

MCHENRY COUNTY BOARD – COMMITTEE OF THE WHOLE
667 WARE ROAD - WOODSTOCK IL 60098

MINUTES OF TUESDAY, JANUARY 5, 2010

Chairman of the Board – Kenneth D. Koehler (District 2)

District 1 Yvonne M. Barnes Bob Bless Anna May Miller Marc Munaretto	District 2 JS "Scott" Breeden James Heisler Kenneth Koehler Lyn Orphal	District 3 Ed Dvorak Mary L Donner Kathleen Bergan Schmidt Barbara Wheeler
District 4 Sue Draffkorn John Hammerand Pete Merkel Sandra Fay Salgado	District 5 Tina Hill James P Kennedy Virginia Peschke Paula Yensen	District 6 Randall Donley Mary T McCann Daniel P Ryan Ersel Schuster

The Honorable County Board of McHenry County, Illinois met as a Committee of the Whole on Tuesday, January 5, 2010.

The meeting was called to order at 9:45 a.m. by Chairman Koehler. The following members were present: Barnes, Bless, Breeden, Donley, Donner, Draffkorn, Dvorak, Heisler, Hill, Kennedy, Koehler, McCann, Merkel, Miller, Munaretto, Orphal, Ryan, Salgado, Schmidt, Schuster, Wheeler and Yensen. The following members were absent: Hammerand and Peschke.

Also in attendance: Peter Austin, County Administrator; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator – Finance; Bob Ivetic, Human Resources; Bob Yearian, Valley Hi Administrator, interested public and press.

PUBLIC COMMENT: None.

BUSINESS

Discussion – Valley Hi Nursing Home Facility: Mr. Austin addressed the Committee. He noted that today's meeting is held to talk about what is happening at Valley Hi, to consider the direction we are going and the next steps in the process. In October of 2007 the County contracted with Revere Healthcare to accomplish two primary tasks: (1) to reposition Valley Hi financially and (2) to select, hire, train and supervise staff to execute the new direction for the facility. He reviewed the financial turnaround seen over the past 3 years in which the net operating income went from (\$2,543,559) in 2007 to (\$1,394,129) in 2009. Also presented was information on the impact of increasing Medicare versus Medicaid census. He noted that the County Board approved a Resolution in July of 2008 to increase the target mix of beds to 80 Medicaid, 20 Medicare, 20 private pay and 8 flex. The current perception is that Valley Hi is a good nursing facility. A Business Analysis of the Valley Hi Nursing Home was conducted by Revere Healthcare and that report looks at all aspects of the facility including a review of the market for long term care in the County. The search to hire a new administrator has begun with resumes being accepted through December 11, 2009. Applications were reviewed during the month of December with interviews scheduled for January 15, 2010. Mr. Austin commended the Valley Hi Committee for the work they have done and asked that the County Board now think about how we will govern Valley Hi and what will be the responsibilities for the Operating Board. He stated two County Board members will also serve on the Operating Board which will provide a good connection to the County Board with updates presented to the Public Health and Human Services Committee. He stated that the role of the County Board in the management of Valley Hi will be changed. The next steps will be for the Valley Hi Committee to finalize the Operating Board By Laws.

Mr. Austin stated some revisions to the proposed By-Laws will include a review of the position of "Treasurer" as this position may not be necessary. The By-Laws will need to clarify the relationship of the County Board to the Operating Board. The Valley Hi Administrator will be a County Employee and as such will report to the County Administrator with input from the Operating Board. He stated it will need to be determined when to give Revere their 60 days notice.

Chairman Koehler stated this is a lot of information to consider and asked for members questions of comments.

Ms. McCann asked when Revere's extension ends. Mr. Austin responded that the contract with Revere was extended to three years with a 60 day notice to terminate that contract. Chairman Koehler added that with the termination of Revere the net operating expenses would be significantly less than those presented today. Mr. Ryan asked when the two month's notice will be given to Revere. Mr. Austin responded that this is yet to be determined. He stated we could do it when we accept an offer or when the new Administrator steps into the building. He cautioned that many issues could arise during the hiring process. Chairman Koehler added that Mr. Yearian played a key role in the marketing changes at Valley Hi but has chosen to stay with Revere Healthcare. Mr. Donley stated that he does not understand why we are considering an Operating Board. Chairman Koehler stated when considering the long term care and changes that will take place the need for professionals to be part of the operations of Valley Hi was determined. He stated an outside management agency was brought in to do the turn-around at Valley Hi and to put the operations in perspective. He stated we are not hiring another agency, but have decided to hire an administrator to be in charge with an Operating Board to replace the work of Valley Hi Committee. Mr. Donley stated that he does not support the Operating Board or the hiring of a management firm. Ms. Miller pointed out that the Committee's role is defined on Page 2 of the Business Analysis. She stated that a Governing Board would seem more appropriate as it would take a governing role and not a management role over the everyday operations of the facility. Such a Board would not micromanage or undermine the role of an administrator. Chairman Koehler noted that Ms. Miller makes good points. He stated that prior to the move to the new facility there was a lack of leadership and team leadership. There is now a management team that addresses a myriad of situations at the facility. Ms. McCann added that she supported an Operating Board that will be professional and knowledgeable without the politics. She stated she supported moving forward with an Operating Board and Administrator for Valley Hi. Ms. Yensen raised her concerns with consideration being given to designate specific units within the facility including a dementia unit as addressed on Page 19 of the Business Analysis Report. She stated there are specific space constraints with these units and in providing rehabilitation services. Mr. Yearian responded that Valley Hi's design is very conducive to such care with all patients having their own windows and room for family. Currently, the rehabilitation room is very active and other parts of the building could also be used for such activities. Rehabilitation services are not planned for the general public which would need its own entrance. It does meet the needs to provide post hospital therapy and services for memory impaired patients. It is not conducive to providing care to Alzheimer patients as such services would need a dedicated outside area. There is currently a memory unit on the second floor of the facility. Mr. Yearian stated it does not make sense at this time to change the space to be able to market it as an Alzheimer unit. Ms. Yensen stated that the ratio mix raises her concerns that service of care will increase with no space available. Ms. Wheeler stated she is concerned with the looming healthcare reform and how this would impact Valley Hi. Chairman Koehler stated that the reform could and will affect Valley Hi. He pointed out that Valley Hi was never intended to be a break-even facility and the revenue gap will always be a concern. He stated the mix will need to be re-evaluated and the County will always have to make some kind of financial contribution to the facility. If Medicare shrinks, it may be necessary to make adjustments to continue to meet the needs of our citizens.

The good news is that the citizens made a commitment to insure long-term good care and keep the facility operating. Ms. Wheeler questioned if an analysis was done to look at reimbursement and costs to maintain care. Mr. Yearian responded that to his knowledge no such study has been conducted. Mr. Kennedy stated that the Valley Hi Committee decided to move to an Operating Board after looking at other facilities. He stated that an operating board can do a better job. Revere improved operations and the financial situation at the facility and now we need to market this facility to keep the beds filled. He stated he supports the operating board concept and if it does not work the County Board can re-evaluate the situation. He recommended keeping Revere around during the transition period. He also recommended perhaps using an intern to look at marketing ideas. Mr. Merkel agreed that Revere has done an excellent job. He also pointed out that during the interview process for the new administrator it will be important to have a chain of command and be able to provide this information to the candidates. Mr. Austin agreed that we need to be clear during the hiring process. Chairman Koehler stated that the County Board will ultimately decide if the Valley Hi Committee will continue, however it would seem to make sense that the Valley Hi Committee would not be necessary with the proposed operating board. He stated it would be up to the Valley Hi Committee and the County Board to determine when the service of Revere should be terminated and suggested termination be as soon as practicable. Ms. Wheeler asked for a review of the idea of leasing versus selling. Mr. Munaretto stated that neither of the options would be a good financial decision at this time. Should the County ever decide to get out of the indigent services such options could be pursued. He also noted that it will be possible for the County to repay the Valley Hi bonds in 2012 and the Finance Committee will be reviewing this in late 2011. Ms. Barnes thanked Revere for their work these past years. She stated she could support an operating board provided they are knowledgeable and professional members with the expertise to do the job. She noted that based on her experience, rehabilitation service options are limited in the County and staffing of such services can be difficult. She stated an increase in such services at Valley Hi would be welcome addition. Ms. Schuster asked if there was a waiting list for Valley Hi. Mr. Yearian responded that there is such a list but many are not yet ready to enter the facility. Ms. Schuster asked if the proposed operating board would include a resident advocate. Mr. Munaretto stated that a resident member may be inappropriate as it would confuse resident issues with operations. Mr. Yearian added that there is a resident council where concerns can be voiced. He also noted that there are weekly meetings with residents to address concerns and issues. Ms. Schuster stated that she has worked with many Valley Hi Administrators and would hope that the board will not take the facility beyond what is was designed to be. She stated at this point she could not support an operating board but does support an administrator. She noted that we should wait to see who the new Administrator will be and what they will do. She added that she was confused with the documents provided and would like to see all such documents with footers indicating the dates of revisions. Chairman Koehler stated that there would be no decisions on the issues discussed today and all comments and observations will be taken into consideration. Ms. Hill stated she felt it would be a good idea to have a resident advocate on the operating board. Mr. Munaretto noted that that kind of thinking got us into the problems we are currently addressing and such a member would not be appropriate. He noted that all the members of the operating board would sit as an advocate to the residents. Ms. Yensen stated that an advocacy is needed to have a voice and is different than the professionals. It is important for such a board to be heard by all sides and an advocate would provide different perspectives and skills. Such a representative is important to have the clients' views represented. Ms. Orphal added that the two County Board members would be the advocacy for the people. She added that the Valley Hi residents could also address their concerns to the operating board. Chairman Koehler stated this decision should be discussed further by the Valley Hi Committee. Ms. McCann suggested that this position could be defined as an ombudsman and could report to the operating board with observations and concerns from the patients. Chairman Koehler stated this is a good topic and deserves further discussion.

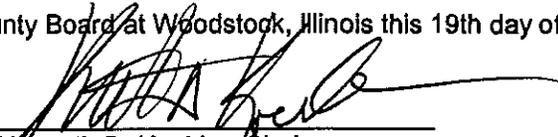
Valley Hi Committee Chairman Ed Dvorak commented that as the Committee Chairman he welcomes the discussions. He stated he has observed personally how good the services at Valley Hi are during his frequent visits to the facility. He commended staff for doing such a good job.

Mr. Austin stated he appreciates the good thoughtful discussion today. Chairman Koehler added that the majority of members appear to want to move forward with plans for an operating board. Chairman Koehler added his commendations to the Valley Hi Committee for their work in looking outside the box in the management of the facility.

ADJOURNMENT

With a motion by Ms. Yensen, seconded by Mr. Kennedy, the Committee of the Whole adjourned at 11:15 am.

Dated and approved by the McHenry County Board at Woodstock, Illinois this 19th day of January, A.D., 2010.



Kenneth D. Koehler, Chairman
McHenry County Board

ATTEST:



Katherine C. Schultz, County Clerk

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