

## HEALTH SERVICES COMMITTEE

December 12, 2018

CALL TO ORDER – Vice Chair Driscoll called the meeting of the Health Services Committee to order at 9:01 a.m. in the Rock Haven, Village Commons Conference Room.

COMMITTEE MEMBERS PRESENT: Vice Chair Driscoll, Schulz, Hawes, Brien

STAFF MEMBERS PRESENT: Clayton Kalmon, Administrator; Donna Clark, Director of Nursing; Joanne Foss, Controller; David Froeber, Facilities Superintendent

OTHERS PRESENT – Jim Haseman, Volunteer Ombudsman

APPROVAL OF AGENDA – Supervisor Schulz moved approval of the agenda of December 12, 2018, second by Supervisor Brien. ADOPTED

APPROVAL OF MINUTES – November 28, 2018 – Supervisor Hawes moved approval of the November 28, 2018 minutes, second by Supervisor Schulz. APPROVED

INTRODUCTIONS, CITIZEN PARTICIPATION, COMMUNICATIONS AND ANNOUNCEMENTS – Jim Haseman, Volunteer Ombudsman was introduced. He is the resident advocate.

REVIEW OF PAYMENTS – Committee reviewed payments.

BUDGET TRANSFERS – None

FINANCE – The third quarter report will be available next month.

OLD BUSINESS – None

NEW BUSINESS –

RESIDENT COUNCIL MINUTES – Resident Council Minutes for October provided.

FACILITY RESOURCE ASSESSMENT – The Facility Resource Assessment is being completed at this time. Clayton Kalmon will email the assessment for review when completed.

EMERGENCY PREPARDNESS PLAN – Community Risk Assessment for any emergency hazards.

INTERVIEWS FOR NEW POSITIONS IN 2019 – Interviews have been completed for the ADON, Education Nurse, Admission Nurse and Infection Control Nurse and offers have been accepted. All will start on January 1, 2019. The Admission Nurse will start on January 14, 2019.

REPORTS -

CENSUS – Census reports provided.

NEXT MEETING DATE – The next regular meeting of the Health Service Committee is scheduled for Wednesday, January 9, 2019 at 9 a.m. in the Rock Haven Conference Room.

ADJOURNMENT – Supervisors Brien moved to adjourn at 09:38 a.m., second by Supervisor Hawes. ADOPTED by acclamation.

Respectfully submitted,  
Michelle Lynch

NOT OFFICIAL UNTIL APPROVED BY THE COMMITTEE

To: Clayton Kalmon  
From: Joanne Foss *JF*  
Date: December 12, 2018  
Subject: Rock Haven 3rd Quarter 2018 Financial Results

Attached please find a schedule showing the 3rd quarter 2018 financial results for Rock Haven compared to the 2018 budget. Figures shown are through September. Through the end of the 3rd quarter we should be at 75% of our budget. Following are explanations for some items that are different than expected:

**Revenues:**

- **Rents & Commissions are under.** This is for commissions we received from our vending machine. We have not received a consistent revenue amount per month. We budgeted to receive \$83.33/month but averaged \$65.98/month through the 3rd quarter.
- **Intergovernmental Charges – Federal is under.** We are under budget for Medicare Physicians. This is due to the loss of our Medical Director at the end of 2017 and the change of the Medical Director roll. We could not bill for the current Medical Director in the first quarter and capture the revenue because he was affiliated with another medical facility. We could not bill under that facility. At the end of the second quarter and through the 3<sup>rd</sup> quarter we have a significant increase in revenue because we can now bill for both our Nurse Practitioner and our new medical director who started in the second quarter. In the 3<sup>rd</sup> quarter our revenues averaged \$3,360/per month. Medicare was budgeted for 12 patients per day with an average rate of \$500/day – we averaged 12 patients per day with an average rate of \$484/day. **Medicaid is under.** Medicaid was budgeted for 99 patients per day. We averaged approximately 92 residents per day through the 3rd quarter.

Overall total revenues were at 79% which is 4% over our 3rd quarter projections.

**Expenses:**

- **Overtime Wages are over.** While productive wages are at 70%, overtime wages were over for RN's at Limestone Court (131.94%), RN's at Sandstone Court (108.75%), LPN's at Limestone Court (136.85%), LPN's at Sandstone Court (427.94%), CNA's at Limestone Court (89.53%), CNA's at Sandstone Court (87.87%) and Food Services (90%).
- **Professional Services are over.** This includes annual costs charged for computer and printer services, preparation of our Medicare Cost report, fees and costs associated with the interim administrator and pest control services.
- **Financial Services are over.** This is an annual audit fee charged to Rock Haven as part of the county fiscal audit.
- **Medical Services are over.** There was an increase in Physical, Occupational, and Speech Therapy services through the 3<sup>rd</sup> quarter.
- **Utility Services are over.** Water and Natural Gas expenses are estimated based on usage and a modest rate increase. Exact rates are not known at the time of the preparation of the 2018 budget. Water bills through the 3rd quarter indicate that Rock Haven is using more water than the previous year. An increase in water units increased 200 units due to an increase in tenants.

Memo: 3rd Quarter 2018 Financial Results

Natural gas bills through the second quarter indicate more natural gas usage compared to last year, likely due to an increase in resident census.

- **Building Repair & Maintenance is over.** In the 3<sup>rd</sup> quarter a main breaker that feeds one of the transfer switches to the backup generator failed and needed to be replaced. The cost was \$4,375. Also, in the 3<sup>rd</sup> quarter there was an expense for ADA automatic door hardware for Limestone East resident laundry door - we had residents that were restricted from doing their laundry due to not being able to open the laundry door. The cost was \$3,990.
- **Sundry Repair & Maintenance Services.** This is for maintenance contracts for the ECS software and the dietary menu system. We had a one-time cost for an upgrade to the ECS system.
- **Office Supplies & Expenses are over.** The overage is due to battery replacements in the Mezzanines, purchase of additional wander guards, water testing by the State, PTI upgrade to the laptop to include the door hardware, increase in the number of requests for office supplies and special requests, paper product price increase, increase in entertainment and program supplies due to an increase in resident participation in our program area, and charge for our annual PO Box fee. Overall most supply items run over budget the first part of the year as we cut back for inventory in December and then stock more aggressively and stock up again for summer vacations. It is a seasonal pattern which applies to all supplies purchased for Rock Haven.
- **Medical Supplies.** This includes wound care supplies, catheters, syringes, gloves, blood glucose supplies, saline water, alarm pads and tube feeding supplies. This is based on resident mix and need. Gloves and wound care equipment were needed in the third quarter.
- **Training is over.** This includes in-house training, conferences, and educational supplies provided to Rock County employees. In the 3<sup>rd</sup> quarter both the Administrator and Director of Nursing attended the Leading Age Fall Conference, continuing education for our Registered Dietician, and a Medicaid/Medicare Reimbursement seminar attended by the Finance staff and the MDS nurses.
- **Other Supplies & Expense is over.** This is a cross charge from Rock County Human Services for medical records department services. We budgeted \$4,167/month and through the end of the 3<sup>rd</sup> quarter expenses have averaged \$4,752/month. In 2018 we added a new non-budgeted account, Marketing/Promotions which is for the promotion and marketing of Rock Haven expenses including participation in two Senior Health Fairs.
- **Insurance Expense is over.** These are annual charges for liability insurance, resident trust account bond, and facility insurance. Annual charges for liability insurance and resident trust account bond were charged in the beginning of the year. There was a substantial increase for the Wisconsin Municipal Insurance (WMMIC) premium. \$27,529 was budgeted for 2018 and the actual expense was \$43,024.57. The company had several large loss years and announced after the 2018 budget was passed the premiums were going up quite a bit. In the 3<sup>rd</sup> quarter we were charged for boiler insurance.
- **Interest Payments are over.** This is for principal payments for debt issued for the Rock Haven Facility. This expense does not affect the tax levy and is offset by a revenue account.
- **Equipment/Furniture is over.** This includes budgeted capital assets. The overage is due to the purchase of three copy machine replacements purchased through the 2<sup>nd</sup> quarter. The copy machine replacements were not in the 2018 budget. This also includes an annual cross charge from IT for scheduled PC replacements and upgrades.

After the total appropriation was adjusted for budgeted depreciation which does not affect the tax levy, overall total expenditures are at 74% which is 1% under our 3<sup>rd</sup> quarter budgeted projections.