

Minutes
Operating Board of Directors
DeKalb County Rehab & Nursing Center
September 21, 2005

Present: Directors Kloster, Tobias, Heinisch, Dubin, Ubl
Absent Directors: Daugherty, Richter
Also Present: P. Anderson, Scavotto, Bockman, C. Anderson

Chair Heinisch called the meeting to order at 7:05 am.

A quorum was established and the agenda was approved as submitted (Motion by Kloster (second Tobias). Minutes of the previous meeting were reviewed and approved by unanimous consent.

Old Business: None

New Business

Operations: Scavotto reviewed the status of operations. July's results were reported in the Board mailing. Scavotto the preliminary results for August which indicate an operating loss of about \$14k. July and August were distinguished by high Medicare volumes and revenues, which helped mitigate the effects of the retro salary increases associated with the AFSCME settlement. These costs are now fully behind us and the operation remains profitable, showing a year-to-date gain of over \$200k at August. The challenge for DCRNC continues to be labor costs. Virtually all significant expense variances were the direct result of labor issues.

Scavotto and C. Anderson reviewed pending changes in the Medicare RUGs system and in the IPA reimbursement methodology. As a direct consequence, DCRNC will be moving its restorative therapy program from Rehab out to the nursing units. The goal is to capture better documentation earlier and to improve the resident's restorative experience. There was discussion about our role in the Medicare D program. The critical issue for DCRNC is to select a pharmacy provider that services all of the plans operating in our area. From a practical standpoint, this will be either Alliance or Omnicare, our current provider. We will be assisting our residents in their selection of a drug benefit plan.

Supportive Living: Meetings have begun with our joint venture partners on the SLF project. Our goal is to refine the pro forma as soon as possible, identify the financing vehicles, select the architect, bid the project, clear the City hurdles, and start construction.

Next Meeting

November 16, 2005

Meeting adjourned at 7:50AM. (motion Tobias, second Dubin)

Respectfully submitted.

Cathy Anderson
Recording Secretary