

**SHIAWASSEE COUNTY MEDICAL CARE FACILITY
SHIAWASSEE COUNTY HEALTH AND HUMAN SERVICES BOARD MEETING MINUTES
November 16, 2018: ADMINISTRATOR'S CONFERENCE ROOM**

CALL TO ORDER: Mrs. Knauff called the meeting to order at 10:02 AM. The following attended: Londa Knauff (Chairperson), Cindy Civile (Co-Chair), Greg Bontrager (Member), Shana Espinoza (Administrator), Sandy Lamb (Human Resource Manager), Jeff Smithingell (Plant Operations Manager), Jennifer Zamora (Dietary Manager), Deb Bendall (IT), Phil Alt (CFO) Kelly Knieper (Office Manager, Billing), Zack Zechmeister (Spence Brothers) via telephone and Chelsea Nelson (Administrative Assistant to the Administrator).

Approval of the Shiawassee County Medical Care Facility/Shiawassee County Department of Health and Human Services Board meeting minutes: Mr. Bontrager made the motion to approve the October 26, 2018 meeting minutes; Mrs. Civile supported the motion, which passed by an all yeas vote.

1. **Public Participation:** None.
2. **Vote for Board Reorganization:** Final approval has been received for the new board member, Greg Bontrager. Mrs. Espinoza recommended a vote for reorganization.
 - Mrs. Civile made the motion to appoint Mrs. Knauff Chairperson; Mr. Bontrager supported the motion, which passed by an all yeas vote.
 - Mr. Bontrager made the motion to appoint Mrs. Civile Co-Chairperson; Mrs. Knauff supported the motion, which passed by an all yeas vote.
 - Mr. Bontrager was appointed Member; no vote was necessary for this.
3. **New Pleasant View Building- Analysis of Building Project Costs/CON:** Mrs. Espinoza explained that as discussed at previous meetings, since the building project overran its approved costs by more than the threshold, an amendment to the CON was requested to accommodate the increased project costs (15% of the first \$1 million + 10% of the remaining approved costs). The amendment was filed on May 16, 2018 through the services of Walt Wheeler. Mrs. Espinoza reported that on October 15, 2018 the amendment was approved. The last step in the CON process is to file a report that the facility is up and running, this is being done through the services of Walt Wheeler.
4. **New Pleasant View Building- Building Update:** Mrs. Espinoza reported that the heating system continues to work properly following repairs. She explained that in regards to warranty matters, the project, specifically heating/cooling, has a 2-year overall warranty from the date of substantial completion (January 12th, 2018 until January 12th, 2020). Unit C (Harbors unit rooftop) is where we had the problem of the fan shutting down requiring the extensive repairs. Remer/Ostrander have agreed to provide an extension on the warranty for unit-C until October 19th, 2020. Mrs. Espinoza presented an email from Zach Zechmeister of Spence Brothers detailing additional warranty info and maintenance needs for upkeep. Mr. Smithingell reported that we are looking into getting a contract through William Walter for a guaranteed response time should an issue arise. He stated that he is also working on a service agreement for ongoing preventative maintenance. Mr. Smithingell reported that there are no further door issues. Zack Zechmeister presented a list of outstanding building concerns.

At 10:16 AM, Zack Zechmeister left the meeting (via telephone).

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5. **New Pleasant View Building- Marketing/PR:** Mrs. Espinoza reported that a very successful Halloween event occurred at Pleasant View; 825 people came in to enjoy the festivities. She also stated that Christmas decorations continue to be coordinated and that Christmas decorating will start the last week of November. Mrs. Espinoza explained that CRT is putting together a 2019 calendar for a fundraiser. Recording for the 2019 Christmas commercial starts December 11th. Mrs. Espinoza stated that the Christmas cards have arrived. Advertisement in local newspapers for the holiday season has been scheduled. Mrs. Espinoza also stated that we are discussing bringing Santa in for the staff and residents.
6. **New Pleasant View Building- Star Rating with CMS:** Mrs. Espinoza explained that we have dropped to a 4-star rating overall. This is due to our quality measure section dropping from 5, to 4 stars. The DON is investigating the exact reason. In addition, due to recent and upcoming surveys, we anticipate this rating could stay at 4 or even drop to 3 stars in the coming months. Efforts are ongoing to continue working on the requirements with CMS
7. **Financial- MMRMA:** Mrs. Espinoza explained that Michigan Municipal Risk Management Authority (MMRMA) is who we utilize for our insurance needs (excluding work comp). She stated that we have received our renewal rates for 2019. She explained that the renewal is \$115,436; last year it was \$110,282. The increase is due an overall increase in insurance costs, and the increased needs with the new building. It is also important to note that we are part of a pool that refunds us money for low claims in the entire group. She explained that while we should not depend upon a refund, last year we received \$23,002. Mr. Bontrager made the motion to approve the MMRMA renewal for 2019 in the amount of \$115,436; Mrs. Civile supported the motion, which passed by an all yea vote.
8. **Financial Report:** Presentation of the October, 2018 unaudited financial statements will occur at the December board meeting.
9. **Financial- Consultant Julie Kearney:** Mrs. Espinoza explained that we utilize the services of consultant Julie Kearny to assist us with billing needs. She stated that Julie is a great asset to our team. Currently, we utilize her services every other month. Mrs. Espinoza explained that with the upcoming changes to the payment systems, we are recommending that we increase her services to monthly for 2019 (with the potential exception of two months in the summer). This would be an estimated total of 10 visits for the year. In 2018, we added additional visits in order to get assistance with billing needs and outstanding AR. The cost for 2018 is approximately \$10,767.50. The estimated cost for 2019 is \$11,250 (10 visits at \$1,125 per visit). Mrs. Espinoza provided a cost breakdown. Mrs. Civile made the motion to update the contract with Julie Kearney to have monthly services not to exceed \$12,000; Mr. Bontrager supported the motion, which passed by an all yea vote.
- **Financial- Budget for 2019:** Mrs. Espinoza explained that Discussions with department heads have begun and are being finalized to ensure the identified budget

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amounts for each expense category is accurate and incorporates the needs of department heads. The following bullet points were reviewed and discussed:

- Occupancy rate of 93% (2018 YTD is 92.9%).
- Reimbursement rates are based on known amounts (Medicaid, private pay) and historical averages (Medicare, commercial insurance, etc.).
- Payor mix is expected to remain consistent with 2018.
- Millage revenue is estimated at \$3.46 million, a 2% increase from 2018. The County should be able to provide a more accurate amount in the near future, which will then be used for the budget.
- No CPE funding is estimated because the variation of the potential reimbursement from the CPE program is significant. Estimates for 2019 are from \$100,000 to \$1.2 million.
- Wages and benefits are evaluated by department, considering historical staffing, expected wage and benefit rate changes, identification of changes in positions and roles, and other factors.
- Bad debt expense estimated at 1% of service revenue, which was based on 50% of the Michigan average for bad debts in skilled nursing (2% State average based on filed Medicaid cost reports).
- Current expectation for other expense changes is based on a 2% inflationary increase, with adjustments based on input from department heads and factors.

Items that will be estimated in the initial budget, but be revised once identification of actual amounts (should occur early in 2019, if not sooner) occurs include:

- QMI revenue and expenses.
- Millage revenue.
- QAS provider tax expense.
- Depreciation expense.
- Adjustment for Medicaid plant cost component of Medicaid rate.

10. Financial- Accounts Payable:

- Mrs. Espinoza presented the accounts payable check register dated 10/31/18 for \$119,524.61. Mrs. Civile made the motion to approve payment of the check register 10/31/18 for \$119,524.61; Mr. Bontrager supported the motion, which passed by an all yeas vote.

11. Financial- Payroll: Mrs. Espinoza informed the board that on paycheck 9/28/18, payroll and OT were up due to the Labor Day holiday. On check date 10/26/2018 and check date 11/9/2018, overall payroll went down by approximately \$20,000 from previous two payrolls of 10/12/2018 and 9/28/2018; but OT is higher, which Mrs. Lamb stated she is looking into.

- Mrs. Espinoza presented payroll from 10/1/18-10/14/18 for \$383,684.74, which was paid on 10/26/18. Mrs. Civile made the motion to approve payroll

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from 10/1/18-10/14/18 for \$383,684.74; Mr. Bontrager supported the motion, which passed by an all yeas vote.

- Mrs. Espinoza presented payroll from 10/15/18-10/28/18 for \$ \$403,247.43, which was paid on 11/9/18. Mrs. Civile made the motion to approve payroll from 10/15/18-10/28/18 for \$ \$403,247.43; Mr. Bontrager supported the motion, which passed by an all yeas vote.

12. **Financial- Occupancy Data Comparison:** Mrs. Espinoza presented the occupancy data comparison, which showed the average daily occupancy to be higher in October 2018 than in October 2017 with higher readmissions and higher discharges in 2018 compared to 2017.
13. **Financial- Write-Offs:** None presented at this meeting.
14. **Financial- Outstation Worker:** Mrs. Espinoza explained that as briefly discussed at the last board meeting, we are looking at the addition of a Medicaid outstation worker to work in our facility. She stated that we are currently negotiating the terms of the contract; once the contract is signed, it will take 6 months for a worker to be placed in our facility. The approximate cost is going to be around \$61,500. Mrs. Espinoza explained that that this would be placed on hold and re-visited sometime in the beginning of 2019.
15. **Operations- State:** Mrs. Espinoza informed the board State arrived in the facility on 9/25/18 to investigate a facility reported incident (med error) that was reported on 8/31/18. She stated that they left on 9/26/18 and we received one D level citation. Mrs. Espinoza explained that they returned to follow up on our plan of correction (POC) on 10/26/18. They did not clear us at that time and we had to resubmit a plan of correction. Mrs. Espinoza stated that we do not agree with these findings and submitted a dispute for review (called IDR). In addition, we are still waiting on our annual survey to occur at any time. On 10/17/18 we reported a family allegation of neglect that is still waiting to be investigated.
16. **Operations- Incident/ Accident Report:** Mrs. Espinoza presented the October 2018 incident/accident report at the meeting.
17. **Operations- Outpatient Therapy:** Mrs. Espinoza explained that our new therapy coordinator has started his position. She stated that he brings knowledge of outpatient therapy services from another county home. In addition, Mrs. Espinoza has reached out to a consultant that may be able to assist us with this process. Mrs. Espinoza gave an update on the phone conversation she had with the consultant. She stated that we are assessing our current systems now, and will place this on hold and re-visit at a later date.
18. **Strategic Planning- Culture Change Journey:** Eden plans are underway. The Neighborhood Guides continue to meet bi-weekly. The team is working on developing team Eden days and holiday events.

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19. **Human Resources- Union Negotiations:** Union negotiations are still underway. Steve Girard, attorney with Clark Hill, is assisting us with negotiations. The next meeting is today.
20. **Human Resources- 80/20 Insurance Option:** Mrs. Espinoza explained that Public Act 152, commonly known as the Publicly Funded Health Insurance Contribution Act, sets limits on the amounts a public employer in Michigan may pay or contribute towards the cost of a medical benefit plan for its employees and requires each public employer to vote annually to select either the "hard cap" or the "80/20" cost sharing option set forth in the Act. This facility has historically selected the 80/20 option since this requirement was set. Mrs. Civile made the motion to adopt the 80/20 cost sharing option set forth in PA 152 for plan year 2018; Mr. Bontrager supported the motion, which passed by an all yeas vote.
21. **Human Resources- Work Comp Case:** Mrs. Espinoza explained that In June 2018 the board voted to settle a work comp case (regarding a former employee's knee injury) in the amount of \$21,900. Broadspire, our work comp company, is requesting permission to grant an additional \$2,000 to settle the case. Mr. Bontrager made the motion to approve work comp settlement in the amount of \$23,900; Mrs. Civile supported the motion, which passed with an all yeas vote.
22. **Human Resources- EEOC:** Mrs. Espinoza reported that as discussed at the last board meetings, on January 25, 2018 we received a complaint that was filed against us through the EEOC. This was in regards to a complaint of sexual discrimination. We have involved our lawyers for assistance. No further information to present at this time. On March 12, 2018 we received a complaint through the EEOC alleging discrimination. Legal assistance has been obtained. On March 13, 2018 we received a second complaint through the EEOC alleging discrimination. A letter from the same employee who filed this complaint was given to the Administrator days prior. Legal assistance has been obtained for this complaint as well. Per Administrator request, an investigation has been conducted through the law firm Clark Hill. Mrs. Espinoza gave an update stating that on September 11, 2018 we were notified that this charge has been closed with no findings. On June 14, 2018 we received a third complaint through the EEOC alleging discrimination. Legal assistance has been obtained for this matter as well. This complaint was closed by the EEOC a short while later on June 18, 2018. Mrs. Espinoza explained that our responses have been submitted for all claims with the exception of the June 14, 2018 complaint, since it was closed. Mrs. Espinoza informed the board that we only have one open case.
23. **Updated Policies:** Mrs. Espinoza explained that a massive review of all policies is underway. The current focus is on all nursing policies. Progress is being made with the dietary policies as well.
24. **Nursing- QAPI:** Mrs. Espinoza explained that we are working on a medication error reduction plan.
25. **Activities- Update:** Mrs. Conklin presented a schedule of upcoming events for the remainder of 2018.

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26. **Next Year Board Schedule:** Mrs. Espinoza presented the 2019 proposed DHHS Board meeting dates for the first Friday of the month. Pleasant View needs to revise these dates to the third Friday of the month. A vote will take place at the next meeting

27. **Next Meeting Date:**

- Friday, December 21, at 10 AM in the Administrator’s Conference Room.

28. **Adjournment:** Mrs. Civile made the motion to adjourn the meeting at 11:05 AM; Mr. Bontrager supported the motion, which passed by an all yea vote.

Meeting Adjourned at 11:05 PM.

Administrator

Board Chairman