

**Emmet County Department of Human Services
Board Meeting Minutes
December 16, 2010**

1. **MEETING CALLED TO ORDER:** Mr. Rogers, ECDHS board chairperson, called the meeting to order at 10:02 a.m.

2. **ROLL CALL**

Board Members present: Fred Rogers, Board chairperson

Mary Horan, Board vice-chairperson

Patricia Frisbey, Board member

Staff Members present: Diana L. Bailey, LNHA, MBA, Executive Director

Michael Greer, CPA, Director of Financial Services

Janet R. Vandenberg, ALS, Recording Secretary

Staff Members absent: None

Others present: Kathy Abbott, Esq., Civil Counsel

3. **APPROVAL OF AGENDA:**

4. **APPROVAL OF MINUTES:**

Mr. Rogers asked if there was any discussion needed before approving the regular Meeting Minutes and the Closed Meeting Minutes of November 16, 2010.

Mrs. Frisbey made a motion to accept the minutes of the November 16, 2010 meeting as distributed and supported by Mrs. Horan. Voice votes taken and motion carried.

Mrs. Horan made a motion to approve Closed Meeting Minutes of November 16, 2010, as distributed and supported by Mrs. Horan. Voice votes taken and motion carried.

5. **PUBLIC COMMENT:** None

6. **SCHEDULED APPEARANCES:** None

7. **EXECUTIVE DIRECTOR'S REPORT:**

A. **Contracts:**

Senior Millage Contract - Mrs. Bailey mentioned the Committee reduced 2011 Allocations this year due to the economic conditions in the County for all recipients. Bay Bluffs received \$11,400 and contract needed to be signed by Board chair.

Mrs. Horan made a motion to authorize board chair to sign the Senior Millage contract for 2011 and supported by Mrs. Frisbey. Voice votes taken and motion carried.

B. **Foundation Fund:** Mrs. Bailey mentioned she had a conversation with Mr. David Jones at the Petoskey – Harbor Springs Area Community Foundation regarding setting up a fund for Bay Bluffs – ECMCF Fund. DJ told Mrs. Bailey that it would take \$5,000 to start a fund at the Community Foundation. Discussion held.

- C. Grants: Mrs. Bailey mentioned we received fund from the Community Foundation grant for awnings on the patios. These awnings are by "Sunsetter" and have been received and will be installed in the spring.
- D. Air-N-Energy Evaluation – Mrs. Bailey mentioned she is planning on meeting with the Building & Grounds Committee at the beginning of 2011 and share with them the evaluation that was done and see if funds are available from the Millage to follow through with the recommendations of this evaluation. The incoming county commissioners will not meet until January 4, 2011 and that is when the committee assignments should take place.
- E. Year In Review – Report reviewed, discussion held, report attached. The board thanked her for a job well done.

8. REPORT of DIRECTOR OF FINANCIAL SERVICES:

- A. Cash Report - Mr. Greer distributed copies of the Cash Report ending **November 30, 2010**. Mr. Greer reviewed with the board and discussion held.
- B. Financial Report – Mr. Greer distributed copies of the Financial Report ending **October 31, 2010**. Discussion held. Occupancy rate is still at 97 percent.
Mrs. Horan made a motion to accept the Cash Report ending November 30, 2010 and the Financial Report October 31, 2010 as distributed and supported by Mrs. Frisbey. Voice votes held and motion carried.
- C. Accounts Payable/Pre-Pays – These items were discussed and approved earlier as follows – **12/07/10 - \$154,723.15 and 12/16/10 - \$263,634.12 for a total of \$418,357.27.**
Mrs. Horan made a motion to approve bills for December as presented for payment. Mrs. Frisbey supported the motion. Roll call vote was taken – Fred Rogers (YES), Mary Horan (YES), and Patricia Frisbey (YES). Roll call vote passed.
- D. Foundation Funds – Mr. Greer distributed a copy of an e-mail from Eric Conway from Plante Moran regarding withdrawing funds from the Facility account and setting up a foundation account with assets from the Boettger Estate. Discussion held. Kathy Abbott mentioned it might be advantageous to request a legal opinion from Nantz, Litowich as to whether the money designated for the Facility can be transferred to the Fund for administrative and other purposes, and to find out how the Foundation Fund can be funded. Eric didn't agree with transferring funds and Kathy Abbott also had reservations. There is a Foundation Fund meeting on January 7, 2011. Mr. Greer emphasized that we saved between \$60,000 - \$70,000 on software purchases through having the Fund as a 501(c)(3) and that the Facility is primarily funded through Medicaid.

- 9. **EXECUTIVE DIRECTOR'S CONTRACT** - Mrs. Bailey requested that the ECDHS Board discuss her contract in closed session. Mr. Rogers asked for a motion to go into closed session.
Mrs. Horan made a motion to go into close session to consider the Executive Director's periodic evaluation because the Executive Director requested a closed hearing. Mrs. Frisbey supported the motion. Roll call vote taken: Mr. Rogers (YES), Mrs. Horan (YES), and Mrs. Frisbey (YES). Roll call vote passed.

The Board went into closed session at 11:12 a.m. to do evaluation and review Mrs. Bailey's proposed contract.

The ECDHS Board came back into open session at 12:28 p.m.

Mrs. Horan stated that the Board felt very positive and impressed with her self evaluation. We felt staff responded in a favorable way towards your attitude and how you handle the daily Facility issues. Feedback received from staff was shared where improvements and/or how concerns could be handled and possibly addressed in the future. Mrs. Horan felt staff was a little stronger and critical on some areas, but if you continue to consistently work and improve on those areas and get feedback from your staff and open up communication with them, those areas will improve and be very helpful. Mrs. Bailey felt during her annual review areas she could make improvements and matched quite close to what the Board and management staff stated. Further discussion held. Mr. Rogers then explained how the board would evaluate you by putting their ideas down on paper and then present them at the January meeting.

Mr. Rogers then addressed the areas Mrs. Bailey requested changes to. Discussion was held and board members shared their concerns. Kathy Abbott gave her legal opinion / recommendation to areas of concern. Approval by Board to the following: **(§4.1)** Salary increase - 3 percent increase annually [2011 - \$100,019.53; 2012 - \$103,020.11; and 2013 - \$106,110.71]. **(§4.2)** Personal Time Off (PTO) – to carry over year-to-year, but not to exceed 240 hours (six weeks). **(§5.1)** Executive Director shall serve at the will and pleasure of the Board and the Board may terminate this Agreement at any time with or without cause, for any reason or no reason, by a majority vote of the entire Board based upon at least ninety (90) days prior written notice to the Executive Director. **(§5.2)** Severance Pay – requested change from ninety (90) days to six (6) months with a termination clause, being added. Mrs. Bailey also asked about furthering her education and Mr. Rogers stated the board indicated the current contract addresses that issue and they support it as they have in the past. Kathy Abbott will prepare the three-year contract with the following amendments/changes requested by Mrs. Bailey and agreed by the Board.

It was noted that the Board will meet for final approval.

14. **NEXT MEETING** – The next regular scheduled meeting is for Thursday, January 20, 2011 with the Finance Meeting at 8:45 a.m. and the Board Meeting at 10 a.m. Joint DHS meeting will be held at 9:30 a.m. in Petoskey on January 25, 2011.

Date

Fred Rogers, ECDHS Board Chairperson

Date

Diana L. Bailey LNHA, MBA, Executive Director
Designated Secretary to the ECDHS Board

Date

Janet R. VandenBerg, ALS, Recording Secretary

pc: Fred Rogers, Mary Horan, Patricia Frisbey, Kathy Abbott, Toni Wiltse, Gail Martin, Marilyn May, Noreen Strange, and Jack Jones



**Bay Bluffs
Emmet County Medical Care Facility
2010 Executive Director
Year in Review**

Presented December 16, 2010

By: Diana L. Bailey

Bay Bluffs-Emmet County Medical Care Facility

2010 Year in Review

2010 has been a positive yet challenging year. Our census continues to average 97% with a continued waiting list. Our cash has increased to a more appropriate level for an organization our size and our staffing has remained consistent with the challenging economy. We did encounter great challenges regarding the state CHAMPS program which related to a substantial cash decrease in the beginning of the year. We also dealt with great challenges relating to the Federal Governments documentation shift from MSD 2.0 to MDS 3.0 which correlated to a substantial increase in workload for our staff.

Our census remains high and we continue to reach our need to remain at 97% occupancy for future construction. Although our plans are currently on hold due to the economy, we are well on our way to meeting our goal to acquire 20 additional general use beds from the State of Michigan Certificate of Need Process. We need to remain at 97% or above through June 2011.

Our Medical Director, Dr. Blanchard, continues to offer positive avenues to increase the quality care we provide. He has become an integral part of our quality assurance team and has expanded the scope of the program to focus on areas needing further review. He has completed his first training program to acquire his medical directorship certification. He needs to complete 14 credit hours and be medical director of an organization for 3 years. He is expecting to be certified by May 2012.

Overall, 2010 has been a very stable year as we continue to care for the local Emmet County Seniors in need and strive to meet our mission and vision of care giving. Thank you for your time and support for our organization.

Explanations:

State of Michigan:

CHAMPS

In 2010, the State of Michigan reinstated the adult dental, podiatry and low vision services for our Medicaid residents. Considerable issues with the state CHAMPS program relating to a substantial dip in cash for a period of time and created increased time delay for Medicaid applications relating to a greater delay in payments and increased days in AR.

Centers for Medicare and Medicaid Services:

MDS 3.0 and Rugs Hybrid

As of October 1st, 2010, all nursing homes throughout the country transitioned from MDS 2.0 to MDS 3.0. The program shift related to a transition of staff and financial SNF operational challenges. The MDS portion of the system allows the government to track a multitude of

information regarding the level of care being provided to our residents. The payment portion of the MDS is called the RUGs system. RUGs III related to the MDS 2.0. When MDS 3.0 was approved, the government did not approve the RUGs IV which compliments MDS 3.0. This created a payment issue for all nursing homes which may relate retroactive adjustments to recoup variances. The program implementation also related to a large number of software issues which has created a great amount of rework for the MDS team.

Survey Process Changes

The MDS 3.0 has initiated a great number of changes within the survey process. Previous year reviews related to the documentation collected through the MDS 2.0 system. At this time, the survey teams will be walking into the facilities without reviewing the MDS related information creating a witch hunt type review. At this point, the previously collected information is now determined by the facility which takes a great amount of time and effort. The information is then given to the surveyors when they enter the building to assist them in determining any non-compliance. The process changes will increase the need to ensure our clients are happy with the care they are being provided.

Facility Specific Information:

Census through November:

<u>Bay Bluffs</u>	<u>MI Ave.</u>	<u>101-150 bed facility</u>	<u>Not-For Profit</u>	<u>Government</u>
97%	87.41%	87.87%	91.20%	93.63%

Payer Source:

<u>Medicaid</u>	<u>Medicare</u>	<u>Private/Other</u>
78%	5%	14%

Referral Sources:

Hospitals (NMH, Munson, U/M, Beaumont, Spectrum), SNFs (Bortz, St. Ignace, Tendercare), Assisted Living (Independence Village, Perry Farms, Sunnybank), private homes and AFCs.

Competition

Boulder Park Terrace (Unfair advantage due to being a hospital owned facility), Hospital Dischargers (Stating to possible Residents that we never have a bed available) Sunnybank, Independence Village, AAA, Home Health Services

Financials through November 2010:

Cash:

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$1,745,934	\$1,285,741	\$1,239,810	\$659,452	\$106,426

Average Days in Net Accounts Receivable:

<u>2010</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>
BB	BB	MI Ave	101-150	Not for Profit	Government 48.66
62	58	52.32	51.32	47.96	48.66

QAS/Provider Tax:

	<u>2010</u>	<u>2011</u>
QAS Supplement	\$1,160,000	\$1,238,000
Provider Tax	\$809,000	\$889,000
NET QAS	\$351,000	\$349,000

Donation from Agatha "Opal" Boettger

2010 Survey, May 13, 2010

Citations

F221 D – Inadequate documentation for restraint reduction.

(Since this time, we have initiated a new restraint reduction plan and have reduced restraints by 75%.)

F311 D – Inadequate documentation for ambulation program for one resident.

(Since this time, further training has been completed to ensure proper documentation.)

F329 D – Inadequate physician documentation regarding a drug dose reduction for one resident.

(The physician corrected the stated issue and we now have a tickler system to ensure the physicians stay in compliance.)

F371 E – Facility was not testing food temps in the café. (Corrected)

F460 E - The curtains on Wildflower were too short. (Corrected)

Average Number of Citations in Michigan = 9

Optimus Electronic Medical Record:

In 2010, we implemented the Optimus order entry for medications and treatment administration, physician and therapy segments of the system. We have now completed all areas of the program and have a well integrated system of communication which allows us unending levels of view ability and have increased our ability to monitor for quality assurance purposes.

Staffing

We have substantially reformatted our staff orientation program. Our system now requires a three day training which provides all new employees optimal preparation for their position.

Our nursing department continues to mentor NCMC nursing students during their clinical rotations. We have now hired two nurses from the NCMC 2010 nursing graduates. Both of these employees completed clinical rotation at Bay Bluffs.

Maintenance

2010 Completed Capital Projects:

- Replaced four resident lifts
- Added new computers for med carts
- Replaced universal floor scrubber
- Re-painted outside of building
- Concrete to support the recycle bins
- Installed sprinkler system front of building
- Booster Pump Upgrade
- Added Kitchen in Therapy
- Booster Heater for Dryers
- Air and Energy Evaluation

Resident Satisfaction Surveys:

In the past, our Resident Satisfaction Surveys were conducted by an outside firm that has since dissolved. Our survey was due this year. The majority of the MCF facilities are actively considering a group membership to a company called MyInnerview. This is a computer based program/company that conducts annual Resident and Staff satisfaction surveys to ensure organizations are continuing in the right direction. The program also assists facility's in tracking Quality Indicators and other Quality measures to compare each facility against state

and national comparisons. The company's website can be viewed at www.myinnerview.com. We are hoping to have a decision made by our Lansing Conference.

Past Resident Satisfaction Surveys

A. Family Satisfaction Survey:

<u>Survey Date</u>	Fall 2008	Summer 2006	Summer 2004	May 2002	July 1998
<u>Total Respondents</u>	65	42	45	55	55
<u>Satisfied</u>	63 96.9%	41 97.6%	42 93.3%	51 94.4%	51 92.7%
<u>Extremely Satisfied</u>	44 67.7%	24 57.1%	27 60.0%	29 53.7%	27 49.1%
<u>Moderately Satisfied</u>	19 29.2%	17 40.5%	15 33.3%	22 40.7%	24 43.6%
<u>Neutral</u>	1 1.5%	1 2.4%	1 2.2%	1 1.9%	1 1.8%
<u>Dissatisfied</u>	1 1.5%	0	2 4.4%	2 3.7%	2 3.6%
<u>Would you recommend?</u>					
Yes	63 95.5%	41 95.3%	42 93.3%	46 83.6%	49 89.1%
Unsure	2 3%	1 2.3%	3 6.7%	4 7.3%	5 9.1%
No Answer	1 1.5%	1 2.3%	0	2 3.6%	1 1.8%
No	0	0	0	3 5.5%	0

Looking Forward

State/Federal:

Although at this point in time, we are not facing any pending Medicaid cuts, the incoming administration is clearly demonstrating a "Value for Money Budgeting" policy theory for Medicaid. *"We need to make government more efficient through Value for Money budgeting. Right now, the state looks at how much money was spent last year, adds a little on for inflation and calls it good. Nowhere in that process does anyone look to see whether taxpayers are actually getting value. We need to stop funding programs that don't deliver results and put*

*more resources behind those that do. The State of Washington was able to eliminate a deficit of more than \$2 billion using this method.”**

We are also facing 88% of the Legislature being new to their roles in 2011. Within the Senate, 29 out of the 38 will be “freshman”, and 52 of the 110 Representatives will be “freshman”. This will require a great effort on our part as an MCF to educate and ensure that they hear us and understand our missions to protect our class III status.

On a national stance, we will need to continue to evaluate the new Healthcare Reform act to determine how it will affect our industry. This has been challenging due to the fact that many of the bills plans are still actively being written. We are also facing Medicare RAC and Medicaid MIC audits. The government has hired outside contractor to audit facilities and they are paid a percentage of what they are able to collect incentivizing the organization to find discrepancies.

New Auditing Procedures will also require a Management Discussion and Analysis for yearend 2010. We can consider parts of this plan as a starting point.

Bay Bluffs - 2011 Goals:

1. In 2011, it will be very important to ensure that we have a clear understanding of the ever-changing atmosphere of healthcare and stay active within the political world to ensure the new politicians know and respect our need to exist.
2. As an organization, we need to actively work to decrease the days payments are within accounts receivables and increase our effort to collect bad debt and/or determine the necessary write-offs.
3. We should begin designate time within each board meeting each month to discuss and act on our strategic plan. The document should be seen as an active document demonstrating our planned path ahead. We need to have extensive discussion regarding the possibility of adding onto our facility and determine which avenue to proceed to ensure future viability.
4. Capital Projects: Proceeding with the Air and Energy recommendations could greatly decrease facility consumption of gas and electricity. The sooner the projects are completed, the sooner we can visualize the savings. This should be a priority to complete in 2011.
5. Continue to review and inspect current systems and policies to ensure our compliance with the regulations we are faced with.
6. Continue to train and have proper access to information to ensure our staff remains proficient in providing care to our residents.

*Five Candidates Vie for Michigan’s Governor Seat, Jim Akans. October 21, 2010 www.weeklychoice.com