



## AGENDA

### Valley Hi Operating Board

Wednesday, August 24, 2011 – 7:00 p.m.

Valley Hi Nursing Home

2406 Hartland Road

Woodstock, IL 60098

- 1.0 Call to Order
- 2.0 Minutes Approval
- 3.0 Public Comment
- 4.0 Presentation (as necessary)
  - 4.1 Sharon Chewing, Valley Hi Nurse Liaison
- 5.0 New Business
  - 5.1 FY2011 – 2012 Budget Review (not in packet)
  - 5.2 Room Rate Increase and Resolution Authorizing the Increase in the Daily Room Rate at Valley Hi (not in packet)
  - 5.3 Medicare 11.1% Rate Cut
  - 5.4 State Medicaid Reimbursement Delays
  - 5.5 Involuntary Discharge Proceedings
- 6.0 Old Business
  - 6.1 Medical Director Recruitment Status
  - 6.2 Customer Service Program Development
  - 6.3 Inter-Governmental Transfer Agreement
- 7.0 Reports to Committee, as applicable
  - 7.1 Administrator's Report
  - 7.2 Census Report
  - 7.3 Staffing Report
  - 7.4 Financial Report
  - 7.5 Quality Indicator Report
  - 7.6 Quality Assurance Meeting Minutes
  - 7.7 Resident Senate Meeting Minutes
- 8.0 Future Topics
- 9.0 Executive Session (as necessary)
- 10.0 Adjournment





## 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 Chewing, 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.

Valley Hi Nursing Home  
Historical Statement of Operations

Description	Mo. Budget	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Total YTD
Operating Revenue:								Actual						
Hospice	17,411	36,979	34,006	28,515	50,774	41,800	43,338	54,662	51,866					341,940
Private Pay	167,400	180,304	195,444	139,933	99,874	115,066	181,021	161,141	161,925					1,234,708
Insurance HMO	0	-	-	9,421	16,360	11,525	-	30,110	-					67,416
Medicare Part A	231,863	136,291	111,706	100,797	142,791	172,421	161,806	175,141	204,372					1,205,325
Medicare Part B	19,110	20,451	27,311	22,047	21,543	23,015	18,932	15,242	8,054					156,595
Medicaid	316,879	370,302	352,160	348,399	409,073	370,065	361,016	308,465	335,895					2,855,375
Other Revenue	(16,761)	702	476	870	(2,802)	(17,314)	747	18,211	917					1,807
<b>Total Income</b>	<b>735,902</b>	<b>745,029</b>	<b>721,103</b>	<b>649,982</b>	<b>737,613</b>	<b>716,578</b>	<b>766,860</b>	<b>762,972</b>	<b>763,029</b>	-	-	-	-	<b>5,863,166</b>
Operating Expense														
Administration	76,160	63,158	64,952	52,773	55,288	71,974	64,797	61,383	63,603					497,928
Laundry	22,070	24,801	20,757	19,886	24,358	23,871	21,513	19,706	18,276					173,168
Housekeeping	34,340	33,989	32,939	29,153	31,392	33,301	33,751	31,825	33,458					259,808
Dietary	94,210	90,171	90,742	88,407	91,581	92,656	89,812	89,393	93,935					726,697
Nursing	400,330	399,918	378,321	343,512	360,406	375,553	371,722	372,947	385,297					2,987,676
Therapies	65,430	47,511	45,458	41,443	42,439	47,097	44,205	44,003	38,758					350,914
Activities	17,940	17,497	17,991	16,093	17,842	18,075	17,798	18,179	18,247					141,722
Maintenance	5,350	4,062	5,149	2,690	3,939	3,679	3,569	8,380	4,825					36,293
Indirect (excludes depreciation)	62,650	48,416	45,638	44,390	49,908	45,310	48,391	48,032	54,778					384,863
Facility Management	15,730	15,889	12,570	11,929	13,173	13,504	12,697	13,990	24,769					118,521
<b>Total Expense</b>	<b>794,210</b>	<b>745,412</b>	<b>714,517</b>	<b>650,276</b>	<b>690,326</b>	<b>725,020</b>	<b>708,255</b>	<b>707,838</b>	<b>735,946</b>	-	-	-	-	<b>5,677,590</b>
Operating Income	(58,308)	(383)	6,586	(294)	47,287	(8,442)	58,605	55,134	27,083	-	-	-	-	185,576
Depreciation		47,363	47,476	47,643	47,643	47,643	47,712	47,750	47,737					380,967
<b>Net Operating Income</b>	<b>(58,308)</b>	<b>(47,746)</b>	<b>(40,890)</b>	<b>(47,937)</b>	<b>(356)</b>	<b>(56,085)</b>	<b>10,893</b>	<b>7,384</b>	<b>(20,654)</b>	-	-	-	-	<b>(195,391)</b>
Interest Income		2,661	1,949	44,079	1,860	25,584	1,236	1,387	1,578					80,334
Non Operating Expense														
New Bldg		31,495	31,495	31,495	31,495	31,670	31,495	31,495	31,495					252,135
<b>Net Income(Loss)</b>		<b>(76,580)</b>	<b>(70,436)</b>	<b>(35,353)</b>	<b>(29,991)</b>	<b>(62,171)</b>	<b>(19,366)</b>	<b>(22,724)</b>	<b>(50,571)</b>	-	-	-	-	<b>(367,192)</b>
Tax Revenue		-	-	-	-	-	-	2,904,110	72,316					2,976,426
<b>Income after Tax revenue(Loss)</b>		<b>(76,580)</b>	<b>(70,436)</b>	<b>(35,353)</b>	<b>(29,991)</b>	<b>(62,171)</b>	<b>(19,366)</b>	<b>2,881,386</b>	<b>21,745</b>	-	-	-	-	<b>2,609,234</b>
Resident Days:														
Hospice	124	261	241	203	294	300	310	330	371					2,310
Private Pay	930	1,124	1,124	958	1,025	889	936	858	840					7,754
Insurance HMO	0	-	-	18	31	22	-	-	-					71
Medicare Part A	527	256	221	214	310	363	299	405	435					2,503
Medicaid	2,263	2,233	2,202	2,091	2,205	2,115	2,198	2,037	2,161					17,242
<b>Total</b>	<b>3,844</b>	<b>3,874</b>	<b>3,788</b>	<b>3,484</b>	<b>3,865</b>	<b>3,689</b>	<b>3,743</b>	<b>3,630</b>	<b>3,807</b>					<b>29,880</b>
Average Census		125	122	124	125	123	121	121	123	-	-	-	-	123
Agency Nursing included above		-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Included above		15,250	18,250	18,250	18,250	18,250	18,250	18,250	18,250					143,000
OPEB included in Administration		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3500					28,000