October 31st, the Home's cash balance was \$5,165,278.

Gary Winschel discussed the Medicaid Pending status, which causes cash to be lower and receivables to be higher. If and when the State of Illinois Medicaid approves the Public Aid pending, Residents' revenue will adjust downwardly by about \$150,000. The 5% in Medicaid Revenue that had been held back the prior year and one half (as discussed) will help to offset this amount at year end.

Gary Winschel informed the Board that a developer is planning to build a skilled nursing facility in Rochelle that will consist of seventy long-term skilled beds, twenty-two beds for residents with Dementia, and thirty-two Assisted Living beds. Mr. Winschel reported that there is not a need for beds in the area, but the two existing facilities in Rochelle are challenged. That is one of the points that they are stressing for an exception and approval. If approved and built, this facility should not have a material impact on DCRNC's occupancy. We currently have several residents from the Rochelle area, but marketing staff have stated that that was due to having family members in the DeKalb area. As a check, I reduced the projected occupancy by 5 each year – over a five year period, without reducing expenses, and the resulting debt service coverage was still well within the lending guidelines provided by Speer Financial, Inc. (125basis point or more).

Misty Haji-Sheikh informed everyone that “Sun City” in Huntley has senior living for 10,000 residents. She stated that Heritage Woods also has a facility in Huntley.

Bart Becker, Administrator for DCRNC, gave a report:

IDPH fines of \$16,250 are being paid. These were from the most recent F tag (F309). We're waiting for IDPH to revisit to clear the State Licensure Violations (these are duplicative of contents from Federal tag). CMS (Federal) fines of \$8,750 will be upcoming.

Electronic Health Records (EHR) Request for Proposals is being completed. We plan to complete this within the next several months.

DCRNC is currently four stars, overall. The Quality Measures remain at five stars. Our “Focus Committee” continues to meet to create new ideas to retain and motivate staff. PRN program for Nurses and C.N.A.'s. We've created a PRN program with higher pay rate without benefits (for Nurses and C.N.A.'s). This has increased our staffing. Similar to our own in-house agency program. These employees can work up to 8 shifts per month.

We continue our monthly meeting with Kishwaukee Hospital. Exchange many good ideas to improve the resident admissions and discharges between facility and the hospital. We're able to share the advantages of DCRNC and why we offer the best care. They have improved their communication with DCRNC and revised form(s) to help admission information become more accurate and comprehensive.

DCRNC will be contracting with Public Aid Insurance. Illinois has contracted with five Insurance companies for Public Aid residents. DCRNC will be contracting with as many of them as possible so that we can accept residents who are on those Public Aid insurances.

CMS has many new SNF regulations (total of 697 pages). DCRNC is updating Policies and Procedures as appropriate.

Dietary Supervisor is resigning. Her successor has been hired and will start at the end of November 2017. He is a CDM and has many years of food service and LTC experience.

Executive Session:

No closed session took place.

Next Meeting: January 10, 2018, at 7:00 a.m.

Motion: Misty Haji-Sheikh moved to adjourn the meeting, Ferald Bryan seconded the motion.

Meeting adjourned at 7:39 a.m.

Respectfully submitted
Bart Becker
Recording Secretary