

Minutes
Operating Board of Directors
DeKalb County Rehab & Nursing Center
May 16, 2012

Present: Directors: Casella, Andersen, Nielsen, Klein, Bannon

Absent Directors: Deverell, Shepard

Also Present: Bockman, Gima, Anderson, Buffenbarger

The meeting was called to order at 7:00am.

The agenda was approved by Andersen and Klein.

The March 2012 minutes were reviewed and approved.

Old Business: None

New Business:

Management Report:

Buffenbarger and Gima discussed the new bed tax that will be implemented retroactive to July 1, 2011. HFS used April 2, 2011 as the actual start date and requested retroactive tax payment. HFS also sent DCRNC an additional Medicaid payment of about \$150,000 representing the difference between the Medicaid payment already received and the full MDS rate. HFS sent a letter indicating the additional payment was for census days beginning May 1, 2011. The implementation date, retroactive tax date, and additional payment date do not match. MPA requested detail from HFS to resolve these differences. Moving forward DCNRC will receive a higher Medicaid rate and will pay a higher bed tax. DCRNC will net approximately \$50,000 per year as a result of the new bed tax.

The collective bargaining agreement ties the additional bed tax gain to a one percent increase in the base salary of bargaining unit employees. Non-bargaining unit employee base salaries will also be adjusted in identical fashion.

Buffenbarger and Gima reported about a quality initiative underway at DCRNC that includes a system of measure for quality outcomes. The purpose is to maximize quality and prepare for reimbursement systems based on quality outcomes.

Buffenbarger reported that historical food costs are high and DCNRC made changes to the menu system to address this variance. Food costs are coming down but there is more work to be done.

Gima reported that the nurse practitioner effort is on hold pending a CMS grant project that might offset the cost of hiring a nurse practitioner. MPA notified LSN that DCNRC wants to be included in the grant.

Gima made a year-end financial report. DCRNC overall census steadily declined throughout the year but Medicare usage remained strong. Medicare underwent a payment restructuring in October 2011 that reduced our Medicare per diem by 13%. That will create a challenge for 2012 and be an area of focus for MPA. Expense areas of focus are food costs, chemical expenses, Special Care, and Environmental Services as they all rose during 2011. Net income increased from \$233,000 to \$776,000 from 2010 to 2011 with an overall improvement of \$543,000.

Buffenbarger reviewed the February results. Census remained at 90% with Medicare usage slightly up from 25.5 to 27.8. Medicaid volume is slightly down and private pay is slightly higher from January to February. Net income for February was \$27,000, up from January's \$12,000. The improved result stems from a higher Medicare census.

Next Meeting: July 11, 2012

Meeting adjourned at 8:30am.

Respectfully submitted,

Andrew Buffenbarger
Recording Secretary