

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

MINUTES OF THURSDAY, SEPTEMBER 3, 2009

Chairman Dvorak called the Valley Hi Committee meeting to order at 10:07 a.m. The following Committee Members were present: Ed Dvorak, Chairman; John Hammerand; Marc Munaretto; James Kennedy and Kathleen Bergan Schmidt. James Heisler arrived at 10:12 a.m. Mary McCann was absent. Also in attendance: Peter Austin, County Administrator; County Board Chairman, Ken Koehler; Ralph Sarbaugh, Associate County Administrator – Finance; Cindy Kozlowski, Financial Analyst; Representatives from Revere Healthcare; John Hadley, Facilities Management; Bob Yearian, Valley Hi Administrator; Ersel Schuster and Randy Donley, County Board Members; Cathy Link, Purchasing; Mary Lou Zierer former Board Member and Valley Hi Committee Chair; Rhonda Elder and Shelly Lunsford, Valley Hi staff; interested public and the press.

Ed Dvorak, Chairman	
John Hammerand	James Heisler
James Kennedy	Mary McCann
Marc Munaretto	Kathleen Bergan Schmidt

MINUTES

Committee members reviewed the committee minutes for August 13, 2009. Mr. Munaretto made a motion, seconded by Ms. Schmidt, to recommend approval of the minutes as submitted. The minutes were approved with all members present voting aye on a voice vote.

PRESENTATIONS: None

Mr. Heisler arrived at 10:12 a.m.

PUBLIC COMMENT

None

NEW BUSINESS

*Resolution authorizing reclassification of a full time housekeeper position (position #61161) into 2 part time Front Desk Associate positions on the Valley Hi Roster:* Committee members questioned why this item was being brought before the committee since the County Board has a Human Resource Committee to review staffing issues. Committee members were informed that information is brought forward to each committee when modifications are being made to a departmental roster. The housekeeping position has been empty this past year. The department is in need of two part time staff members to fill the position of Front Desk Associate to address the need for receptionist duties. Mr. Kennedy made a motion, seconded by Mr. Hammerand to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Hammerand, Kennedy, Munaretto, Schmidt, Dvorak)

Mr. Heisler arrived at 10:12 a.m.

*Resolution authorizing increasing the daily room rates at Valley Hi Nursing Home:* Committee members reviewed a Resolution authorizing increasing the daily room rates at Valley Hi Nursing Home. Committee members questioned how the current increase relates to rates currently being charged by other nursing homes in the area. The rates need to be comparable to others in the market place. Mr. Munaretto made a motion, seconded by Mr. Kennedy to recommend approval of the above Resolution as presented. An analysis was completed approximately 14 months ago. At that time a three tier program was created to implement rate increases at the facility. Based upon market adjustments, rates will have to be reviewed and increased on a continual basis to be competitive in the marketplace. It was stated there should be a review of rates every six months. The motion carried with all members present voting aye on a roll call vote (Hammerand, Heisler, Kennedy, Munaretto, Schmidt, Dvorak)

*FY09/10 Budget Review – Valley Hi:* Mr. Sarbaugh joined committee members to review the FY09/10 budget for Valley Hi. The levy remains at \$6 million dollars. Valley Hi has developed a reserve fund to pay off the bond debt as soon as feasibly possible. Mr. Sarbaugh stated the smallest bond will be paid off in January 2010. The tax levy was set at the highest amount, but the County Board voted to not exceed the levy by ½. There has not been any agency staff use at Valley Hi for the past 6 weeks. Staff is stepping up to the plate and filling in the needs of the facility. This has been both a financial and personal benefit to the facility. Committee members noted that unless we do something, within 10 years the facility will again be spending the total \$6 million dollars of the levy and the County will be right back where it started by having to use general fund monies to pay for the running of the facility. Mr. Sarbaugh stated that after you take out the personnel costs, the FY09 supplemental payments, debt service and fund balance enhancements the budget declined by \$21,685. There has been growth only in personnel and the debt service. Mr. Kennedy made a motion, seconded by Mr. Heisler to recommend the FY09/10 operating budget for Valley Hi forwarded to the Finance and Audit Committee for consideration. The motion carried with the majority of members present voting aye on a roll call vote (Hammerand, Heisler, Kennedy, Schmidt, Dvorak) (Munaretto) nay

*Discussion on the Development of a Business Plan for Valley Hi:* Committee members entered into a discussion regarding the need of a Business Plan for Valley Hi Nursing Home. Chairman Koehler stated he requested a special meeting because of timing concerns of the facility. Mr. Yearian will not remain as the Administrator of Valley Hi after the Revere Healthcare contract expires. As a team, Revere implemented huge adjustments in the running of Valley Hi. They have done a great job moving forward. There are two important issues that remain for the facility. The first being the need to build a business plan for the facility and the second being the decision to move forward to hire a new Director for Valley Hi. Mr. Austin stated he has prepared a one page business plan as a starting point for discussion purposes. He stated that he is not sure there is a common understanding of what the vision of the committee is for Valley Hi. Committee members stated that since a management analysis was provided a year ago, this information should be included in the plan. It will be necessary to evaluate revenue versus the market place, provide an analysis of the operations, include the impact of the IGT and its long term impact, expenses and they will have to reveal all factors that influence the workings of Valley Hi. It was stated that Revere Healthcare does analysis of operations for facilities and it would be hopeful that all components would be included. A 10 year analysis could be a component of the plan. It was noted that Grant Shumway had stated that they are willing to write a business plan for the facility and they are in a good position to do so. It is important that this issue move forward. Additional meetings may be required to set dates for deliverables for the facility. It was stated that Mr. Shumway has a person on staff ready to start on a business plan immediately. It would take approximately 8-10 weeks to complete a plan, depending on the complexity of the plan. There are other companies that have shown interest in providing a business plan for the facility. The regular Valley Hi Committee meeting is scheduled for next week and it is necessary that the committee decide who should complete the plan and a timeline for completion of the plan. Revere is knowledgeable with Valley Hi but there are also others that would have "new eyes" to create a business plan. Committee members agreed that a couple of firms should be reviewed for the writing of a business plan for the facility. Committee members questioned if the writing of a business plan would be included in Revere Healthcare's current contract or if this would be an extra cost. Committee members were reminded that when Grant Shumway and Revere Healthcare came in their goal was to come in and do the work needed within two years to enable the County to move forward. If Revere can do the project based up fees currently being paid, that would be great. Additional companies will also want to bid on the project and it might be a good idea to have a new set of eyes looking at the financial numbers for Valley Hi. Preliminary estimates to write a business plan have been from \$15,000 to \$25,000. It was stated that another company could be hired to review the numbers within the Revere proposal. Committee members stated that the County has copies from the previous management report and information within report should be reviewed. It was suggested that Staff meet with Revere officials before the next meeting to find out what they can do within the scope of their contract. It was suggest that research be done to find out what others would charge for completion of a business plan as well as the cost for a peer review. Committee members requested that Revere staff attend the next meeting. They requested the next meeting to be held at the County Administration Building. Committee members directed staff to find out a clear description of what Revere Healthcare would be willing to do for the County with an outline of what might be included in a plan as well as what the costs would be to hire another firm to write the business plan and/or peer review of one written by Revere.

*Discussion on the identification/recruiting process for the next Valley Hi Administrator:* Committee members entered into discussion for the recruiting process to hire a new Administrator for Valley Hi. The County would love to keep Mr. Yearian as the Administrator as he has done a fantastic job turning around the facility and shows love and care for the residents of Valley Hi. It is hopeful that his replacement will show the same compassion for the residents that Mr. Yearian has. The recruitment process needs to be started immediately. A professional recruiting company, that is an expert in healthcare, should be hired for this process. Some committee members stated that Revere Healthcare should help with the recruitment of a new Administrator. There is funding available in the Valley Hi Enterprise fund to pay for this search. Others stated that fresh eyes should look for the needs of the facility. Some committee members stated that since Revere knows the workings of the facility, they are in a great position to look for someone with the experience needed for Valley Hi. It was suggested that the candidates have a business background as well as experience in the healthcare field in order to maintain good quality care with the managerial experience. We will need them to provide good quality care and have the ability to manage expenses. Ms. Zierer, former Valley Hi Chairman, stated that in the past the county attempted to do their own recruitment and ended up with just two applicants. She stated it is important to get a search group that has the ability to get more experienced applicants for consideration. Mr. Hammerand made a motion, seconded by Ms. Schmidt to recommend a search firm hired to find an Administrator for Valley Hi Nursing Home. The motion carried with all members present voting aye on a voice vote.

Mr. Munaretto left committee at 11:11a.m.

#### OLD BUSINESS

None

#### REPORTS TO COMMITTEE

*Financial Report:* Committee members reviewed the financial report for Valley Hi. Last month Valley Hi had one of the best months for expenses and revenue and this month has been one of the worst months in a number of months. Most issues are because of the timing of expenses. Some large dollar equipment items were needed for the facility and there was a reduction in revenue for Medicare as well.

*Administrator's Report:* Mr. Yearian reviewed the Administrator's report for Valley Hi. The daily census is included for the facility. Terminations and New Hires were reviewed. The family picnic has been scheduled for Saturday September 12<sup>th</sup> for

those interested in attending. Mr. Yearian provided an update of the tours, discharges and new residents admitted to the facility. This information will be included in the report in the future. Valley Hi has been getting some interest for long term placements at the facility, but, they are trying to change the concept to accept rehab to home patients. They are trying to push the Medicare funding up. It was stated that they are seeing residents that are in poorer health as families are trying to save money by keeping these individuals home as long as possible. Revere officials stated that Medicare is seasonal as well. Committee members questioned the negative letter that was sent to the Editor regarding the rating of the facility. Committee members were informed that there is a lag time between when the facility was reviewed and the time the scoring comes out. You are then being judged on reports received 2 or 3 years ago. The Healthcare Survey also has a new "star" rating system that is different from the system that was in place a few years ago. The staff rating is the highest that can be received. Also, nursing homes that take difficult cases, like Valley Hi, have a hard time getting favorable ratings. This happens with most long term population homes. Valley Hi still has some areas that need improved but should be doing better now that Valley Hi has its own staff and is not reliant on agency staff. Committee members were reminded, if a complaint is received, this needs to be handled by the Valley Hi Administrator.

It was hopeful that an update would be ready to be provided on the IGT for the State. Nothing has happened to date. As soon as information is received, the County Administrator will be notified so this could be included on an agenda.

Medicare has a new audit process. This includes more internal work for the facility. The process includes new red flag rules that have to be adopted at the facility. They expect new protective activities in order to keep resident identities safe.

FUTURE TOPICS

The next regular meeting is next Thursday. They will be discussing the business plan with an outline of options, review search firm options for the hiring of a new Administrator and finalize the language on the operating board guidelines.

Committee members questioned if there should be a complaint guideline included within the bylaws. They stated that the community is afraid to sign a complaint as they are fearful of retribution to a resident. It was stated a process needs to be in place so complaints are not going through the County Board members and the residents and families feel safe and are not fearful of the issue coming back to the resident.

EXECUTIVE SESSION

None

ADJOURNMENT

Ms. Schmidt made a motion, seconded by Mr. Hammerand to adjourn the meeting at 11:41 a.m. The motion carried with a unanimous voice vote.

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**RECOMMENDED FOR BOARD/COMMITTEE ACTION:**

- Resolution authorizing reclassification of a full time housekeeper position (position #61161) into two part time Front Desk Associate positions on the Valley Hi Roster
- Resolution authorizing increasing the daily room rates at Valley Hi Nursing Home
- Forward to Finance and Audit FY09/10 Valley Hi Operating Budget

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