

# *MEADOW BROOK*

*ANTRIM COUNTY MEDICAL CARE FACILITY*

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ANNUAL REPORT for the YEAR 2017

to the

Antrim County Board of Commissioners

# 2017 ANNUAL REPORT

## GENERAL

Meadow Brook Medical Care Facility is a 133-bed Long Term Care Facility located in the Township of Kearney, County of Antrim, Michigan adjacent to the Village of Bellaire. It is a county owned facility under the governance of a three member Board of Directors (the Antrim County Human Services Board).

Meadow Brook Medical Care Facility serves primarily an elderly population, which qualifies for Skilled Nursing Care as defined by Medicare regulations and subsequently may qualify for Long Term Care as defined by State of Michigan Medicaid regulations.

Financial operating support is provided from patient generated revenue 78%, County Millage 9%, and other State/Federal support 13%.

## OCCUPANCY

During the year 45,004 days of care were provided which represents 92.7% occupancy. There were 272 new admissions. In addition to skilled nursing care provided 24/7, a comprehensive array of services and programs were provided to make life at Meadow Brook as pleasant and fulfilling as possible for all residents, such as dining programs with home style service, holiday celebrations, special activities inside and outside the facility, pet days, social services counseling and end of life accommodations for family when desired.

## STATE SURVEY

As is true every year, in 2017 a team of investigators from the Michigan State Department of Community Health came to Meadow Brook to review policies, procedures and standards of care. In 2017, Meadow Brook received 4 citations from the State survey team; this is well below the state average of 9.1 citations per survey.

## PERSONNEL

While the number of employees varies somewhat from month to month, on average Meadow Brook had 187 full-time and 21 part-time staff on payroll. Approximately 60% of staff is covered under a collective bargaining agreement with the Teamsters Union, Local 214. Employee turnover rate was 25% for 2017 or a decrease of approximately 2.7% from 2016.

## PHYSICAL PLANT

Completed the following major physical plant projects in 2017:

- |   |            |
|---|------------|
| • Fire Suppression – Change of Supply                       | \$5,586.00 |
| • Window Replacement – Renovated portion only - Engineering | 16,540.48  |
| • Hot Water Heater – Main Laundry                           | 17,440.00  |

**CAPITAL EXPENDITURES**

From Depreciation Funds:

Bladder Scanner	\$8,201.97
6 - Hobart Dish Machines	39,081.00
3 Door Upright Freezer	6,001.00
Balance Machine	17,890.00
Upgraded Computer Server	17,847.69
20 Qt Countertop Mixer – Main Kitchen	<u>5,139.00</u>

**TOTAL - CAPITAL EXPENDITURES** **\$94,160.66**

**COMMUNITY SUPPORT**

Independent Sector is the leadership network for nonprofits, foundations, and corporate giving program. Its current estimate for the dollar value of volunteer time during **2017 is \$24.14** per hour. As volunteerism moves and changes with issues and challenges of our time, it is important to capture what the presence of volunteering means to our residents. Meadow Brook acknowledges and appreciates our volunteers who dedicate time, talents and energy to making a difference in so many ways. Our calculations show we received **\$110,247** in contributions during 2017. This is a decrease of \$19,686, or 15.2%, from 2016.

As volunteerism moves and changes with issues and challenges of our time, it is important to capture what the presence of volunteering means to our residents. Meadow Brook acknowledges and appreciates our volunteers who dedicate time, talents and energy to making a difference in so many ways. Volunteer hours have decreased a bit and shifted in 2017. Resident volunteer hours have also decreased however we honor their contributions as households and activities have helped in setting up, folding laundry, decorating and organizing.

Volunteer Contributions-

- **Total Number of Hours = 4,567**
- **Resident Volunteers (3) 230**
- **Pet Therapy Visitors (3) 39**
- **Pastoral/Clergy (19) 304**
- **Transitional Companions (1) 3**
- **Community Groups (33) 2,026**
- **Individuals (45) 1,965**

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**FINANCIAL**

Meadow Brook continued receiving the millage for taxes received in 2017 at 1.0 mil. Actual revenue was higher than budgeted revenue due to the Facility's receipt of a Federal Certified Public Expenditure in the amount of \$959,704. The 2017 "Wages" increased \$304,190 (or 3.38%) from 2016. The 2017 "Fringe Benefits" decreased \$2,694 (or 0.10%) from 2016. The 2017 "Other Expenses" increased \$510,720 (or 7.84%) from 2016 due to increased building depreciation, and increase in Housekeeping, Dietary, Pharmacy and Nursing expenses in 2017 operational expenses.

	<u>2017 BUDGET</u>	<u>2017 ACTUAL</u>	
<u>Operating Statement</u>			
<b>Revenue</b>	\$17,455,163	\$18,948,097	8.55% above budget
<b>Expense</b>			
Salaries	8,949,260	9,301,364	
Fringe Benefits	2,873,777	2,660,819	
Other	<u>7,254,580</u>	<u>7,027,808</u>	
<b>Total Expenses</b>	19,077,617	18,989,992	0.46% below budget
<b>Net Gain (Loss)</b>	(1,622,454)	(41,895)	

Ending Balance 12/31/17

**Board Designated Funds**

General Restricted	\$ 13,162.91
Angell Fund	402,289.76
Wise Fund	260,795.87
Ferstle Fund	<u>173,794.22</u>

**TOTAL – Designated Funds           \$850,042.76**

**Cash Position**

General Cash	4,604,915.78
Depreciation Fund	111,587.57
Contingency Fund	1,503,772.38

**TOTAL – Cash Position               \$6,220,275.73**

**TOTAL – All Funds                   \$7,070,318.49**

## GENERAL MEADOW BROOK UPDATES

Meadow Brook maintained a consistent 5 Star CMS Rating in 2017 (Rating is from 1 to 5). The CMS Rating system includes use of quality measures in the areas of staffing, clinical quality indicators and annual survey.

The Facility maintained its community partnerships. In 2017, the Facility continued its partnership with Antrim County Transportation, LEPC, Commission on Aging, Antrim County Conservation District and several regional Hospice organizations. The Facility continues to host the local Rotary and Lions Clubs monthly club meetings. Meadow Brook is partnering with the CharEm ISD and Central Lake for their Nurse Aide training course which is part of their health education program. The Facility's website [www.meadowbrookmcf.com](http://www.meadowbrookmcf.com) received a new look to better promote the services provided. A Meadow Brook Facebook "Like us on facebook" page was introduced as another avenue to promote the Facility's services and increase staff recruitment. In 2017, Meadow Brook became a ServSafe training site.

One of the major goals of the Facility in 2018 will be to maintain the Facility's 5 star rating in the CMS Nursing Home Compare website. A second goal will be to increase marketing efforts as a premiere rehab and long-term care facility to increase resident census and expand partnerships with Munson Medical Center, McLaren Northern Michigan Hospital, Home Health agencies, DMEs, adult foster care groups and physicians. A final goal is to increase the diversification of the Facility's revenue stream. The Center of Medicare and Medicaid Services formally approved Meadow Brook's Outpatient Therapy Services in late December. Meadow Brook Outpatient Therapy has been approved as a provider with Blue Cross Blue Shield and has submitted a credentialing request with Priority Health.

A long term goal of the Facility is to participate in the development of workforce housing in Antrim County as this directly impacts the ability to recruit and stabilize staffing needs.

In 2017, Meadow Brook paid \$9,301,364 in wages to its 208 employees. Based on the economic principle of the "Multiplier Effect" in local economies, this translates to a positive economic impact to Antrim County businesses, institutions and governmental entities that ranges from \$30,973,542 to \$49,576,270 in 2017.

In the face of uncertainty regarding the Federal Government's legislation regarding the pending repeal of the Affordable Care Act as well as potential changes to the Medicaid/Medicare programs, the Facility continued its conservative approach when estimating patient care revenue and a worst case scenario approach when estimating increases in employee benefit costs when preparing the fiscal 2019 operations budget.

**MEADOW BROOK MEDICAL CARE FACILITY**

**MONTHLY & YEAR TO DATE BUDGET**

**OPERATING RESULTS COMPARISONS FOR DECEMBER, 2017**

	MONTH	MONTH	MONTH	YTD	YTD	YTD
	Actual	Budget	Variance	Actual	Budget	Variance
CENSUS (in resident days)	3,922	3,722	200	45,004	44,661	343
<b>REVENUE:</b>						
Patient Care Revenue (1)	1,287,562	1,276,896	10,667	14,729,003	15,322,746	-593,743
Interest Income	3,659	338	3,321	32,976	4,057	28,919
Contributions	167	417	-250	7,346	5,000	2,346
Millage Tax Revenue	146,096	144,362	1,734	1,753,155	1,732,343	20,812
Q A Supplement (2)	135,628	119,156	16,472	1,504,304	1,429,873	74,431
CPE Revenue (3)	318,276	0	318,276	959,704	0	959,704
Miscellaneous Income	3,437	5,534	-2,097	42,877	66,410	-23,533
Bad Debt	-58,045	-20,833	-37,212	-81,268	-250,000	168,732
<b>TOTAL REVENUE</b>	<b>1,836,780</b>	<b>1,525,869</b>	<b>310,911</b>	<b>18,948,097</b>	<b>18,310,429</b>	<b>637,668</b>
<b>EXPENSES:</b>						
Administration	134,906	130,701	4,205	1,574,918	1,568,417	6,501
Fringe (4)	266,537	239,481	27,056	2,660,819	2,873,777	-212,958
MOE (5)	7,025	8,316	-1,291	78,249	99,786	-21,537
Depreciation	138,319	138,319	0	1,659,825	1,659,825	0
Q A Assessment	261,422	76,493	184,929	955,584	917,916	37,668
Plant (6)	101,819	93,981	7,838	1,057,539	1,127,767	-70,228
Laundry	12,387	10,770	1,617	125,776	129,244	-3,468
Housekeeping	33,509	31,605	1,904	402,850	379,261	23,589
Dietary (7)	73,695	75,258	-1,563	832,782	903,099	-70,317
Pharmacy	10,282	18,000	-7,718	228,225	216,000	12,225
Nursing (8)	679,378	611,694	67,685	7,613,581	7,340,322	273,259
Lab	1,588	2,250	-662	28,131	27,000	1,131
Speech Therapy (9)	4,095	3,750	345	40,056	45,000	-4,944
Physical Therapy (9)	24,794	29,167	-4,373	288,293	350,000	-61,707
Occupational Therapy	23,202	22,500	702	273,494	270,000	3,494
Outpatient Therapy	0	0	0	0	0	0
Radiology Expense	681	583	98	14,304	7,000	7,304
Therapeutic Recreation	24,448	21,840	2,608	253,242	262,080	-8,838
Professional	3,615	2,667	948	32,948	32,000	948
<b>TOTAL OPERATIONS EXPENSE</b>	<b>1,801,702</b>	<b>1,517,375</b>	<b>284,328</b>	<b>18,120,616</b>	<b>18,208,494</b>	<b>-87,878</b>
<b>PRINCIPAL &amp; INTEREST</b>	<b>0</b>	<b>72,427</b>	<b>-72,427</b>	<b>869,375</b>	<b>869,125</b>	<b>250</b>
<b>OPER. NET GAIN &lt;LOSS&gt;</b>	<b>35,078</b>	<b>(63,933)</b>	<b>99,011</b>	<b>(41,894)</b>	<b>(767,190)</b>	<b>725,296</b>

**COMMENTS**

LEGAL	179	1,667	-1,488	5,974	20,000	-14,026
M.O.E.	7,025	12,037	-5,012	78,249	144,449	-66,200

**Notes:**

- (1) Reflects lower than budgeted Medicaid and Private Pay revenue versus budget
- (2) Higher Quality Assurance Revenue based on actual Medicaid days year to date
- (3) Certified Public Expenditure (CPE) revenue received
- (4) Reflects lower than budgeted health insurance, work comp insurance, unemployment expenses
- (5) Maintenance of Effort paid is lower versus budget
- (6) Reflects lower than budgeted utility and repair/maintenances expenses
- (7) Reflects lower than budgeted wages and equipment expenses
- (8) Higher wages paid versus budget
- (9) Reflects lower than budgeted year to date therapy services expenses