

Health & Human Services Committee
Rock Island County Board
February 27, 2012

The Health & Human Services Committee of the Rock Island County Board met on Monday, February 27, 2012 in the conference room of the County Board Office. The special meeting was held for the explicit purpose of discussing Phase I of the Gabelmann project.

Members Present: Meersman, Westpfahl, Mayberry and Loftin

Members Absent: Ballard, Freeman, Moreno

Others Present: James E. Bohnsack, Trudy Whittington, Meg Hoskins, Ric Parades, Bill Gabelmann, Tom Dryg, April Palmer and Mike McColl

At 4pm, there was no quorum, but this meeting is largely informational. They will go into more detail on the Phase I report. This was briefly reviewed at the regular meeting of the Health & Human Services Committee.

As Loftin was now present, the meeting was officially called to order at 4:02pm.

Gabelmann added that their purpose was to identify opportunities for improvement. The report does not indicate a lot of the good things that are going on at Hope Creek. There are many items that are very positive. It is simply a report that will indicate opportunities for improvement. One of the best things is the people who are employed at Hope Creek. Findings and recommendations are not presented in any priority order and many are co-dependent on other items.

Tom Dryg works twice a week at Hope Creek and has been trying to get instilled into the processes. Ric Parades from Estes was also present as he was included in Phase I and Phase II engagements and will work with Trudy on operational. Tom is largely financial.

Schedule A will be reviewed in detail.

1. Staffing - five areas identified to relative staffing issues.

a. Training - new people in billing, just completed MDI training (clinical and financial software) accurate charges, level of care, level of therapy all entered and goes hand in hand. Very good training, new employees soaked everything up and the longer term employee had a number of questions answered. Trudy will attend this meeting in the summer. The Medicare Boot Camp training was tabled at the last meeting, Gabelmann suggested that the

ROI for this training would be great. They are very supportive of the staff attending this training. Five individuals @ \$1299 each plus travel expenses, for an estimate of \$8500. Tabled the training last month, will bring it back at the March meeting. Other training needs throughout the facility on various processing systems. It will improve efficiencies. Could be a significant time saver with minimal investment.

b. Business Office Hierarchy - no direct business office hierarchy on a full time basis - everything goes to Trudy. There are a lot of aspects that a business office manager could be beneficial. Hope to get Hope Creek to this point, want to get Tom involved in the Business Office to take some of this off of Trudy. Options are to extend Phase II or to perhaps hire a business manager. Trudy agreed - she tries to be available but is not always available when needed. She may be holding up processes because she is not always available when needed. The County's assistance is paramount to the success of Hope Creek and takes some of the pressure off of the Business Office. Billing and Accounts Receivable issues at Hope Creek are a concern without direct daily management.

c. Communication; d. Workload and e. Redistribution of Duties were handled all together - this is due to recent new staffing. Some of the comments was "not my job" and "that's the way we've always done it". These comments need to be changed. Job descriptions may need revised. Opportunities for improvement on these issues. The Manager or Hierarchy being more defined will also assist with these three items.

Current staff is very positive. Training has begun and enthusiasm has been heard of the entire billing staff. The staff is a "sponge" and is soaking up everything they are learning. The billing staff will be involved with the report as well.

Dryg is providing the financial management and financial reporting part of the Phase II project. He is the "controller for the day". Evaluation of contracts, everything that has a financial implication, will be reviewed with Dryg. He will complete the analysis and determine if this committee needs to be involved. Eventually, a business manager may be brought in to assist with these issues. Prioritizing the issues will be addressed. Reports are being developed to go hand in hand with what the Auditor's Office is presenting. Dryg is there to help our employees, not have the employees rely on him. We will streamline processes and make us more efficient. Critical that bills go out correct and must plan/track that revenue. Additional investigation and billing out of claims is also another large training issue. Claims must go out correct. Create processes to ensure proper billing. Ongoing training for individuals is also necessary. Parades stated that this committee has the unique opportunity to correct years of issues.

With the billing office staffing, there is sufficient control of the \$18 million operations and will cover vacations, turn over, and all the needs of the facility. He stated that we are doing everything positive to get on track.

II. Processing Systems

a. Multiple Systems - 6 different systems being used - duplication of time and effort in several aspects of processing and financial activities. Will work with IT to integrate systems. Use of spreadsheets is phenomenal for data entry activities. Duplication of duties. May be completely different operating systems. Need to have a five year technology plan. Many upgrades are possible at Hope Creek Care.

III. Revenue Billings & Collections

a. Census data - must be accurate

b. Medicare/Medicaid - billings have not been timely - Medicaid November payment received today - December Medicare billings are up to date. Billings are getting caught up, but many rejected claims still need to be gone thru.

c. Non-Posting Items - the MDI system - some of the training staff received last week addressed the non-posting items and how to track them such as bed tax, alien recipients, adjustments, credits, etc. Alien recipients are those that the state does not identify right away. Some of the reimbursements do not post against a patient account. Tracking is important as sometimes it is up to a year later.

d. Monthly statements - about 550 statements are printed, about 300 are not mailed. Need to take some time and find out why not correct or if they are uncollectible accounts. Spend a great deal of time and money on these old accounts. May have to write off some uncollectible accounts. We are sending out bills to patients who have passed away. We have to let the system know that we are considering them uncollectible. Between 2008 and now, someone should have been able to identify. We do not have the propose staffing to review these bills. We probably should be sending out 275 bills monthly. The decision to write off is that of the Board. About 100 uncollectible accounts were written off when moved from OGH to HCC. The bookkeeper may not have completed the process in the system at that time. Additionally, the bookkeeper should be running a report each month letting Trudy know what is on the uncollectible listing but that has not occurred. Part of this is staffing issues and business office management issues. We need to create appropriate processes. It has come down to prioritizing what has to be done given the resources that we have. It was suggested that one day be set aside to review the statements. This is another issue that MPA could have/should have caught

e. Medicare Billing - training needed - already spoke about this issue

f. Billing Deadlines - used to be hard deadlines, but with the staffing transitions, the deadlines have slipped. Need to have some regimen into the process.

g. Complexity of Billings - training needed

h. Involuntary Discharges - state mandated process - currently four in the process now - someone who is not paying their bill, basically get a 30 day eviction notice through the IDPH, determine if their non-payment is reasonable. Trudy provided an example of a non-payment where a family member is taking the member's pension check so criminal proceedings are pending on that. Sometimes, individuals are trying to get on public aid while they are incurring bills with us.

i. Accounting for Receivables - defer that to later in presentation

j. Resident Trust Accounting - NH Funds Software being used now, but it will be reviewed for a possible upgrade. Each resident is allowed to hold \$50 and anything over that must go to an interest bearing account. As the fund has \$50,000 in it, there is a chunk that needs to be moved over. Manually typing checks out of the fund, when there are areas that can be upgraded.

IV. Purchasing and Cash Disbursements

a. Accounting for Payables - compliment April and her staff - great advantage for HCC - Voucher Payment good system

V. Payroll Processing

a. Overtime - Patient Care Department was reviewed showing 8% of total payroll costs for this department is for overtime. Parades will look at other departments as well to see if there are opportunities to save money. \$481,000 in overtime costs for one department alone. Great amount of benefits offered to employees for vacation time, personal time, holidays etc. make it where many times the entire staff is not in place

b. Duplication of Efforts - Novatime and NWS for payroll is a duplication of efforts

c. Accrual of payroll costs - defer to later

VI. Cash Management

a. Cash Flow Projections - updated model prepared to help determine when (if) will be out of money - based on historical information in the NWS -

b. Availability of Funds/Opportunity to improve - possible use of revenue anticipation notes

VII. Financial Reporting

Preliminary Financial reporting provided. (Record) A complete financial report was provided which included a balance sheet for assets and liabilities, statements of revenue, expenses and change in fund balance for accrual basis. It is a full accrual report. Revenue, expenses and estimates of current month's

billings were used to ensure that revenue exceeds liabilities. Costs are being allocated by department.

Right now, revenue is broken down by payor type and it should be by revenue type to see how each department is running. This is a preliminary draft. Hope to have December and January caught up. These are not accurate figures at this time. We are still billing for December and January. Very close, but still missing major components. This is being provided to look at the format. Hope Creek is a business and needs to be reviewed as such. It doesn't need to be profitable, but it needs to operate as a self-sufficient operation. One of the county's goals has been to reduce the tax levy.

This is a very readable and understandable report. It will be accurate and easy to understand. We could identify our profitability if revenue can be assigned by revenue type instead of payor type. Parades - this is a very common reporting process. Simple profit and loss statement. Will be able to review costs and see if it increases. Items such as under pads can be billed back to patients. A bar code system to assist with billing would help us in capturing revenue. We provide excellent patient care, we need to make sure we are getting paid for it. Overtime costs broken down by department will allow the Committee to see our costs.

Parades - there is a way to take this report and boil it down to per patient per day to ensure that we are covering our costs. Gabelmann will present this on a monthly basis to the Committee during their Phase II engagement. Will show you on a business basis, how Hope Creek is performing. Hope Creek is an \$18 million operation. Needs to have efficiencies built back in.

Nothing is drastically bad, but if can slightly improve each, it will run more efficiently. We only earn 10% of the beauty shop revenue. Parades will talk with Whittington on this issue as well.

Schedule B is a synopsis of the processes they reviewed. Gabelmann suggested that everyone review the listing as background and if there are specific questions, he would address them.

Gabelmann expressed his appreciation with the County. Very responsive to their requests. Parades is excited with the wonderful items coming from Gabelmann. Much more than the negative that has been shared. Taking very good steps to having a profitable operation. Meersman added that he has seen a lot of improvement in the office. Getting caught up with billing, less stress. Wants everyone to feel part of the team at Hope Creek. Parades stated that the investment making in these people and in the hierarchy is critical for our success. now, must protect those people and investment. People become

very, very valuable. Make sure paid correctly, good benefits, watch the market, etc. Protect our investment.

Westpfahl - must get our financial house in order and think we are on our way to that. Telling us what needs to be done. Loffin stated that they have identified needs in hiring such as the business manager. It has come up in the past and we've not been able to do that. Some suggestions have been brought up before and haven't been able to capitalize on those. We need to capture the financial needs to make the expenses. Utilizing processes and getting the financial records in place will stop the accrual of large past due bills. Westpfahl - MPA wasn't managing the home as we thought before. It is the County Board's job to manage that home.

There being nothing further to discuss, the meeting was adjourned at 516p.

Shelly Chapman