

**Minutes  
Operating Board of Directors  
DeKalb County Rehab & Nursing Center  
July 13, 2011**

Present: Directors: Anderson, Bannon, Casella, Klein, Shepard

Absent Directors: Deverrell

Also Present: Gima, C. Anderson, R. Bockman

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

The agenda was approved with the addition of the following items:

1. Approval of the HFS/County Agreement
2. AFSCME Tentative Agreement Ratification

The May minutes were approved.

**Old Business:** None

New Business

**Management Report:**

The Medicare statistics through April were reviewed. Occupancy remained steady around 94%.with an average daily census hovering around 179 during this period. Over the past few weeks, census has dipped to 168 and Medicare has decreased to the high teens. The increase in Medicaid and corresponding drop in private pay census that occurred in March was due to the conversion of private pay residents to Medicaid.

The financials for January through March were reviewed. The year-to-date operating income was -\$49,566 compared to -\$194,245 for the same period in 2010. Net income including the IGT revenue is \$217,486 in 2011 and \$26,122 in 2010.

The Medicare per diem rates remain high since October 2009. However, there is a high potential for a cut in the Medicare reimbursement rates effective October 1, 2011. CMS has proposed an 11.3% cut. MedPAC has issued a report with the recommendation for a 20% cut. The OIG has also issued a report recommending Medicare rate cuts.

Expenses were reviewed and compared to the same period in 2010. Labor expenses are unchanged. Benefit costs are up by \$35k. Non-labor costs are down by \$48k.

The County nursing home Intergovernmental Agreement was reviewed. There was a motion to approve the agreement by Klein. The motion was seconded by Anderson. Chairman Casella asked for a vote and the motion was approved unanimously.

The draft tentative AFSCME agreement was reviewed. A motion to approve was made by Anderson. The motion was seconded by Shepard. Chairman Casella asked for a vote and the motion was approved unanimously.

Gima updated the Board on the status of the nursing home bed tax. There has been no new developments. The State continues to wait for Federal approval or denial of the tax.

Gima provided a summary on Medicaid and Medicare for 2012 that does not include any rate cuts. The state will delay Medicaid payments by 100 days but there is a possibility that county homes will be exempt from the payment delays due to the IG agreement. The implementation of payment delays has only postponed the need to address Medicaid cuts until 2013. Medicaid cuts at that time are a real possibility.

Discussions at the federal level regarding the deficit ceiling include possible cuts to Medicare and Medicaid. There is a high probability that nursing home Medicare rates will be cut in 2012.

**Next Meeting:** September 14, 2011 at 7:00 a.m.

Meeting adjourned at 8:20 a.m.

Respectfully submitted.

Scott Gima  
Recording Secretary