

**VALLEY HI COMMITTEE**  
**McHenry County Valley-Hi Nursing Home**  
**2406 Hartland Road**  
**Woodstock IL 60098**

MINUTES OF THURSDAY, MARCH 13, 2008

Chairman Zierer called the Valley Hi Committee meeting to order at 8:30 a.m. The following Committee Members were present: Mary Lou Zierer, Chairman; Ed Dvorak; Mary McCann; James Kennedy; Pete Merkel and Dan Shea. James Heisler arrived at 8:48a.m. Also in attendance: Pete Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; John Hadley, Facilities Management; Cathy Link, Purchasing; Cindy Kozlowski, Financial Analyst; Representatives from Revere Healthcare, interested public, and the press.

Mary Lou Zierer, Chairman	
Ed Dvorak	James Heisler
James Kennedy	Mary McCann
Pete Merkel	Dan Shea

MINUTES

Committee members reviewed the committee minutes for February 20, 2008. Mr. Shea made a motion, seconded by Ms. McCann, to recommend approval of the Valley Hi committee minutes of February 20, 2008 as presented. The motion carried with all members present voting aye.

PUBLIC COMMENT: A member of the public joined committee members and voiced her concern regarding the admissions at Valley Hi. She noted that when the referendum passed, the facility operated for the aging poor population. Though Valley Hi continues to operate under the highest standards, she feels the facility is changing its mission by changing admissions to first short care rehab patients, second being for private pay residents and then admission of the poor. She stated that staffing levels have changed as well and does not feel this is what the voters of the County intended.

Mr. Heisler arrived at 8:48a.m.

PRESENTATIONS

*Update on Valley-Hi Financials:* Mr. Smith, Revere Corporation, joined committee members and presented a financial statement for Valley Hi. He stated his goal is to create the financial statement based upon accruals in order to get a true picture of the monthly costs to the facility. He noted that eventually he would like to include revenue accruals as well, including payments received, accrued payroll, and interest. He stated the committee would be able to review better estimates when completed. He noted that interest received from bonds is not included in the report. Depreciation for the facility would be shown separately. Committee members requested that the nursing expenses be broken down by staff nurses versus agency nurses. Some of the expenses have been estimated and are noted as being much higher than the actual expense and will be corrected on a later report. Committee members requested that the reports be dated and provided to committee members prior to the scheduled committee meeting. It was noted that some of the expenses have been estimated too high and committee members were informed that these figures would be adjusted based upon actual costs. Committee members were informed that the private pay resident totals have increased, but, most private pay residents become Medicaid patients within 30 days from moving into the facility. Committee members noted concern that the facility may not be receiving State Medicaid payments in a timely manner. Revere officials noted that County Nursing Home funds are received from a different funding pot of money than other facilities as the State makes these payments from the County Nursing Home Funds set up by the State. Revere officials noted that they need to review the Medicaid law with the State as their interpretation seems to be different. Committee members were informed that there is only one other State that has more loss than Illinois and huge changes are expected January 20<sup>th</sup> of next year.

Mr. Sarbaugh joined committee members to present the County side of the financials for Valley Hi ending FY2007. Committee members questioned the cost of overtime salaries. He stated that it is cheaper to pay overtime expenses to employees than to have to pay agency staff. Costs for electric/gas/heat are conservative guesses as they did not know what the actual expense for these services would be. Mr. Sarbaugh informed committee members that some of the line items show they were out of funds, but, as long as the expenses are in the same object level, the expenditures could be made. At the end of 2007, Valley Hi had expended 83% of its budget. Mr. Sarbaugh stated that when Administration meets with the Department Heads, they review five (5) years of budgets, watch what was budgeted versus actual costs and move the money based upon these averages. For the FY2007 budget, Valley Hi picked up the cost for this building as well as some onetime expenses not anticipated. Agency costs are still a huge issue and there are big increases in per day patient costs. Mr. Sarbaugh presented committee members with a first quarter finance report that is from the County's financial accounting system. No revenues have been posted to the accounts yet. Encumbrances are shown as funds already expended. If the encumbrances are shown on a month to month basis, it levels out the expenses. Committee members thanked Mr. Sarbaugh and Ms. Kozlowski for their reports.

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### NEW BUSINESS

*Valley Hi Employee Pay Scale:* Mr. Austin reminded committee members that a County wage and range study began last summer. This study revised all non-union pay ranges as well as reviewed all internal/external positions to bring all positions in line to where they should be. This study has impacted some of the positions at Valley Hi. Some of the lower paying jobs received higher thresholds. The pay for these positions has been increased. Nursing was paid the most attention to. Committee members were reminded that the nursing staff is now required to work 40 hour weeks. We wanted to make sure we were paying them what they should be earning. Mid-points are now where they should be, according to the market. Committee members noted that benefits need to be taken into account as well. The wage/range grades have been approved by the Board. The next step would be to have the Salary Administration Policy approved. The non-union, non-exempt positions are being reviewed to address any compression issues.

*Discussion – Committee of the Whole Agenda for 3/18/2008:* Chairman Zierer noted that this issue is on the committee agenda to discuss what should be placed on the agenda for the Committee of the Whole (COW) scheduled for March 18, 2008. Committee members were reminded that at the time of the referendum, the public approved the referendum to build, maintain and operate a County Nursing Home. She noted we want to be sure we honor what the voters voted on which was “for the purpose of building, maintaining and operating a county nursing home “. Committee members noted that a snap shot of the financials for Valley Hi should be provided as well as the accomplishments/challenges that have been made by Revere since they have taken over the management of the facility. Additionally it was suggested that the board should hear about the internal audit numbers, show building improvements, provide a copy of the current mission statement and provide the agency summary. Committee members questioned how it is determined who gets into Valley Hi from the waiting list. Committee members were informed that the individuals with the greatest need are granted a bed first, regardless how long they have been on the list. Some individuals are not ready to enter Valley Hi when space becomes available, but, will remain on the list. Committee members stated that time should be made available to answer questions from board members.

A member of the public stated that she keeps hearing statements that when a patient comes in as a private pay resident that the majority of the residents who come in as a private pay become a Medicaid patient within 30 days. She stated this is not true as her father was a private pay resident for over three years prior to going to Medicaid.

### OLD BUSINESS

Ms. McCann stated she would like to see a change to the Admission Policy. She noted that the County should include in the policy the statement that “those with the greatest need will be taken first”. She noted that this statement is included in other counties policies and should be included in ours. Committee members suggested that this be discussed at the next committee meeting and requested this be placed on the committee agenda for next month’s meeting.

### EXECUTIVE SESSION

None

### REPORTS TO COMMITTEE, AS APPLICABLE

*Administrator’s Report:* The monthly Administrator’s report was provided to committee members they also reviewed a report on agency use from October 2007 to February 2008. The report showed that agency staff use has steadily decreased over the past four months. The overall number of shifts has decreased due to more consistent staffing. They noted that there should also be a corresponding decrease in agency and payroll dollars. In the past extreme variances were noted of those scheduled within a day. They have attempted to flatten out these numbers. The scheduler now posts available overtime hours and encourage staff to work these hours instead of having to hire agency staff. Committee members were informed that the facility does meet the state requirement for patient versus staff ratios.

A second job fair has been scheduled for April 9<sup>th</sup>.

An activity employee passed away last week. The name of the employee and address of the family were provided to committee members in order to send condolences to the family. Chairman Zierer stated she would send a sympathy card to the family from the County Board Members.

Committee members were informed that State surveyors are expected in the near future for their inspections. They have been informed that more surveyors are coming and they are coming in at weird times. Some of the facilities are having inspectors arrive during evening hours, so the facility is ready for anytime they may arrive.

Some changes in the dining schedule have been made. The residents have agreed to a three month trial to see how the schedule is working. The committee was assured that the resident’s meals are warm when they are received. The front door area where the cement is torn up is being repaired in the coming week. This repair will require that the front door be closed during the repair period. Access to the facility will occur at the side door. Security will staff the side door so there are no access issues either for entrance or exiting of the facility.

A packet was provided to committee members on the regarding the Quality First program that Valley Hi would like to become a member of. Quality First is a philosophy of quality and a framework for earning public trust in aging services. If additional information is needed about the program a website with password access was provided to committee members. Committee members were informed that there is no cost for this membership except for the cost of surveys. This program will help to continue to build trust. Committee members requested this be placed on the agenda for the next committee meeting.

COMMITTEE MEMBERS COMMENTS

Mr. Dvorak thanked the staff who took 12 residents to the Crystal Lake Central play, Hello Dolly. They all enjoyed themselves tremendously. It was suggested that more programs like this be available for attendance by the residents.

Chairman Zierer provided a copy of the monthly activity sheet for review. She noted they would like to get more volunteer involvement in order to expand the variety of things for the residents to do. Committee members requested this issue be placed on the next committee agenda for discussion.

Committee members questioned if the food for Valley Hi is obtained through the bidding process. Ms. Link stated that they went out for bid and currently has a three year contract with a primary vendor. They help determine the needs of the facility based upon the menu for the week. This helps control costs at the facility.

ADJOURNMENT

Mr. Kennedy made a motion, seconded by Mr. Heisler to adjourn the meeting at 10:15 a.m. The motion carried with a unanimous voice vote.

**RECOMMENDED FOR COMMITTEE/BOARD ACTION:**

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