

Sullivan County NH

Type of Meeting: Sullivan County Full Delegation
Date / Time: May 14 2007 9:00 am
Place: Lou Thompson Room, Newport Vocational Center

Participants:

Representatives: Peter Franklin (Chair), Ray Gagnon (Vice-Chair), Ellen Nielsen (Clerk), John Cloutier, Larry Converse, Tom Donovan, Sue Gottling, Jay Phinizy, Beverly Rodeschin, and Carla Skinder

Commissioners: Ethel Jarvis and Ben Nelson

County Employees: County Manager Ed Gil de Rubio and Nursing Home Administrator Scott Wojtkiewicz

Public Participants: None

The meeting was called to order at 9:00 am by Rep. Franklin.

Minutes of April 23, 2007:

The motion to accept was made by Rep. Gottling and seconded by Rep. Cloutier. The motion was passed; Rep. Rodeschin abstained, having been absent from that meeting.

Agenda Items:

County Manager's Report
Nursing Home Administrator's Report
Discussion of County Financial Situation

County Manager's Report:

Mr. Gil de Rubio passed out reports, which include 3rd quarter financials and a cash flow statement to each member of the delegation. He stated that he was projecting a deficit of about \$100,000 at the end of the fiscal year and said that much of the deficit was due to "call outs." Rep. Skinder asked how much the nursing home was using agency nursing—her question was not answered. Rep. Donovan asked if the \$100,000 deficit would be after the borrowed money [tax anticipation line of credit] had been repaid and if payment to Genesis is included in the report. Mr. Gil de Rubio answered: "I don't know." Rep. Rodeschin asked how much of the deficit is a result of unfilled beds. Mr. Gil de Rubio answered that the vacancy rate was about 6%, and that there was a statewide slump in nursing home occupancy. Mr. Gil de Rubio said that the nursing home administrator, Mr. Wojtkiewicz, could answer these questions more fully.

Nursing Home Administrator's Report:

Mr. Wojtkiewicz presented a report on the financial status of the nursing home. He said that the census changes daily, and that there were 153 residents on this day, May 14, 2007. Because some rehab patients were short-term, and there had been some deaths, there had been more departures than new referrals. The lowest census had been 144. The drop in occupancy had been mainly in Medicare Part A patients.

Rep. Franklin pointed out that the delegation used to get monthly census reports and requested that they get them again. Rep. Phinizy asked about the 6% vacancy rate—Mr. Wojtkiewicz said that the facility budget is based on the assumption that there will be 153 residents although the capacity is 156. Rep. Rodeschin asked Rep. Franklin to get bed counts from facilities in other counties for comparison. Rep. Gottling asked about the distribution of patients with different funding sources. At this time there are 20 private pay patients, 22 Medicare patients and 110 Medicaid patients. Medicare payments vary according to the condition of the patient and the type of services received, but the budget assumes the Medicare rate will average \$375 per day. The nursing home is paid \$140 per day for patients on Medicaid, but the cost of a bed is \$170

per day. Rep. Franklin asked if Medicare patients require more services. Mr. Wojtkiewicz responded that this was not necessarily the case—some Medicaid patients require intensive services. Rep. Donovan asked about the importance of documenting the need for services and the services received. Mr. Wojtkiewicz said that better documentation results in a higher Medicare rate. He also said that he attends monthly administrators' meetings and that referral rates from doctors are down statewide. Rep. Donovan asked about a story in the *Eagle-Times* about the nursing home deficit. Mr. Wojtkiewicz responded that the story was not accurate because certain other revenues had not been included, and added that the quality of care in the county home is better than in most other facilities—quality of care is not the reason for the deficit.

Rep. Skinder asked Mr. Wojtkiewicz to explain to the delegation how Medicare patients eventually may become Medicaid patients or vice versa. Patients who have been in a hospital for 3 days and who need continuing skilled nursing care or therapy are covered by Medicare for 100 days, but after the 20th day there is a co-pay (private pay, other insurance, or Medicaid.) After 60 days of wellness (with no need for skilled care) patients may re-qualify for Medicare. Rep. Skinder followed up with a question about how care is documented. Mr. Wojtkiewicz answered that two employees work full time on this activity.

Rep. Phinizy asked how, given that Medicaid pays only \$140 for a bed which costs the County \$170, we can deal with the shortfall of Medicare patients which contributes to the budget deficit? Is the budget too optimistic? How can we fill more Medicare beds? These questions elicited a conversation between Mr. Wojtkiewicz and several representatives and Mr. Gil de Rubio about the effect of bad publicity on Medicare referrals. Points that were made included:

- Other payment sources, including private pay, remain fairly constant but Medicare is dynamic.
- Unlike private facilities, the county facility is out in the open and citizens ask their representatives for information the representatives don't have. The public nature of the nursing home leads to public scrutiny.
- Publicity about the infighting over Genesis may lead to a drop in Medicare referrals.
- Some bad publicity may be sparked by disgruntled employees.
- All such facilities can have deficits and disgruntled employees.
- Mr. Wojtkiewicz wants citizens who have a complaint to call him directly.
- Maybe the delegation should stop trying to micromanage the facility.

Representative Franklin asked Mr. Wojtkiewicz what he hoped for at the end of the fiscal year. Mr. Wojtkiewicz said that he hoped the nursing home would break even. Mr. Wojtkiewicz was asked if Sullivan County is ready to end the Genesis management contract. His answer was no: the County still needs the knowledge and expertise of the Genesis staff, and if county officials tried to manage the nursing home without their help, they would be in trouble immediately. Rep. Skinder asked a question about the range of salaries for nursing home administrators. Mr. Wojtkiewicz responded that the salaries ranged from \$70,000 to \$100,000, with 58% for benefits. Rep. Franklin asked for more information about benefits. Representative Phinizy objected to this question—an employee should not be required to disclose information about his own compensation to the public. Rep. Gagnon thanked Mr. Wojtkiewicz for coming and expressed appreciation for his clear answers to questions from the delegation. Rep. Franklin also expressed his thanks and appreciation. Mr. Wojtkiewicz left the meeting shortly after completing his report.

Discussion of the County's Financial Situation:

The nursing home administrator's report was followed by a conversation about the County financial picture and representatives' frustration about not getting timely information. Mr. Gil de Rubio stated that if things don't change, however, the nursing home could end up with a deficit of \$220,000, and the County with a deficit of \$110,000. Rep. Gottling stated that we have been asking for this financial information since March. Mr. Gil de Rubio stated that the

report had been delayed because the County's accountant, Jeff Graham, was tied up with income taxes during April, and because of an illness in Mr. Graham's family.

Mr. Gil de Rubio explained that the information he had passed out to delegates at the beginning of the meeting represented a quick email report and that more information will be available soon. He said that there are many questions that he cannot answer because he is not an accountant.

Rep. Rodeschin asked if, when the County Treasurer set up a \$2,000,000 line of credit for the County, she had put the loan out to bid. [Since the meeting, Commissioner Jarvis has informed the delegation by email that a formal bidding process is not required but that three lending institutions had submitted informal proposals and that the money was borrowed from the institution that offered the lowest interest rate—the bank the County normally uses.] Shortly after asking this question, Rep. Rodeschin left, stating that she had another commitment.

There was uncertainty about how much money had been borrowed using the line of credit. At the time of the meeting, Comm. Jarvis thought that \$350,000 had been borrowed but Mr. Gil de Rubio said that another \$450,000 had just been borrowed, to make a total of \$800,000. Rep. Franklin asked if Mr. Gil de Rubio's projections of a \$100,000+ deficit included payment to Genesis (which apparently will be the full \$450,000 authorized) and repayment of the money borrowed through the line of credit. At this point, the exchange between Rep. Franklin and Mr. Gil de Rubio became more personal, and Mr. Gil de Rubio left.

Representatives continued to express frustration: Rep. Gottling said that the County is way over budget and that the commissioners have spent money not in the budget without approval from the Executive Finance Committee of the Delegation. Rep. Franklin expressed concern about whether the County could repay the \$800,000 that has been borrowed and wondered if the line of credit should be rescinded. Rep. Donovan expressed his frustration about the lack of comprehensible information and the lack of a transition plan for the exit of Genesis. Rep. Gottling asked when the next county payroll was due. Commissioners Jarvis and Nelson said that the County may have to borrow more money to meet it. Representative Gagnon wanted to know more about the borrowing process and how Commissioners learn when borrowing is needed. Is their decision based on last-minute information from the county Manager? He stated that we are all working for the County and that if the fiscal year ends with a huge deficit, he is concerned that the County tax rate will go up.

Next Steps:

Before Mr. Gil de Rubio left, Rep. Phinizy had requested that this meeting should be recessed and that the Delegation should re-convene at a time when the County accountant and all members of the EFC can be present. He suggested that the delegation should reconvene on Monday, May 21 at 1:00. Representatives acted on his request. Rep. Gottling moved that the Delegation should be in recess until Monday, May 21 at 1:00, and Rep. Donovan seconded this motion. The motion passed and the meeting was recessed.

Respectfully submitted by



Rep. Ellen Nielsen, Clerk