

**Minutes**  
**Operating Board of Directors**  
**DeKalb County Rehab & Nursing Center**  
**November 17, 2010**

Present: Directors: Anderson, Klein, Shepard  
Absent Directors: Casella, Wilson  
Also Present: Gima, C. Anderson, R. Bockman

Acting Chair Klein called the meeting to order at 7:04 am.

The agenda was approved with the addition of the DCRNC Foundation added to new business. The amended agenda was accepted.

The September minutes were approved.

**Old Business: None**

New Business

**Management Report:**

Gima reviewed the monthly statistics through September. The overall average daily census (ADC) was 178.6 in September. No major shifts in the census was seen in August and September. Overall occupancy remains high and the year end occupancy is estimated to be close to 95 percent.

A new table was added to the report that compares 2009 and 2010 monthly revenues by payor for August and September. In August, Medicare was down due to low census. Medicaid revenue was higher compared to 2009. Private pay was slightly higher in 2010 compared to 2009. Total August revenue was down by 11 percent from a year ago.

In September, Medicare revenue was \$74,000 greater in 2010 compared to 2009. Medicare Part B was 15 percent higher. Private pay was up by almost \$20,000 or 7 percent. Total revenue for September was 8 percent higher in 2010 versus 2009.

On a year-to-date basis, total revenue is up 6 percent compared to the same period in 2009. This growth is driven by Medicare Part A (up by 32%, Medicare Part B (up by 15%), and private pay (up by 7%).

The Medicare per diem continues to run high but the impact of RUGS IV beginning with October is unknown. The October Medicare statistics are delayed due to the MDS 3.0 transition.

Total expenses were down in August but back up in September. The August drop was due to a drop in non-labor expenses.

The September year-to-date net income was \$97,000 which is up from -\$151,000 in 2009.

The cash position improved from \$3.98 million in August to \$4.17 million at the end of September.

Gima and Anderson summarized the impact of the pending transition from MDS 2.0 to MDS 3.0 and the transition from RUGS III to RUGS IV that will occur on October 1<sup>st</sup>.

Gima updated the Board on AFSCME's request for financial and payroll information.

Gima discussed the need to change the medical model at DCRN. The recruitment of Dr. Sheila Khanna to oversee the Medicare rehabilitation program is the first step in changing the medical model. She will be at

the facility one day a week starting Monday, December 6<sup>th</sup>. The use of a nurse practitioner or two on a full-time basis is another option to change the medical model at the Home.

Gima discussed the latest developments with the new IGA agreement talks with HFS. A meeting will be held on Thursday, November 18<sup>th</sup> in Springfield. A flash update will be sent out with the highlights of the meeting.

The Board was updated on the current status of the software conversion from on-line advantage to matrix. All assessments are up to date. There was an initial worry that we could have a number of Medicare residents subject to a lower default reimbursement rate. After further investigation, the facility may not be subject to default rates but has yet to be confirmed.

Two US District court cases involving CMS's interpretation of its' own Medicare coverage guidelines was discussed. These two rulings may allow SNFs to keep patients on Medicare longer. The ruling states that residents whose medical progress no longer improves is not a reason to deny Medicare benefits. In any given month, a handful of residents are taken off of Medicare for this reason and there is potential to keep these patients on Medicare for a longer period of time. These two court rulings do not change things at this time. Providers will have to wait for CMS to change its' policy and that may take years.

**Next Meeting:** January 19, 2010

Meeting adjourned at 8:20 AM.

Respectfully submitted,

Scott Gima  
Recording Secretary