

Joint Finance Committee and DCRNC Operating Board Meeting



October 6, 2021

6PM

Purpose of Tonight's Meeting

- This “Joint Meeting” is for discussion only and brings together the Operating Board and Finance Committee.
- Finance Committee has heard regular updates from MPA as a condition of \$2,000,000 cash-flow loan.
- With loan exhausted and continued cash flow issues there have been questions as to the current status, the responsibility of the Operating Board vs. County Board, and what are the options moving forward?



DCRNC History

- What is now called the DeKalb County Nursing Home was begun as a “poor farm” in 1853. Prior to that time when persons were in need of public assistance, due to financial or health reasons, they were referred to the township overseers of the poor. The overseers would allocate available county resources to assist these people. The County Board of Supervisors felt that the poor of DeKalb County would better be served by a centrally located facility which ultimately led to the creation of the County Home in 1945.
- The nineteen sixties were the beginning of many new concepts in health care for the elderly and chronically ill. Along with these new concepts came many new rules and regulations for the licensing of all health care facilities.
- Plans for an addition to the County Home was presented to the architect in 1966. The groundbreaking ceremony was held at 1:00 p.m. on May 8, 1968.
- The new structure consisted of a ground floor and three stories above that. A total bed capacity of 194 beds were available on three patient units.



DCRNC History (continued)

- MPA was hired to manage the operation in August of 1997.
- The current DCRNC construction started in 1998 and occupied in March 2000.
- The County sold \$13,000,000 in bonds in August, 2020 to pay for the Rehab & Nursing Center Expansion project. Construction activity in 2019 and 2020 was funded with Rehab & Nursing Center cash reserves and internal borrowing. The bonds were issued for 30 years at an average interest cost of 2.23% and with all debt to be retired by operating revenues of the Rehab & Nursing Center. Annual debt service payments will range from a low of about \$624,000 to a high of about \$683,000. The bonds will not be fully retired until December 15, 2050, subject to a call provision beginning December 15, 2030.
- As of September 30, 2021 the daily census at the DCRNC was 117 and has 66 full-time and 91 part-time employees.



Recent Financial Challenges

- **FY2019:** Budgets \$15,997,400 in Patient Service Revenue; Actual Revenue is \$13,905,290.
\$2,092,110 short of budget projection
- **August 2020:** The County sold \$13,000,000 in bonds for an expansion project at the DCRNC to be paid from operating revenues over the next 30 years. The debt service averages \$661,500 per year for a total of \$19,846,449.
- **FY2020:** Budgets \$16,654,000 in Patient Service Revenues; Actual Revenue is \$13,839,223.
\$2,814,777 short of budget projection
- **March 15, 2021:** The Treasurer's Office noted cash flow issues with this fund.
- **April 21, 2021:** The County Board approves a Loan of \$2,000,000 for cash flow purposes.
- **September 1, 2021:** Loan Proceeds have been exhausted.



Current Financial Position

Bank Balance as 10/4:	\$69,000.00
Written Checks:	(\$1,282,038.37)
Liability on County Loan:	(\$2,000,000.00)
Receivables (less than 210 days):	<u>\$2,068,998.55</u>
	(\$1,144,039.82)
*Receivables (210+ days):	<u>+\$3,334,652.35</u>
Potential Balance:	\$2,190,612.53

*Receivable pre-August 1, 2020 is \$2,662,092.22



Recent Financial History (2018)

	January	February	March	April	May	June	July	August	September	October	November	December	13th (Accruals)	Total
Revenues	1,300,841	1,127,162	1,205,240	1,124,450	797,218	874,515	1,735,822	1,204,123	1,053,192	1,401,318	1,478,645	924,969	1,855,583	16,083,079
Expenditures	813,656	1,102,628	1,082,563	1,112,829	1,158,267	1,729,174	1,304,067	1,312,236	1,335,333	1,178,514	1,545,800	815,561	1,299,227	15,789,855
Net Gain (Loss)	487,185	24,534	122,677	11,622	(361,049)	(854,659)	431,756	(108,113)	(282,142)	222,804	(67,155)	109,408	556,356	293,224

Net Gain (Loss): \$293,224
 Profit: \$24,435/month on average

Average Daily Census: 181.2

Medicare: 22
 Medicaid: 93.2
 Private Pay: 65.9

Monthly figures represent cash-basis; 13th accounting period picks up receivables, payables and depreciation.



Recent Financial History (2019)

	January	February	March	April	May	June	July	August	September	October	November	December	13th (Accruals)	Total
Revenues	319,900	735,208	1,192,848	1,171,317	1,120,473	1,222,179	1,132,669	716,756	1,069,050	1,259,842	1,061,415	1,099,752	1,956,531	14,057,939
Expenditures	721,903	1,019,900	1,134,243	1,112,795	1,398,966	1,114,719	1,560,380	1,229,153	1,204,482	1,183,628	1,453,252	1,216,322	3,723,531	18,073,275
Net Gain (Loss)	(402,003)	(284,692)	58,605	58,521	(278,492)	107,459	(427,710)	(512,397)	(135,433)	76,215	(391,838)	(116,570)	(1,767,001)	(4,015,336)

Net Gain (Loss): **(\$4,015,336)***

*\$2 million from reserves used for expansion project; restated Gain/(Loss):
(\$2,015,336)

Loss: (\$167,945)/month on average (without \$2 million)

Average Daily Census: 168.0

Medicare: 15.4

Medicaid: 101.4

Private Pay: 51.2

Monthly figures represent cash-basis; 13th accounting period picks up receivables, payables and depreciation.



Recent Financial History (2020)

	January	February	March	April	May	June	July	August	September	October	November	December	13th (Accruals)	Total
Revenues	993,352	1,120,624	1,560,516	1,312,997	1,336,492	1,244,215	1,290,077	967,265	2,422,108	964,127	707,364	1,741,522	706,916	16,367,573
Expenditures	709,422	1,159,782	1,260,135	1,386,072	1,525,085	1,314,184	1,281,411	1,396,396	1,742,872	1,518,275	1,311,067	1,289,340	1,476,124	17,370,164
Net Gain (Loss)	283,930	(39,157)	300,381	(73,074)	(188,593)	(69,969)	8,665	(429,132)	679,235	(554,148)	(603,703)	452,182	(769,209)	(1,002,591)

Net Gain (Loss): **(\$1,002,591)***

*\$1 million of funds used for expansion project returned as revenue; restated

Gain (Loss): **(\$2,002,591)**

*\$1,446,584 of CARES relief included in net loss

Loss: (\$166,883)/month not using the \$1 million

Average Daily Census: 140.9

Medicare: 13.9

Medicaid: 74.8

Private Pay: 52.1

Monthly figures represent cash-basis; 13th accounting period picks up receivables, payables and depreciation.



Recent Financial History (2021)

	January	February	March	April	May	June	July	August	September	October	November	December	13th (Accruals)	Total
Revenues	1,116,144	949,972	593,963	1,271,466	807,523	919,521	647,520	1,041,299	535,609					7,883,019
Expenditures	803,400	1,423,558	1,297,196	1,524,632	1,299,061	1,349,823	1,381,204	1,260,897	1,366,701					11,706,472
Net Gain (Loss)	312,744	(473,586)	(703,233)	(253,165)	(491,538)	(430,302)	(733,684)	(219,598)	(831,091)	0	0	0	0	(3,823,453)

Net Gain (Loss): **(\$3,823,453)**

Loss: (\$424,828)/month year-to-date

Average Daily Census: 117.1

Medicare: 12.8

Medicaid: 62.0

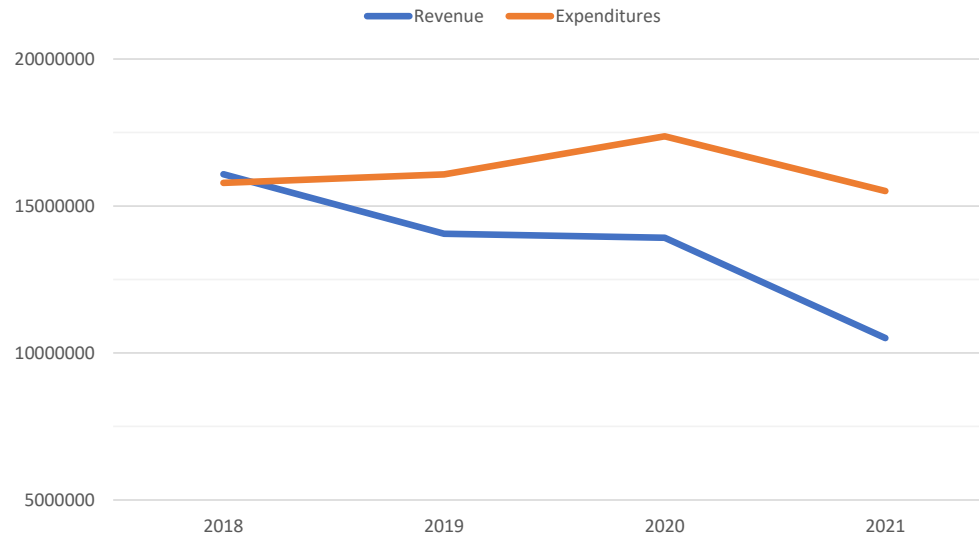
Private Pay: 42.4

Monthly figures represent cash-basis.



Revenue vs. Expenditures Analysis

Nursing Home Revenues vs. Expenditures
2018-2021



DCRNC Census History

Average Daily Census	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Medicare	22.8	25.6	25.4	23.6	20.4	26.2	25.5	22.3	22.0	15.4	13.9	12.8
Medicaid	105.3	101.7	103.6	88.0	99.6	101.3	92.0	82.5	93.2	101.4	74.8	62.0
Private Pay	51.1	47.7	42.4	60.5	51.3	41.4	58.8	73.3	65.9	51.2	52.1	42.4
Total	179.3	175.0	171.4	172.2	171.3	168.9	176.3	178.1	181.2	168.0	140.9	117.1



Next Steps?

- Research and evaluate all receivables.
- Discuss additional interim cash-flow support.
- Look for ways to increase census and reduce expenditures.
- Include Committee of the Whole in regular updates; Governing Authority and responsibility rests with the County Board except as set forth in the by-laws of the Operating Board.

