

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

MINUTES OF THURSDAY, AUGUST 14, 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; Mary McCann; James Heisler; James Kennedy; Ed Dvorak and Dan Shea. Pete Merkel was absent. Also in attendance: Ken Koehler, County Board Chairman; Randy Donley, County Board Member; Ralph Sarbaugh, Associate County Administrator-Finance; Cindy Kozlowski, Financial Analyst; Pete Austin, County Administrator; John Hadley, Facilities Management; Grant and Pam Shumway, Valley-Hi Consultant, Representatives from Revere Healthcare; Tammy Bonk, Valley Hi; Christina Webb, State's Attorney; 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 July 24, 2008. Mr. Shea made a motion, seconded by Mr. Kennedy, to recommend approval of the minutes as presented. The minutes were approved with all members present voting aye.

PRESENTATIONS

None

PUBLIC COMMENT

None

NEW BUSINESS

Chairman Zierer informed committee members that she was rearranging today's agenda and placing the 9 month Management Update by Revere for discussion first on the agenda as some of the committee members need to leave early. *9-month Management Update by Revere:* Mr. Austin stated that 2007 has been a good year. The new facility was completed and the residents moved in, but, it has also been a tough year. Financial concerns were raised and because of the concerns the County Board made a decision to work with a professional group to help with the transition. Change at the facility has been very tough. He stated he believes the facility is now heading in the right direction. Mr. Shumway joined committee members and stated that this has been a tough year as they were charged with fixing everything, but, don't change a thing. He noted that they needed to look at the core elements of the facility to find out if the best practices were being followed with a series of benchmarks to view if they were doing things according to the industry standards. He stated that two things needed to happen, the first being to increase the resident census and payer mix at the facility. Compared to last year the average daily census is 121.2 from 117.6, which equates to 4 ½ more paying clients. Secondly, the reimbursement rate would have to increase, which has occurred as well. Expenses are down from last year, even though this is hard to show without knowing how the accounting for the facility was done previously. Committee members were reminded that the most important issue at the facility is the quality of care. In order to do this the facility needs to keep the industry benchmarks, which has not been done in the past. Committee members were informed that it takes two years to fix the measurable and the operating benchmarks were needed for industry standards and to make the changes, it caused some pains. Committee members stated that they wanted the reports to read, ahead of time in order to review and digest the information provided. Mr. Austin noted that this is for informational purposes only. Chairman Zierer stated that if the County decides not to extend Revere's contract past the current year, they need to give them a 30 day notice. Mr. Austin noted that the contract could be cancelled with a 30 day notice at any time. Committee members were reminded that this committee needs to review and set targets to reach and management in the past has not done this correctly. Revere has found ways to save and this is what this presentation consists of and committee members were asked to listen to the presentation and questions that are brought up today could be answered at additional meeting if needed. Committee members noted that the full County Board needs to hear the presentation. Chairman Zierer voiced concern that the information would be forwarded to the County Board Members without this committee fully understanding the content of the figures and questioned why there are differences in the numbers received on this report from the County report and past financial reports, nor do they realize that the committee does not agree with the figures being presented. Committee members were informed that much of the report concerns policies and personnel and is not all financial. The challenge was that there were different ways of doing financial reporting from the previous year to the current year. Payroll is accrued, but not reflected in the costs. Sometimes bills for large costs like utilities or food, are not received until a much later date. Committee members were informed that they were trying to determine the approximate trend costs to get an idea of what the true monthly costs are. Some of the challenges from the past year are because Valley Hi and the County have different accounting systems and they need to make sure everything is properly accounted for. There are many different categories and different ways of accounting, Revere has identified the deficiencies in the billings so now the facility bills right so they can get the highest return rate possible. They are also looking at the case mix to make sure small details are being reviewed and accounted for. Committee members noted that they also need to make sure the staff understands medical records in order to get the highest return as well. They are making sure staff is documenting the medical care correctly in order to get a higher return of money. As agency staff gets replaced with full time staff, they will be trained on the documentation for appropriate billings. Agency staff is no longer being hired for dietary. Committee members noted concern that staff was being overworked and therefore was unable to complete their necessary paper work. They were informed that training is a

big issue at the facility they try to make sure nursing staff is not doing CNA work and they are trying to get all of the staff organized. Committee members questioned why the CNA's deliver the meals, as they stated they have received complaints that there is no staff on the floor during meal times and they would like to see staff stay on the floor to help those residents that do not go to the dining area during meals. Revere staff noted they would look into this issue. Revere noted they are still looking to address the meal service as they would like the meals to be more like home dining than buffet style dining. Committee members questioned where the additional fees being paid to Revere were listed. They were informed that they are listed in the Indirect operating expenses. They stated that costs are down in the Indirect expenses, but, the operating expenses may need additional explanation as previously this was a catch all place to pay for items when not known where to place an expense. Accounting methods of the past had problems and lay persons may not understand the report and therefore may need additional detail. Revere noted that until they have a 12 month trend, they are unable to provide fair comparisons. Chairman Koehler stated that financially, Valley Hi has moved forward but the facility continues to have some operational concerns, including dietary, housekeeping, laundry and the dining room. Committee members questioned if the quality of food has changed. Committee members were informed that when a menu changes, it becomes a 3 to 4 month process to work through the issues. They stated they are working with the residents and their individual needs. They are getting close to standardizing the menus, delivery times and temperature of the meals. They are making progress but noted concern that they were still "feeding" the residents instead of having a dining room type meal service. Committee members noted they would like a monthly menu for review. Committee members were informed that the facility is on a 5 week menu cycle, but they would email the menu for review. Committee members agreed that they could continue to review the information received and hold an additional meeting for additional discussion. Mr. Austin stated he would like to send out the Revere information received today to the County Board Members so they could review the information prior to attending a Committee of the Whole (COW) meeting. Chairman Zierer voiced concern that the financial numbers do not match those of the County's. She noted that Revere states that they have 30 private pay residents, but, all of the reports she has received show 19 or 20 private pay. Committee members were informed that Revere is reporting actual numbers and not resident hours. Committee members were questioned when they would like a presentation to the County Board Members and whether the presentation should be given during a County Board Meeting or if a COW should be scheduled for presentation of the Revere information. Committee members agreed that a COW should be held prior to the County Board Meeting on September 16th. It was noted that the report should include the July numbers as well since they are close to obtaining the July data. It was also suggested that the Committee hold another committee meeting this month for continuation of this discussion and to complete additional committee business as needed. The Management Report includes a recommendation to create a Quality Assurance Director position. Committee members were reminded that most of their efforts have concentrated on Nursing and Nursing Systems and this will remain as a major focus as well as the continued training of staff. Record keeping and billings are better, but, the facility has not reached where they want to be. It was suggested that Revere prepare a power point presentation with detailed financials. The County Board Members will expect a line by line report of what is being done, with specifics. They will need to see deficiencies and accomplishments, where we stand today and what to expect in the future.

Mr. Heisler left committee at 10:03a.m.

Sprinklers: Mr. Hadley joined committee members and reminded them of the need to "sprinkle" the outside canopies at Valley Hi. When originally constructed, approval was received, without the installation of sprinklers. After a IDPH (Illinois Department of Public Health) inspection, they said the outside canopies were requested to include sprinklers, even though these areas were approved during the plan review. Bids were received, at a cost of \$15,180 to install the sprinklers in both canopies. The plans have been sent to IDPH for plan review. The County has requested an extension of 90 days, to allow time for IDPH review. Mr. Hadley noted that the installation should be complete by December 18th and would take 6 days for installation, after approval is received. He noted that once the Sprinkler's are installed, IDPH will close out the file and the K56 tag will be closed. He stated he is working with Valley Hi Administration for completion of this project. He will keep committee members informed on the progress of this project.

Committee members were informed that wall has been removed from the main floor dining area. This has opened up the area tremendously. The second floor wall had some electrical lines running through it that had to be moved. Once the equipment has been moved, the removal of this wall will be completed as well.

Resolution authorizing a budget line item transfer in the Facilities Management-Valley Hi Maintenance Fiscal Year 2007/2008 budget: Mr. Hadley reported that there was one other Facilities issue being addressed at the facility. The driveway was pitched incorrectly, causing some rain runoff to areas where it should not go. Because of this the water is not being bused into the rain sewers on the Valley Hi property. There has been a lot of flooding on Hartland Road. The installation of a trench drain with help with this issue. Committee members reviewed a Resolution authorizing a budget line item transfer in the Facilities Management-Valley Hi Maintenance Fiscal Year 2007-2008 budget. Committee members were informed that Valley Hi is contributing a small part of the flood issues on Hartland Road and with the installation of the trench drain, it will take Valley Hi completely out of the flood issue. Mr. Kennedy made a motion, seconded by Mr. Shea to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Dvorak, Kennedy, McCann, Shea, Zierer)

Resolution authorizing budget line item transfers in the Valley Hi Enterprise Fund Fiscal Year 2007/2008 budget: Committee members reviewed a Resolution authorizing budget line item transfers in the Valley Hi Enterprise Fund Fiscal Year 2007/2008 budget. Because of a reliance on agency staffing due to a nationwide nursing shortage and an increase in food

prices, it has caused an unforeseen budget on the Valley Hi Nursing Home Budget. Valley Hi finds it necessary to request line item budget transfers, in the amount of \$555,000 in the FY2008 budget to meet their contractual and commodity obligations for the year. After review, Mr. Kennedy made a motion, seconded by Mr. Shea to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Dvorak, Kennedy, McCann, Shea, Zierer)

FY08/09 Budget Review: Mr. Sarbaugh presented committee members the maintenance FY2008/2009 Valley Hi budget for review. He reminded committee members that the first couple of pages consist of the mission statement and services provided to the residents of Valley Hi. He noted that these pages do not change too much from year to year. The pages committee members should pay attention to are the highlights, which are what has been completed at the facility, and the goals, which are what they would like to accomplish at the facility. The FTE's are all of the approved positions, filled or vacant. Supplemental requests are attached for review. Supplemental requests will be reviewed and determined by Administration at a later date. Some of the items requested are put on the list for future consideration. Some of these items will eventually need to be replaced, but by putting them on the list it brings forward the awareness for future consideration. Some of the supplemental requests are required and will be built into the budget. By placing these items in the supplemental list, it provides information of why and where the budget is growing. Mr. Shea made a motion, seconded by Ms. McCann to recommend approval of the Valley Hi Maintenance 2008/2009 Budget as presented. The motion carried with all members present voting aye on a roll call vote (Dvorak, Kennedy, McCann, Shea, Zierer) Committee members questioned if the County has discussed the exorbitant cost of Advertisements placed in the newspapers and checked to see if there was a way to get these costs reduced. They noted that the County should receive a volume discount for the amount of ads regularly placed within the newspaper. It was noted that this is part of the cost of doing business. Committee members were informed that some of the personnel requested would be eliminated and reclassifications would be done for some of the positions still vacant. Roster management has not been great at Valley Hi but, with the coming year they will be held to a higher standard. One of the Nursing positions will be reclassified as the Quality Assurance position, Mr. Sarbaugh noted that some of the changes would be budget neutral. Committee members questioned why the facility needs a Quality Assurance position. Committee members were informed that this position gets to the care of the residents, education of staff, and the best way of how to take care of the residents. This position would oversee the quality of all departments including dietary, laundry, housekeeping and nursing.

OLD BUSINESS

IGT: This item was removed and will be discussed at the August 28th meeting.

REPORTS TO COMMITTEE, AS APPLICABLE

Administrator's Report: Chairman Zierer informed committee members that Mr. Yearian had to take his son to college and was unable to attend today's meeting.

EXECUTIVE SESSION

Ms. McCann made a motion, seconded by Mr. Dvorak to enter into executive session, at 11:05a.m. to discuss personnel. The motion carried with all members present voting aye on a roll call vote (Dvorak, Kennedy, McCann, Shea, Zierer)

Mr. Shea made a motion, seconded by Mr. Kennedy to return to regular session at 11:37a.m. The motion carried with all members present voting aye on a roll call vote (Dvorak, Kennedy, McCann, Shea, Zierer)

Chairman Zierer noted that there was no action taken during the executive session.

FUTURE TOPICS

Emergency Plan
Update on IGT

ADJOURNMENT

Mr. Kennedy made a motion, seconded by Mr. Shea to adjourn the meeting at 11:38 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

Recommend approval Resolution authorizing a budget line item transfer in the Facilities Management-Valley Hi Maintenance FY07/08 budget
Recommend approval Resolution authorizing budget line item transfers in the Valley-Hi Enterprise Fund FY07/08 budget

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