NURSING HOME BOARD OF DIRECTORS AGENDA

County of Champaign, Urbana, Illinois
Thursday, February11, 2010 – 6:00pm

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

CHAIR: **Mary Ellen O'Shaughnessey**
DIRECTORS: **Jan Anderson, Peter Czajkowski, Jason Hirsbrunner, Lashunda Hambrick, Alan Nudo, Charles Lansford**

ITEM

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **APPROVAL OF AGENDA/ADDENDUM**

IV. **APPROVAL OF MINUTES**
January 14, 2010
Closed Session – January 14, 2010

V. **PUBLIC PARTICIPATION**

VI. **OLD BUSINESS**

None

VII. **NEW BUSINESS**
a. Management Report (Scavotto)
b. Organizational Objectives
c. Code of Conduct for CCNH

VIII. **OTHER BUSINESS**

None

IX. **CLOSED SESSION**

Closed Session pursuant to 5 ILCS 120/2©1 to consider the employment, compensation, discipline, performance, or dismissal of an employee.

X. **NEXT MEETING DATE & TIME**
a. March 11, 2010

XII. **ADJOURNMENT**

Board of Directors
Champaign County Nursing Home
Urbana, Illinois
January 14, 2010

Directors Present: Czajkowski, Hirsbrunner, Anderson, Lansford, O'Shaughnessey, Hambrick

Directors Absent/Excused: Nudo

Also Present: Busey, Scavotto

1. Call to Order

The meeting was called to order at 6:05pm by Chair Lansford

2. Roll Call

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

3. Agenda & Addendum

On motion by Anderson (second Hirsbrunner) the agenda and addendum were approved (unanimous).

4. Approval of Minutes

On motion by Hirsbrunner (second Anderson), the Board approved the minutes of November 12, 2009. Minutes of the November 12, 2009 Closed Session were approved (motion Czajkowski, second Anderson, unanimous).

5. Public Participation

There was no public participation.

6. Old Business

There was no old business.

7. New Business

a. Election of Officers

Chair Lansford expressed his intent to resign as Board Chair. The Directors expressed their deep appreciation for Dr. Lansford's leadership as Chair. Anderson nominated

O'Shaughnessey to fill the remaining 11- month portion of Lansford's term. The nomination was seconded (Hirsbrunner) and unanimously approved.

It was moved (Czajkowski, second Anderson, unanimous) that Hirsbrunner be elected to the Office as Vice Chair.

Czajkowski will continue to serve as Secretary. In December 2010, elections will be held for all three offices, the intent being to return to the methodology prescribed in the Bylaws.

b. Management Report

Scavotto reviewed the operating results for November and projected for year-end fiscal 2009. It appears that CCNH will close fiscal 2009 with an operating loss estimated to be approximately $(150)k; there are circumstances associated with year-end closing that may cause small fluctuations in that estimate. The 2009 result for CCNH represents a dramatic improvement over the $(1.8) million loss reported for fiscal 2008. The Board expressed its appreciation for the efforts of all involved in this terrific example of teamwork throughout CCNH.

The MDI Matrix financial is working better as the staff gets used to the system. The balance sheet is now available and was distributed at the meeting.

Scavotto brought the Board up-to-date on the latest status of the IGT discussions with State HFS. At the present time, CCNH is on the Standard Rate and the management team is developing its approach to controlling the home's documentation practices.

8. Other Business

There was no Other Business

9. Closed Session

It was moved (Hirsbrunner) and seconded (Anderson) that the Board go into closed session pursuant to 5 ILCS 120/2 c 1 to consider the employment, compensation, discipline, performance, or dismissal of an employee.

Busey called the roll, unanimous.

The Board emerged from closed session at 7:40 pm with no action being taken.

10. Next Meeting Date

Thursday February 11, 2010, 6 pm.

11. Adjournment

The meeting adjourned at approximately 7:50 pm (motion Czajkowski), second Hirsbrunner (unanimous)

Respectfully submitted

Michael A. Scavotto
Recording Secretary

To: Board of Directors
Champaign County Nursing Home

From: M.A. Scavotto
Manager

Date: February 3, 2010

Re: Management Report

As I write this update, census is at 191; census has been as high as 192 in recent weeks. As you will see from the statistics (below), we had more admits than discharges in December.

Here's what's happened on admissions and discharges.

	Oct-09	Nov-09	Dec-09
Admits			
Pvt Pay/Insurance	4	9	12
Medicare A	12	12	18
Medicaid	1	0	1
Total	**17**	**21**	**31**
Discharges			
Pvt Pay/Insurance	8	15	11
Medicare A	10	6	11
Medicaid	2	4	4
Total	**20**	**25**	**26**

December's results reflect a loss of $(25)k.

Private Pay revenues were exceptionally strong in December at $454k; our previous high was $474k in August. December's Private Pay revenue was about $90k higher than November; the per diem was $203, which is the highest we have seen for CCNH. Below, I have listed the major payer classes below and you'll see right away that Medicaid and Medicare revenues are down while Private Pay is up:

	Nov-09	Dec-09	variance
Med A	$ 217,712	$ 209,875	$ (7,837)
Med B	$ 77,796	$ 39,154	$ (38,642)
Medicaid	$ 416,057	$ 377,223	$ (38,834)
Pvt Pay	$ 364,372	$ 454,765	$ 93,393

Expenses were up over November by about $93k, but were still well below our trend. Agency usage was back down to $54k and CCNH continues to make great progress in this.

Average daily census has not been steady. The pattern for the year has been:

CCNH Average Daily Census
FY 2009, Dec thru November
without bedholds

Dec	190.9
Jan 09	198.4
Feb	195.8
Mar	188.4
Apr	186.9
May	188.6
June	178.9
July	179.8
Aug	182.4
Sept	181.5
Oct	183
Nov	179.2
Dec	187.7

There is no question that census is better than when we first began the turnaround effort. CCNH is a large facility with high fixed cost load; as a result, it has a high break-even point. Census remains the critical factor in improving CCNH's position.

Medicare days were 451 in December for an ADC of 15, far lower than what we'd like to have. For comparison, Medicare days were 528 in October and dropped to 448 in November. The highest Medicare load CCNH has experienced was 938 (ADC 30.2) in January 2009. There can be no question that CCNH is in a Medicare slump, and needs to rebuild its referral base. Here's the pattern:

Dec	884	July	442
Jan 09	938	Aug	485
Feb	755	Sep	470
Mar	675	Oct	528
Apr	540	Nov	448
May	573	Dec	451
June	396		

In October, Medicare A revenues were $226k, a step up from September's $196k. November's revenues were $218k and dropped to $210k in December. Compare the results for Medicare A for the last seven months versus the start of the fiscal year; we have been mired right around $200k and haven't been able to get back to earlier levels, which approximated $400k.

Medicare A Revenues

First 4 months		**Last 7 Months**	
Dec	$379k	May	$211k
Jan-09	$396k	June	$195k
Feb	$313k	July	$179k
Mar	$308k	Aug	$198k
		Sep	$196k
		Oct	$226k
		Nov	$218k
		Dec	$209k

Medicare referral activity at CCNH has been up and we continue to hear positive comments from Carle on the changes that we have implemented.

Medicare B just plain tanked to $39k in December and represents one of the lowest Part B revenue performances on record for CCNH. Med B has been impossible to predict and continues to display wide swings.

August's private pay revenues were a record $474k. December's results were just a bit short of that figure at $455k. The per diem was an excellent $202 – a record for CCNH.

In October, Medicaid census jumped 12 percent, which was a huge increase; revenues were lower because of the discontinuation of the IGT expense. November's figures include an amount for October's portion of the certified costs, meaning that October should be higher and November should be lower. December's revenues are correct and indicate a decrease over the prior two months:

Medicaid Revenues Compared

Month	Net Revenues	Chg	Days	Chg
April	$633k		2885	
May	$596k	(5.8)%	2941	1.9%
June	$497k	(16.6)%	2725	(7.3)%
July	$538k	8.2%	2791	2.4%
Aug	$511k	(5)%	2652	(5)%
Sep	$561k	9.8%	2818	6.3%
Oct*	$382k	(32)%	3160	12.1%
Nov	$416k^	8.9%	2837	(10.2)%
Dec	$377k	(9.4)	2937	3.5%

**Medicaid revenues now recorded at net.*
^ Includes October's portion of certified costs

CCNH's payer mix continues to move in a direction that is, overall, positive. The following table provides the comparisons in this significant change:

Comparative Payer Mix
CCNH

	Dec-07 thru June	Sep-08 thru Dec-09
Medicaid	62%	52.1%
Medicare	9%	10.3%
Pvt Pay	29%	37.6%
Totals	**100%**	**100%**

From the standpoint of market position, CCNH's payer mix is headed in the right direction. We need more Medicare and some predictability for Private Pay and Medicaid.

The Medicare per diem in June rebounded and reached $492, an historical high for CCNH. In July, we left the rarified atmosphere for a more conventional per diem of $404. August was up a little to $409. For September, we posted $416 and $428 for October. November soared to $486. December saw $465.

For the three months ended December 2009, the results of operations are posted below.

Last Three Months w/Property Tax and County Overhead Allocated Monthly

	Oct-09	Nov-09	Dec-09
Medicare A	$226,202	$217,712	$209,875
Medicare B	$84,619	$77,796	$39,154
Medicaid	$382,392	$416,057	$377,223
Pvt Pay	$377,729	$365,342	$454,765
Adult Day-Private	$8,731	$6,225	$5,567
Adult Day-TXX	$11,731	$11,760	$14,146
Miscellaneous	$7,798	$56,362	$5,257
Property Tax	$78,902	$73,034	$81,437
All Revenues	$1,178,104	$1,224,288	$1,187,423
All Expenses	$1,189,130	$1,147,424	$1,212,081
Net Income/(Loss)	$(11,026)	$76,864	$(24,657)
Census	5673	5377	5632
Change		-5.2%	4.7%
ADC	183.0	179.2	187.7
Change		-2.1%	4.7%
FTE	191.7	186.0	194.5

For the past three months, patient service revenues have essentially been flat, averaging $1,100,000.

Cash position remains tight and this should come as no surprise as census targets have not materialized. At December 31, cash on the balance sheet was at $872k. Current cash balance is $543k (2-1-010) following a payroll.

The following graphs provide a comparative statement of position for CCNH through December 2009.

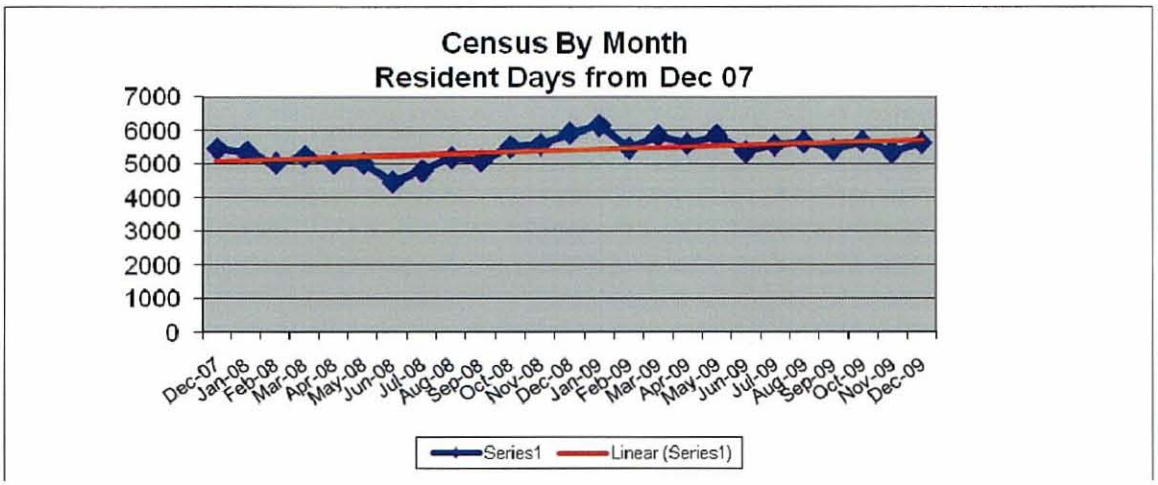
The solid line is a trend line for the displayed data and it should appear in red on your computers. (These graphs will display best when viewed on your screens.)

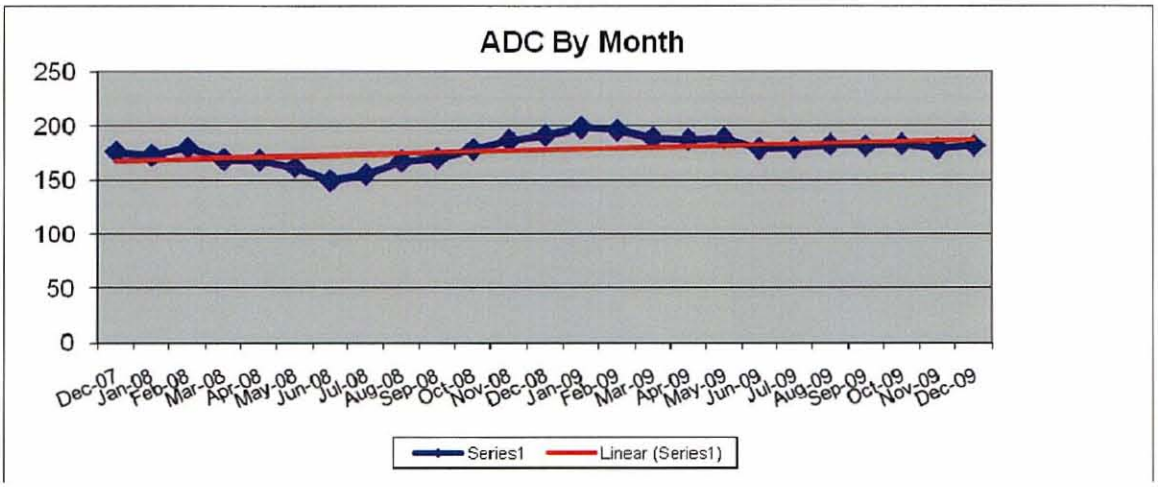
Census

Census continues to receive a lot of attention. The fiscal year got off to a good start, building to a high of 6150 resident days (ADC 198) in Jan-09. Census has since tailed off.

Current Census by Payer by Month
(without bedholds)

Month	Pvt Pay	Medicaid	Medicare	Total
Aug	1707	3140	341	5188
Sep	1587	3003	505	5095
Oct	1796	3069	607	5472
Nov	1704	3070	917	5691
Dec	1788	3246	884	5918
Jan-09	1906	3306	938	6150
Feb-09	1773	2955	755	5483
Mar-09	2102	3064	675	5841
Apr-09	2183	2885	540	5608
May-09	2332	2941	573	5846
June-09	2248	2725	396	5369
July-09	2342	2791	442	5575
Aug-09	2517	2652	485	5654
Sep-09	2156	2818	470	5444
Oct-09	1985	3160	528	5673
Nov-09	2092	2837	448	5377
Dec-09	2244	2937	451	5632





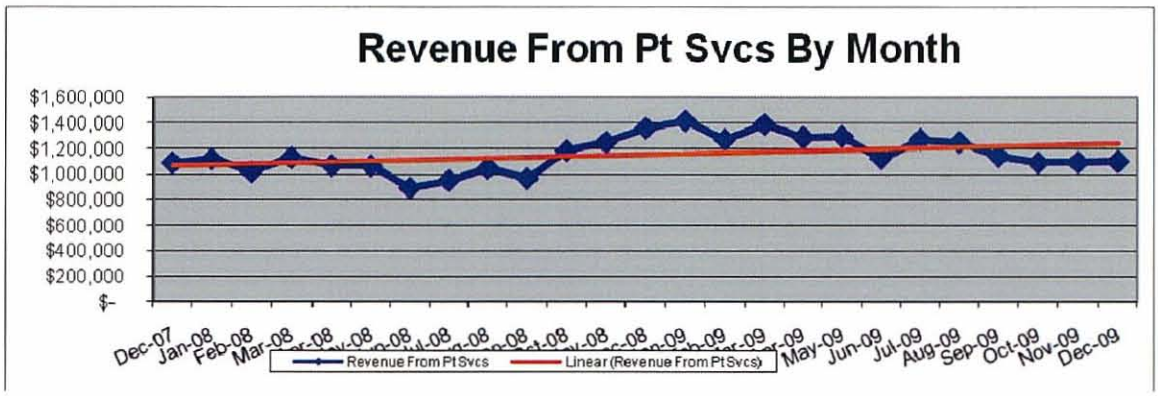
Revenues

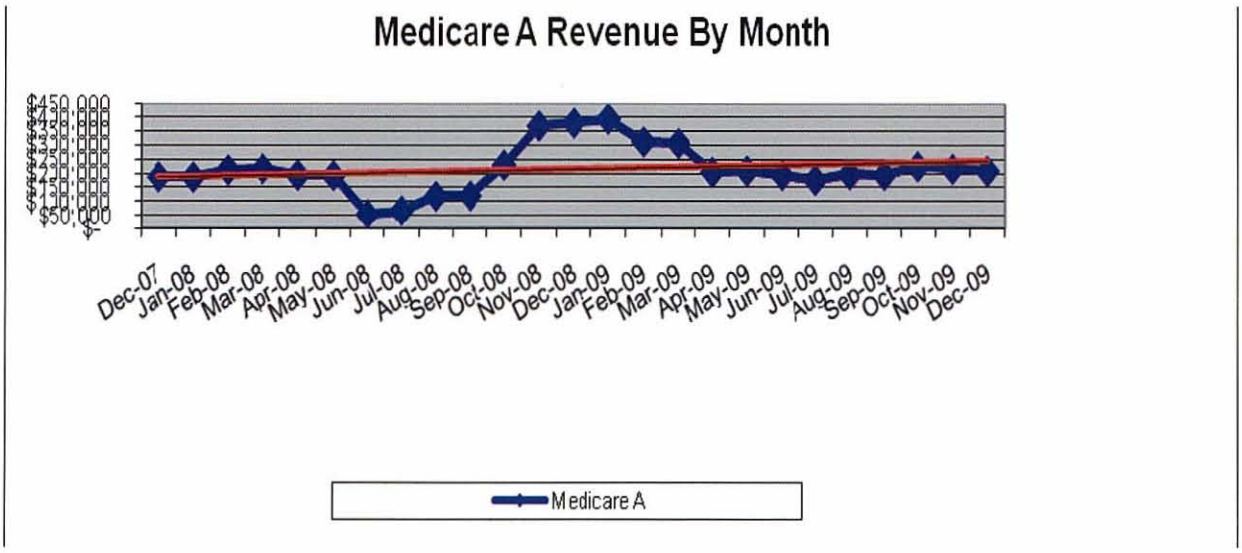
Since April, we have witnessed a sharp drop in Medicare A. The obvious cause is lower discharge activity at the local hospitals. For December thru March, Medicare A was over $300k per month; since April, Medicare A revenues are down considerably – over $100k per month in June and July. The thing we need most is census.

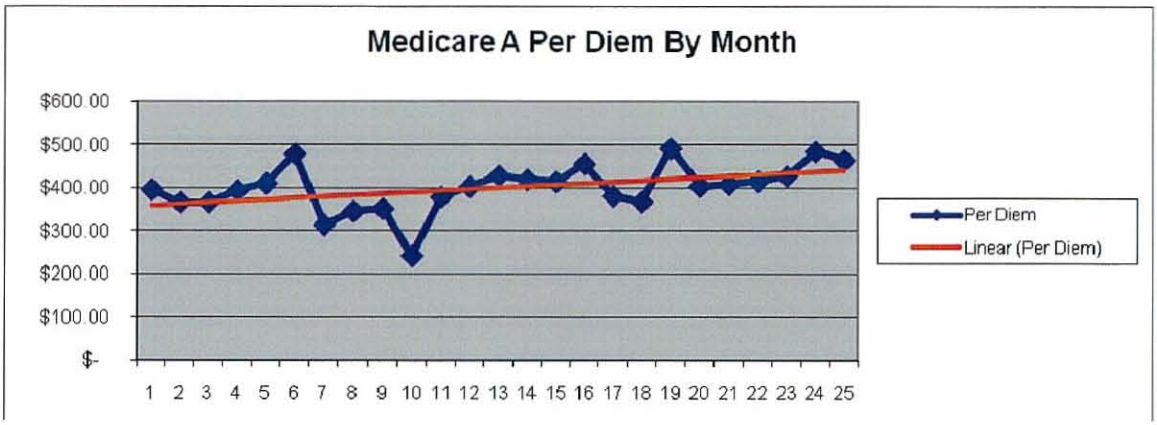
The Medicare per diem is a critical factor in building a better revenue base and we have significant improvements to make in our performance. For November and December, the per diem has been up - $486 and $465, respectively.

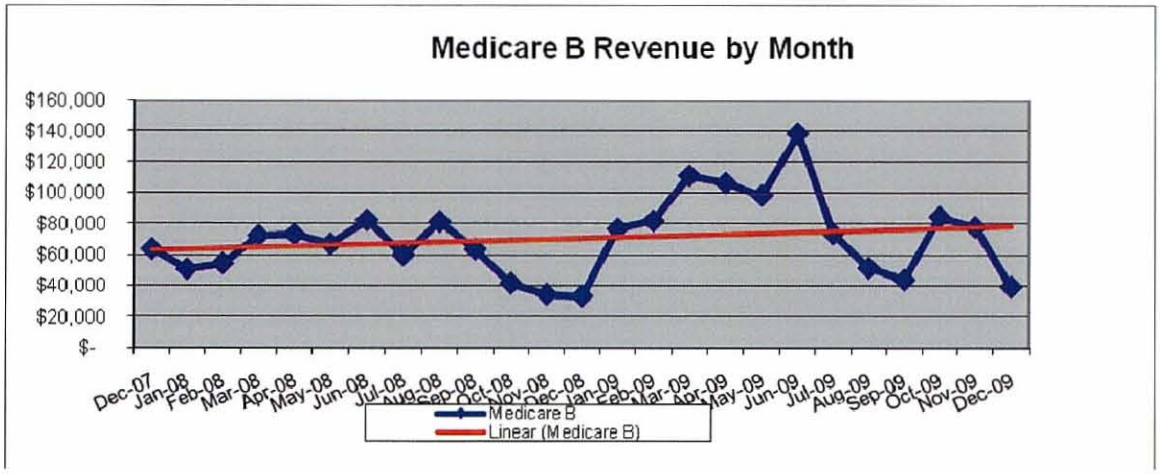
The trend line in Medicare A remains flat and that is a negative factor. Medicare census remains a critical ingredient to success and it also remains elusive. Also, take a look at the chart for Part B revenue; this classification continues to defy classification.

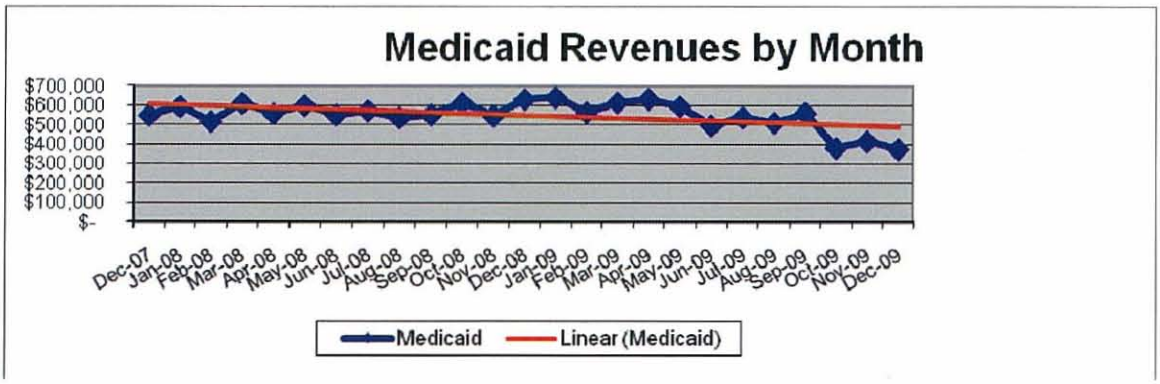
For the most part, Medicaid revenues continue to be stable. You will see from the graph that Medicaid revenues dived with the elimination of the old IGT program. For the past three months, Medicaid revenues have been stable with a small increase in November.

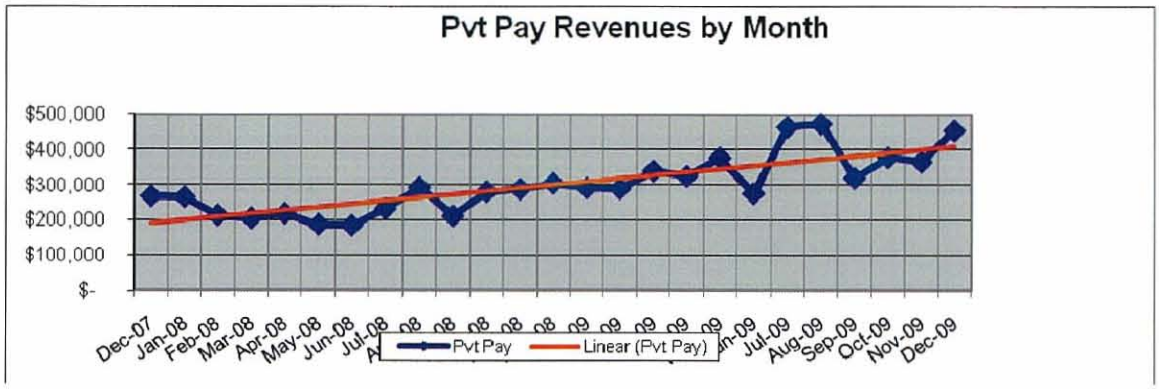


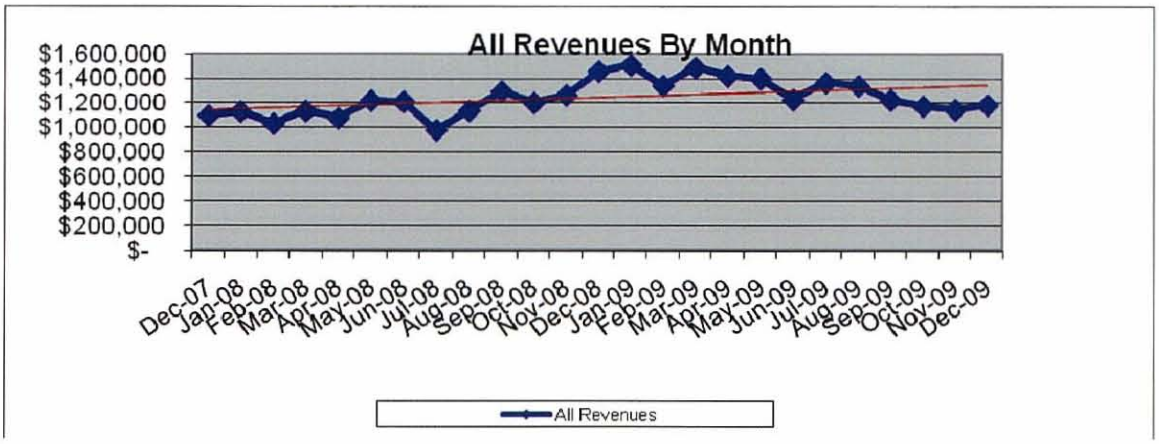



Medicare A Per Diem By Month
$600.00
$500.00
$400.00
$300.00
$200.00
$100.00
$-
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
Per Diem
Linear (Per Diem)


Medicare B Revenue by Month
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$-
Dec-07 Jan-08 Feb-08 Mar-08 Apr-08 May-08 Jun-08 Jul-08 Aug-08 Sep-08 Oct-08 Nov-08 Dec-08 Jan-09 Feb-09 Mar-09 Apr-09 May-09 Jun-09 Jul-09 Aug-09 Sep-09 Oct-09 Nov-09 Dec-09
Medicare B
Linear (Medicare B)

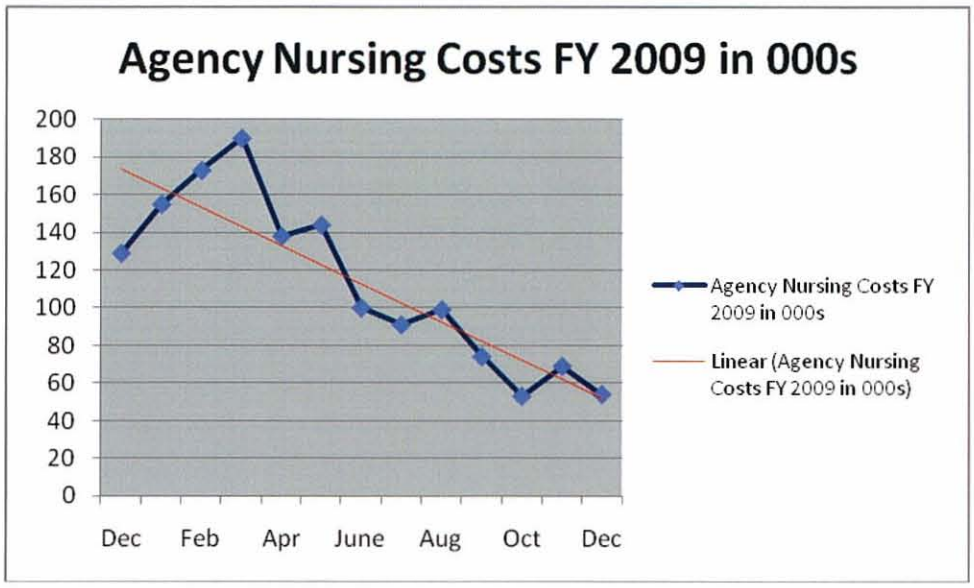

Medicaid Revenues by Month
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
Dec-07 Jan-08 Feb-08 Mar-08 Apr-08 May-08 Jun-08 Jul-08 Aug-08 Sep-08 Oct-08 Nov-08 Dec-08 Jan-09 Feb-09 Mar-09 Apr-09 May-09 Jun-09 Jul-09 Aug-09 Sep-09 Oct-09 Nov-09 Dec-09
Medicaid
Linear (Medicaid)





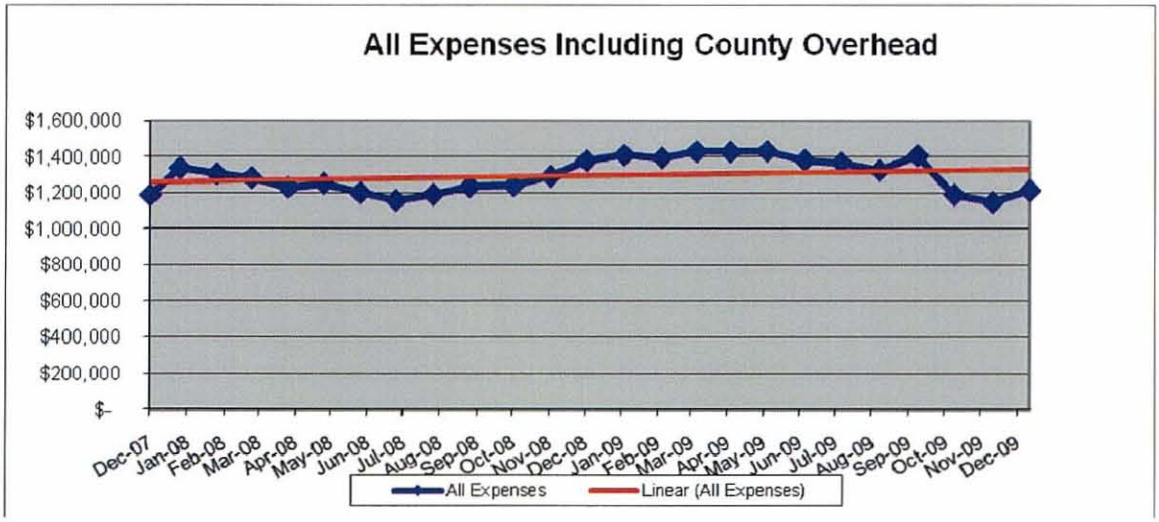
Expenses

CCNH's expense control continues to be pretty solid. We continue to do much better retaining staff and, as a result, agency expense continues to be held in check. For December, agency expense came in at $54k. December expenses were about $93k higher than November but still below our historical average for the year.



There are some big variable expense items that we watch closely. Examples are food, drugs, medical supplies. Rehab costs are also variable, and they are set by contract. Utilities represent a fixed cost; there is not much we can do to dramatically alter the cost incurred for gas, electric, and water.

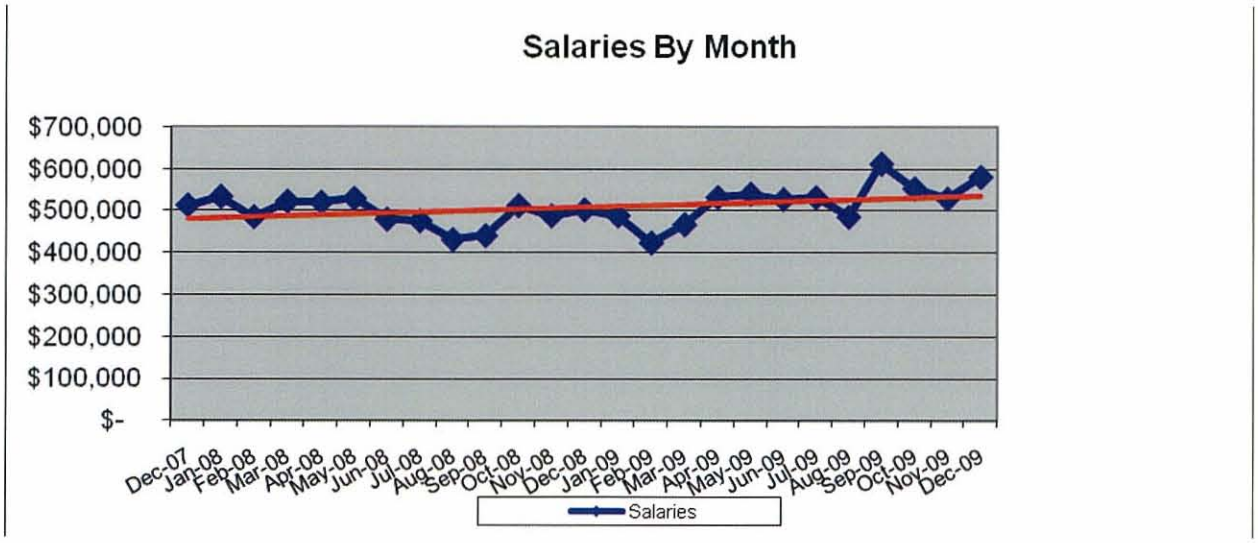
With only a few exceptions, expenses were within reasonable limits. The last three months reflect the elimination of the transfer expense associated with IGT program.



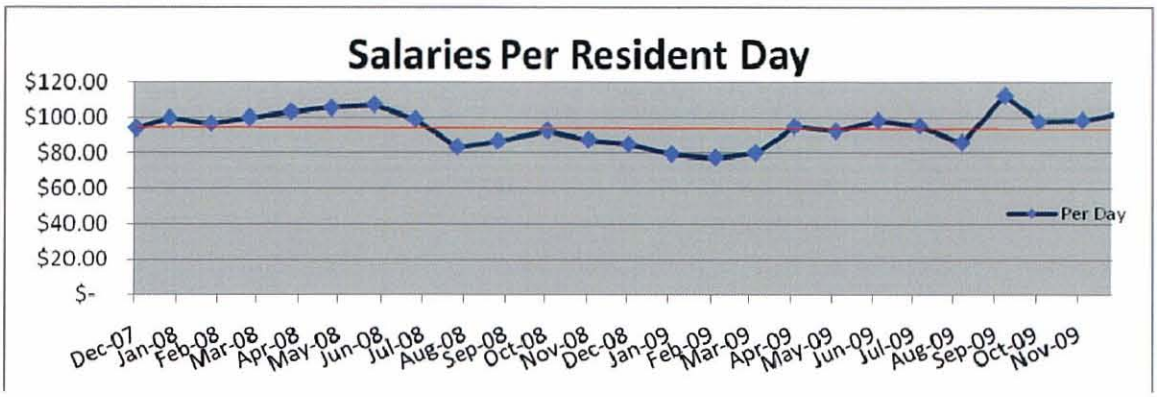
Salaries continue to be our biggest cost. The raw salary data, adjusted for the accrual method of accounting, is:

Month	Salaries	Month	Salaries
Dec 07	$513,472	Dec 08	$502,788
Jan 08	$533,987	Jan-09	$489,013
Feb 08	$485,964	Feb-09	$424,740
Mar 08	$522,836	Mar-09	$467,998
Apr 08	$520,501	Apr-09	$532,809
May 08	$529,580	May-09	$540,868
Jun 08	$480,220	June-09	$528,199
Jul 08	$476,495	July-09	$532,309
Aug 08	$432,380	Aug-09	$486,386
Sep 08	$441,682	Sep-09	$612,111
Oct 08	$512,667	Oct-09	$553,784
Nov 08	$488,561	Nov-09	$529,584
		Dec-09	$580,930

For the period January 08 through May 08, salaries averaged $518,574. For the current fiscal year, CCNH averaged $514k. For the last three months, the average was $554k, quite a bit higher with December representing an exceptionally high month at $581k. As we drop CCNH's dependency on agency staff, our own staffing costs are increasing. Graphically, the salary relationship is presented below.



It is no secret that we have been staffing up in the nursing department. You can see what happens when volume (census) dips in a healthcare facility. Fixed costs *per day*, which – I would argue -include a large portion of total salaries, increase when volume declines, and that is the pattern we are seeing below. September's extraordinary labor items also served to increase our costs, but we retreated back to more normal levels in October.



Summary

Census continues to be the big determinant of success. We continue to experience wide swings in revenues by payer and this results in inconsistency. This pattern continues to be a drain on sustained revenue improvement.

Think census and think Medicare. These are the key ingredients to a better position for CCNH. Last December, ADC was 190.9; December 09 was 187.7.

Preliminary figures indicate that CCNH closed fiscal 2009 at a loss of $(136)k. As a point of comparison, we closed last fiscal year (11-30-08) with a loss of $(1.8) million. I think it is safe to say we have made some progress. For 2010, if we can sustain the current payer mix at a higher census level, CCNH's operating position will strengthen.

To: Board of Directors
CCNH Nursing Home Board
From: M. A. Scavotto
Manager

Re: Draft Organizational Objectives

Date: January 20, 2010

Please take a look at the attached objectives and give me your feedback. Please consider this a work-in-progress and not a final product; this is especially true of the dashboard and quality measures, as well as some of the HR indicators of effectiveness. The more feedback I get before the next meeting, the better will be the discussion.

If you were to ask me to specify the primary responsibilities of governance, I would list the following:

1. Quality of Services
2. Strategy
3. Financing
4. Policy

I consider these equally important and I believe each responsibility includes oversight. I approached writing CCNH's organizational objectives from this governance perspective. Simply stated, we have so many things to accomplish that we cannot possibly write a list of objectives that meets all of our needs. Rather, I have drafted objectives that are compatible with an overall direction for CCNH and which reflect over-riding priorities in each area.

In the attachment, I suggest that marketing is our strategic initiative. I am not implying that there are no other aspects to strategy; rather, I am suggesting that we have reached the point in CCNH's organizational development that we can codify our marketing approach and begin to satisfy a huge need.

The same can be said for Human Resources. Our deficits in this area are substantial and we'll never be finished developing our skills. The objective is intended to provide a guide towards building a credible HR function and improving employee relations.

These organizational objectives are directional in nature; they are not activity-oriented, nor are they steeped in procedure. Procedures will be refined as we work our way through each objective; for example, as we discover better ways of managing the acuity-based reimbursement system, we'll update the procedures.

Let me know what you think via return e-mail or telephone.

Objectives for CCNH

I. Quality of Medical Services

a. Integrate Medical Director into daily operations at CCNH; move as many residents as possible to direct supervision by Medical Director (consolidate medical direction)

b. Develop a sub-acute service or its equivalent

c. Develop state-of-the-art dementia program; position CCNH as market leader in dementia (programming, media, community education, client service)

Recruit director (accomplished January 2010)
Develop program
Promote program featuring education about dementia, caregiving
Use Adult Day Care as a gateway or feeder

d. Improve IDPH regulatory position

No survey cycle problems
No G-level deficiencies or fines

Programmatic Quality Initiative: Commitment to Quality

Objective: Advance quality initiative from infancy to maturity

Method: Develop overall quality goals, separate action items into subcommittees, communicate goals and responsibilities with Department Leaders, measure and track progress.

Outcome	Action	Responsible	Completion Date
Develop quality goals	Define quality indicators with expected results.	Andrew B, Karen Noffke, Traci Heiden	2/28/10
Define sub-committee responsibilities	Draft responsibility statement. Separate quality indicators into sub-committee responsibilities.	Andrew B, Karen Noffke, Traci Heiden	3/31/10
Draft program parameters for each sub-committee	Define information used to derive quality indicator results. Develop meeting schedule and expected output including meeting minutes, completed measurement tools, actions to resolve variances from expected outcomes.	Andrew B, Karen Noffke, Traci Heiden	3/31/10
Draft measurement tools	Prepare tracking tools for each indicator.	Andrew B, Karen Noffke, Traci Heiden	4/30/10
Draft central tracking mechanism	Summary report for the central Quality Committee used during monthly review.	Andrew B, Karen Noffke, Traci Heiden	4/30/10
Launch meeting with Department Leaders	Present prepared information, responsibilities, assign sub-committee members, schedule meetings for FY10.	Andrew B	4/30/10
Program inception	Begin sub-committee and central Quality Committee reviews.	Andrew B	5/31/10
Quality indicator performance within established thresholds	Complete above. Monthly monitoring, review of quality indicators, refinement of variance reporting procedure, document steps of the Quality Process, develop Quality training manual to embed program in CCNH culture.	Quality Committee Andrew B, Karen Noffke, Traci Heiden	11/30/10

II. **Strategy**

a. Improve reputation and community image of CCNH

Consistent rankings of 4.5 or better on Pinnacle scores
Management evaluations tied to customer satisfaction

b. Strengthen CCNH position versus competitors

Measures of effectiveness:

ADC
Medicare load
Private pay mix

c. Improve coding capabilities for Medicare and Medicaid

Comparative reimbursement per diems
Quarterly Medicaid rate history for the nursing component

Programmatic Strategy Initiative: Marketing

Objective: Develop a sustainable, fluid marketing plan; get census to 195 or better and maintain it

Method:

a. Hire a Marketing/Admissions Director, draft a marketing plan that includes communications and positioning.

b. Identify referral targets; track activities and effectiveness.

c. Develop positioning statement for communications plan; adopt identity materials that complement the positioning statement; incorporate identity package into all CCNH communications

d. Identify media placements and message; determine most effective means of communicating CCNH's position including Web opportunities

e. TBD…. Research on public image and recognition

Measures of effectiveness:

ADC at 195 or better

III. Financing

a. Strengthen CCNH balance sheet

b. Develop cash reserves so that CCNH has a cash surplus of $1m (this will take some time)

c. Create a positive current ratio

Programmatic Financing Initiative: Integrate clinical and financial information to achieve maximum reimbursement

Objective: Identify those information support activities that promote coding effectiveness using the Minimum Data Set

Method: Develop a standard set of procedures that optimizes CCNH's ability to identify and respond to the most critical clinical needs of residents; capture those needs on the Minimum Data Set and measure CCNH's effectiveness.

Measures of effectiveness:

Number of default assessments
Number of logic errors that go uncorrected
Quarterly change in the Medicaid Standard Rate

IV. Policy

a. Implement corporate compliance including red flags identity theft program

b. Emphasize management development as a means of improving labor-mgt relations and productivity

Improved employee screening leading to lower turnover
More rigorous employee evaluations, training, and supervision
Reduced call-ins and higher productivity ratio
Fewer grievances; better in-house resolution of problems
Commitment to employee recognition

Programmatic Policy Initiative: Human Resources

Objective: Advance the skill level of CCNH supervisors through management development and on-the-job experience; specific emphasis shall be placed on verbal and written communication skills, documentation of events worthy of either discipline or recognition, and consistent, even-handed enforcement of CCNH policies.

Method: Provide development opportunities through supervisory workshops, in-service education sessions, and practice sessions to build skills in documentation and in investigation, grievance and policy analysis, and CCNH-wide assessments of HR strengths and weaknesses. When feasible, add an experienced HR specialist to the management staff or provide the equivalent talent via a consultant.

Measures of effectiveness:

Nature of grievances filed and experience in handling them (attests to strength of management's documentation and investigation skills)

Consistency in documentation and in employee evaluation

Employee acquisition, retention and turnover by department (includes use of the Predictive Index)

To: Board of Directors
Champaign County Nursing Home

From: M. A. Scavotto
Manager

Date: February 4, 2010

Re: CCNH Code of Conduct

Attached is a recommendation for the adoption of a Code of Conduct. This is a first step in a necessary direction. There are bound to be changes as we gain experience with the Code of Conduct. Still, it provides a cornerstone for building a culture of quality service and it provides a baseline expectation for all employees.

Once adopted, we will start a training and education process with all staff members.

Champaign County Nursing Home
Facility Message

To: Michael Scavotto, President
Management Performance Associates

From: Andrew Buffenbarger, Administrator
Champaign County Nursing Home

Re: Code of Conduct February 2, 2010

The Champaign County Nursing Home Management Team recognizes that one of our greatest challenges is holding staff accountable for interacting positively with residents, visitors, and each other. We know that positive attitudes will improve the standard of care. To that end, we have developed a Code of Conduct specifically addressing challenges we see every day at the Champaign County Nursing Home.

The Management Team recognizes that line staff will benefit from having a point of reference for attitude and communication methods. In addition, a Code of Conduct provides a basis for training new employees in how we expect Champaign County Nursing Home employees to approach their responsibilities.

The Management Team respectfully submits the attached Code of Conduct and requests its adoption as soon as is practical. We welcome comments.

Code of Conduct

I approach each day with a commitment to uphold Champaign County's promise to those we serve. I know that promise is fulfilled when my attitude and behavior are as follows:

- I will: Acknowledge others and greet people in the hallways with a sincere ***warm*** and ***friendly*** smile.
- I will: Make eye-contact within 10 feet and speak or acknowledge people within 5 feet *(The 5/10 Rule)*
- I will: Anticipate resident needs.
- I will: Take immediate action to resolve any concern or complaint voiced by a resident or visitor. I will be part of the solution in a manner that is pleasant, friendly, helpful, and will do so with a smile. If I cannot resolve the concern immediately, I will ensure that the right person addresses the concern and that it is resolved to the satisfaction of the resident or visitor.
- I will: Consider that how and what I say will be received ***before*** I speak. I will communicate with residents, visitors, and co-workers with respect and a positive attitude.
- I will: Provide care in a way that recognizes each person I serve has individual needs and preferences.
- I will: Take care of all requests promptly. If I cannot take care of the request myself, I will find the right person for the job.
- I will: Actively listen to those I serve and respond appropriately.

I will: Have fun at work and encourage others to do the same.

To: Board of Directors
Champaign County Nursing Home

From: M. A. Scavotto
Manager

Date: February 3, 2010

Re: Management Update

This is the nineteenth in a series of updates designed to keep you current on developments at CCNH.

1. **Census:** As expected, census tanked briefly over the holidays reaching a low of 172. It has since rebuilt and lately has been in 190-192 range. As I write this update, census is at 194. CCNH is handling admissions well. The Carle folks have provided very positive feedback and, lately, admissions have outnumbered discharges.

2. **Operations:** The Management Report that accompanies this Board mailing contains the report for December.

   For December, both the Income Statement and Balance Sheet were generated from the MDI system and are included with this mailing. The revenue chart of accounts will take some time to refine; so far, things are workable.

   Tax Anticipation Warrants were needed again this year.

   Dementia Director Robert Baker has been involved in training his staff. Also, he has performed an initial assessment of what we need to do with the dementia service in terms of programming and facility refinements. Obviously, cash will be an issue. Plan on meeting Robert in March.

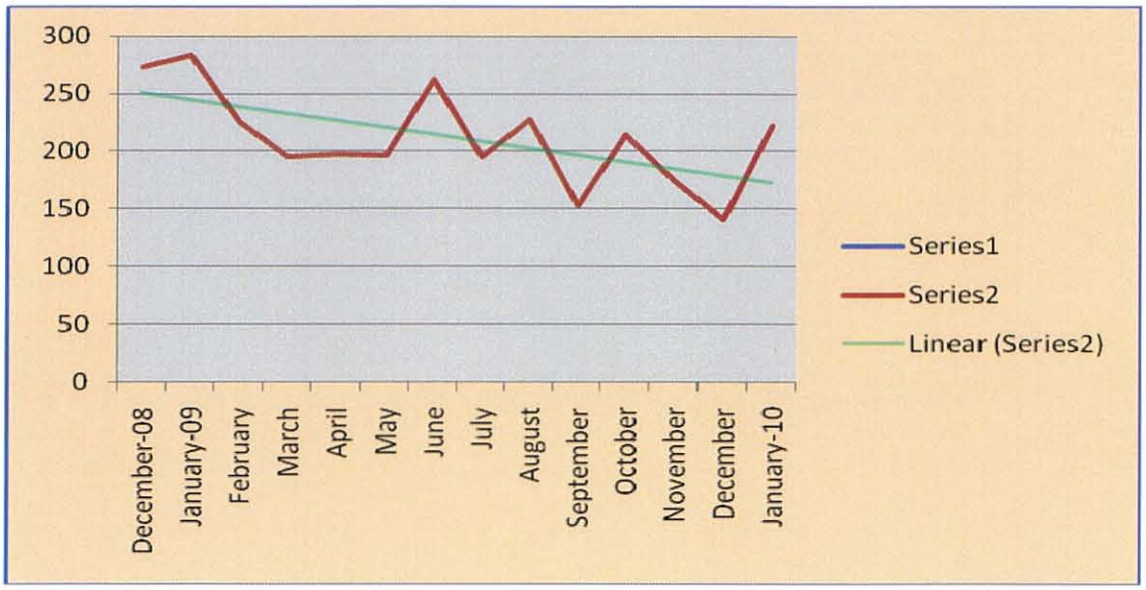
   We still have management vacancies to fill in Social Services and in Marketing/Admissions. The Social Services position is proving to be quite problematical.

The IGT remains in a state of flux, but things are moving. Even though the IGT program is now defunct, we most likely will execute an Intergovernmental Agreement (IGA) to keep the Federal funds flowing to the State and to County homes. It is also highly likely that CCNH will be able to book additional Medicaid revenues for fiscal 2009. We have taken a conservative posture on this so far. However, if the IGA discussions continue to drag out, we may have no choice but to record an amount that represents the minimum rate we can expect. The issue is not the Standard Rate, but the Federal portion. CCNH is receiving the Standard Rate; there are no issues at all. State HFS will not issue any Federal funds until it receives them; a prerequisite for receiving Federal funds is a signed IGA – which is still in progress. Then, the State will remit to the County which, in turn, will pay the nursing home. That sounds like a long way around the block, but that is the current route that the money will follow.

We await word of a third IGT meeting in Peoria. HFS called off the January 14 because it had not completed its homework. Something has to happen soon or we'll be right up against the next JCAR meeting, which may be exactly where HFS wants to be.

The Oliver Group remains an outstanding matter; we have one point of clarification required from the State's Attorney and then we are ready to move.

3. **Employees:** Alan always asks about productivity. How are we doing with reducing unscheduled absences? Here's a summary through January. Unscheduled absences spiked to 222 in January after falling to 174 (November) and 141 (December).



4. **Public Image:** No update since last report.

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As always, give me a call (314-434-4227) or zap me via e-mail if you have questions or want to discuss anything.