



## Valley Hi Operating Board

Valley Hi Nursing Home  
2406 Hartland Rd  
Woodstock, IL 60098

MINUTES OF WEDNESDAY, JULY 26, 2011

Chairman Michling called the meeting to order at 7:02 pm. The following Operating Board Members were present: Jim Kennedy, Lynn Ryan, Joanne Hanrahan, Jodi Borck, Jim Heisler, and Kathleen Bergan-Schmidt. Also present were Thomas Annarella, Valley Hi Administrator and Peter Austin, McHenry County Administrator.

### MINUTES

Board members reviewed the minutes of the 6-28-2011 meeting. A motion to approve the minutes was made by Kathleen Bergan-Schmidt, seconded by Jim Kennedy. The minutes were approved unanimously with no changes.

### PUBLIC COMMENT

- None

### PRESENTATION

- None
- The Board indicated that they would like to have Sharon Chewning, the Valley Hi Nurse Liaison (marketing director) come in and do a presentation at the August meeting.

### NEW BUSINESS

Welcome of New Operating Board Members

- The Operating Board welcomed its 2 new members. Jim Kennedy was welcomed back to the Operating Board and Jodi Borck was welcomed to her new role with the Board. Jodi Borck noted her history with Valley Hi in the past as an Activity Director for 6 years in the mid 1990's and also noted that she is the Account Liaison for Heartland Home Health Agency. The Board each shared their backgrounds to bring Jodi up to speed with the Board members and the history of the Operating Board.

Vote on Vice Chairman's Position

- The Board reviewed the job description of the Vice Chairman's position in the by-laws. Jim Heisler brought forward a motion for Jim Kennedy for consideration as Vice Chairman. Joanne Hanrahan seconded the motion. The motion passed unanimously.

July Storm and Power Outage

- Tom Annarella wanted to clear up any misconceptions that the Board members may have had regarding the storm that occurred on 7-11-2011. Tom advised the Board that Valley Hi has a generator to run most aspects of Valley Hi building needs. Tom advised the Board that the emergency systems, elevators, nurse call systems, some of the computers, and some of the power outlets throughout the building are on the generator and were working fine. Tom explained to the Board that a 400 kw generator was brought





in to run the air condition units and the laundry equipment. Tom discussed the budget impact and preparations for any future power outages as well as the lessons learned from the weather emergency.

#### Room rate Survey

- Tom Annarella presented the room rate survey results to the Operating Board and explained the annual process that is followed to evaluate Valley Hi's private room rates in comparison with the market to determine if a rate increase would be warranted for the next fiscal year. Tom explained that some of the facilities in the area have raised their rates and ancillary charges significantly over the last year. Tom recommended to the Board a rate increase effective 12-1-2011 of a \$10 / day increase to each of the care levels with a commitment to revisit the room rates mid-year 2012. Tom explained to the Board that the objective would be to keep the rates below the area average, but move the rates more in-line with the local market. The recommendation continues Valley Hi's practice of not charging for ancillary services and supplies. The rate increase is expected to generate approximately \$73,000 more in revenue for FY2012. The consensus of the Board was to have Tom draft a resolution for a \$10 rate increase as well as a proposed letter to resident families for the Operating Board to review.

#### Strategic Plan Presentation to the County Board on 7-19-2011

- Tom Annarella and Pete Michling provided a brief description of the presentation made to the County Board on 7-19-2011.

#### OLD BUSINESS

##### Medical Director Recruitment Status

- Tom Annarella explained that he has mailed a letter noting the availability of the Medical Director's position to all the Valley Hi physicians and a few in the community. Tom explained that one resume has been received already. There is no deadline, but Tom would like to have the interviews begin soon. A possible September start for the new medical director is the target. Jodi Borck suggested using Centegra's Physician Outreach program for potential candidates. Jodi Borck and Lynn Ryan indicated that they would be interested in joining Pete Michling in the interview process.

##### Customer Service Program Development

- Tom Annarella indicated that there was nothing formal to present on this topic at tonight's meeting, however Tom did want to keep this as a discussion item on the agenda. Tom will create a draft program for the Operating Board to review at either their August or September meeting.

##### FY2012 Budget

- Tom Annarella advised the Board that there has been no meeting with the County Administrator yet. It is expected that there will be a budget review in August.

#### REPORTS TO COMMITTEE

##### Administrator's Report.

- Legislative Update
  - Tom explained that the Federal Government is proposing a cut to Medicaid of about \$200 billion and a cut to Medicare of about 12%

- Tom explained that the cuts at the Federal level, along with Illinois's status would be devastating to nursing homes
- Tom and Pete Austin explained that plan for refinancing Valley Hi's debt and potentially paying off the debt service in 1-2012
- Tom provide the Board with an update on the old Valley Hi demolition
- Tom explained to the Board that there will be a VAC presentation at Valley Hi on 7-27-2011
- Tom advised the Board that Mr. Brandt had contacted the facility and that he was advised of where his mother was at on the list
- Tom advised the Board of the status with the potential changes in therapy and pharmacy services
- Tom explained the recent logo / them contest and possible changes to the Valley Hi logo

#### Census Report

- Tom provided the Board with the census report noting that the current census is 124 residents in-house with 15 Medicare A residents. Tom noted that they are working on 2 additional female Medicare A admissions and another potential female admission which would leave only 1 bed available.

#### Staffing Report

- Tom explained to the Board that there have not been any major changes in staffing during the prior month.

#### Financial Report

- Tom provided the Board with the financial report noting that revenues continue to trend ahead of the budget. The operating income before depreciation for the month of June was \$55,134 and year-to-date \$158,493. Tom noted that Hospice census numbers were up sharply as well as the Medicare A census numbers. Tom also noted that the facility had to reclassify \$21,36.08 for the payment of the emergency gravel road. Tom advised the Board that the trend in Medicare A days has been showing a steady increase. A lengthy discussion about the philosophical concern of Medicaid took place.

#### Quality Indicator Report

- No report at this time due to the changes associated with the switch from MDS 2.0 to 3.0, which is a national change.

#### Quality Assurance Meeting Minutes.

- The meeting minutes were provided to the Board. Tom explained the facility has been working on improving staff skills through training and resident centered care.

#### Resident Council Meeting Minutes.

- The meeting minutes were provided to the Board. Tom noted that the focus of the Resident Council at the last meeting was focusing on more minor areas with numerous compliments about the dining experience.

#### FUTURE TOPICS

- Customer Service Program as noted in the Strategic Plan
- Family Picnic is scheduled for 9-10-2011





The next meeting is scheduled 8-24-2011 at 7 pm.

**ADJOURNMENT**

The Board adjourned by consensus at 9:00 pm.