

# *MEADOW BROOK*

*ANTRIM COUNTY MEDICAL CARE FACILITY*

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ANNUAL REPORT for the YEAR 2018

to the

Antrim County Board of Commissioners

# 2018 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 80.5%, County Millage 9.6%, and other State/Federal support 9.9%.

## OCCUPANCY

During the year 44,351 days of care were provided which represents 91.4% occupancy. There were 264 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 2018 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 2018, Meadow Brook received 7 citations from the State survey team; this is well below the state average of 11 citations per survey.

## PERSONNEL

While the number of employees varies somewhat from month to month, on average Meadow Brook had 181 full-time and 18 part-time staff on payroll. Approximately 59% of staff is covered under a collective bargaining agreement with the Teamsters Union, Local 214. Employee turnover rate was 28.1% for 2018 or an increase of approximately 3.1% from 2017.

## PHYSICAL PLANT

Completed the following major physical plant projects in 2018:

- |  |             |
|--|-------------|
| • Add Cameras – North Employee Parking Lot     | \$22,550.35 |
| • Update Door Access Changes                   | 56,741.52   |
| • Meguzee Hall Floor Replacement               | 19,649.00   |
| • Window Replacement – 1968 and 1980 Additions | 174,276.18  |
| • 3 <sup>rd</sup> Floor Smoke Barrier          | 13,321.00   |
| • Chlorination – Village Water Supply          | 9,392.00    |

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• Heating System Revision/Upgrade	600,000.00
• Eyewash Stations	28,485.00
• Repair Orchard Hill & Grass Creek Household Kitchen Floors	13,299.00
• Replace Double Doors – Phase 1	16,731.76
• Reseal and Paint Parking Lots	10,974.00

**CAPITAL EXPENDITURES**

From Depreciation Funds:

Replace Email Server	\$16,240.92
Upgrade Facility Telephone System	16,918.38
Replace Dining Room Chairs	6,301.76
Emergency Food Supply	26,045.37
Arjo Alenti Shower Chair with Scale	<u>7,676.29</u>

**TOTAL - CAPITAL EXPENDITURES \$73,182.72**

**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 **2018 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 **\$127,676** in contributions during 2018. This is an increase of \$17,429, or 15.8%, from 2017.

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 as well as our resident volunteers who dedicate time, talents and energy to making a difference in so many ways to help each other. Volunteer hours have increased and shifted in 2018. Resident volunteer hours have also increased and we honor contribution as households and activities have help in setting up, folding laundry, decorating and organizing.

Volunteer Contributions-

• <b>Total Number of Hours =</b>	<b>5,289</b>
▪ <b>Resident Volunteers (10)</b>	<b>634</b>
▪ <b>Pet Therapy Visitors (10)</b>	<b>53</b>
▪ <b>Pastoral/Clergy (16)</b>	<b>354</b>
▪ <b>Community Groups (36)</b>	<b>1,527</b>
▪ <b>Individuals (54)</b>	<b>2,721</b>

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**FINANCIAL**

Meadow Brook continued receiving the millage for taxes received in 2018 at 1.0 mil. Actual revenue was lower than budgeted revenue due primarily to the actual mix of payer sources versus budgeted. The Facility received a Quality Measure Improvement payment (new in 2018) in the amount of \$389,694. Additionally, the Facility experienced a significantly lower bad debt expense compared to budget. Another major factor in the actual revenue was the Federal Certified Public Expenditure revenue. In 2017, the Facility received \$959,704. In 2018, the Facility received notification from the State of Michigan that they were taking back \$494,824. Additionally, a scheduled December payment in the amount of \$396,153 is under review. The 2018 "Wages" increased \$308,422 (or 3.32%) from 2017. The 2018 "Fringe Benefits" increased \$50,951 (or 1.91%) from 2017. The 2018 "Other Expenses" increased \$703,228 (or 10%) from 2017 due to addition of Discharge Planning position, MERS, New QMI Assessment, 2017 HVAC invoiced received in 2018 and higher therapy expenses.

	<u>2018 BUDGET</u>	<u>2018 ACTUAL</u>	
<u>Operating Statement</u>			
<b>Revenue</b>	\$19,342,815	\$18,777,391	2.92% below budget
<b>Expense</b>			
Salaries	9,249,166	9,609,786	
Fringe Benefits	2,887,277	2,711,770	
Other	<u>7,390,053</u>	<u>7,731,036</u>	
<b>Total Expenses</b>	19,526,496	20,052,592	3.71% above budget
<b>Net Gain (Loss)</b>	(183,681)	(1,275,201)	

Ending Balance 12/31/18

**Board Designated Funds**

General Restricted	\$ 10,754.52
Angell Fund	404,280.92
Wise Fund	262,091.23
Ferstle Fund	<u>174,644.09</u>

**TOTAL – Designated Funds           \$851,770.76**

**Cash Position**

General Cash	4,054,880.28
Depreciation Fund	140,725.34
Contingency Fund	1,517,372.30

**TOTAL – Cash Position               \$5,712,977.92**

**TOTAL – All Funds                   \$6,564,748.68**

## GENERAL MEADOW BROOK UPDATES

Meadow Brook maintained a consistent 5 Star CMS Rating in 2018 (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 2018, 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 continues its marketing and information outreach via our website [www.meadowbrookmcf.com](http://www.meadowbrookmcf.com) and Facebook presence. Meadow Brook participated in the county-wide disaster drill in October.

One of the major goals of the Facility in 2019 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. Beginning October 1, 2019, Meadow Brook will be transitioning to CMS's new "Patient Driven Payment Model" reimbursement process. This replaces the "Resource Utilization Group "RUGS" reimbursement process that was introduced in 1997.

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 2018, Meadow Brook paid \$9,609,786 in wages to its 199 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 \$28,829,358 (3x) to \$48,048,930 (5x) in 2018.

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 2018**

	MONTH	MONTH	MONTH	YTD	YTD	YTD
	Actual	Budget	Variance	Actual	Budget	Variance
CENSUS (in resident days)	3,678	3,681	-3	44,351	44,176	175
<b>REVENUE:</b>						
Patient Care Revenue (1)	1,229,063	1,351,249	-122,186	15,116,005	16,214,984	-1,098,979
Interest Income	11,740	1,360	10,380	57,893	16,316	41,577
Contributions	-511	417	-928	1,807	5,000	-3,193
Millage Tax Revenue	156,467	148,818	7,649	1,794,639	1,785,811	8,828
Q A Supplement	128,442	125,630	2,812	1,477,510	1,507,564	-30,054
CPE Revenue (2)	0	0	0	-9,396	0	-9,396
QMI Revenue (3)	72,571	0	72,571	389,694	0	389,694
Miscellaneous Income	-3,019	5,262	-8,281	38,324	63,140	-24,816
Bad Debt (4)	-41,725	-20,833	-20,892	-89,085	-250,000	160,915
<b>TOTAL REVENUE</b>	<b>1,553,028</b>	<b>1,611,901</b>	<b>-58,873</b>	<b>18,777,391</b>	<b>19,342,815</b>	<b>-565,424</b>
<b>EXPENSES:</b>						
Administration (5)	143,498	144,141	-643	1,650,988	1,729,696	-78,708
Fringe (6)	253,399	240,606	12,793	2,711,770	2,887,277	-175,507
MOE (7)	10,436	11,199	-763	124,172	134,386	-10,214
Depreciation	132,049	132,049	0	1,584,584	1,584,584	0
QMI Assessment (3)	28,626	0	28,626	162,586	0	162,586
Q A Assessment	253,753	80,643	173,111	1,038,018	967,710	70,308
Plant (8)	84,072	94,942	-10,870	1,287,402	1,139,302	148,100
Laundry	12,846	11,071	1,775	130,047	132,853	-2,806
Housekeeping	32,833	32,110	723	385,238	385,325	-87
Dietary	76,904	69,317	7,587	857,572	831,807	25,765
Pharmacy	11,926	20,167	-8,241	242,582	242,000	582
Nursing (9)	696,741	629,477	67,264	7,860,472	7,553,727	306,745
Lab	1,660	2,250	-590	30,717	27,000	3,717
Speech Therapy	3,264	4,333	-1,069	44,060	52,000	-7,940
Physical Therapy	32,411	27,917	4,494	380,822	335,000	45,822
Occupational Therapy	21,623	26,667	-5,044	308,067	320,000	-11,933
Outpatient Therapy	5,493	0	5,493	49,273	0	49,273
Radiology Expense	1,163	583	580	13,763	7,000	6,763
Therapeutic Recreation	21,961	22,955	-994	267,366	275,457	-8,091
Professional	1,400	1,500	-100	19,467	18,000	1,467
<b>TOTAL OPERATIONS EXPE</b>	<b>1,826,058</b>	<b>1,551,927</b>	<b>274,131</b>	<b>19,148,966</b>	<b>18,623,124</b>	<b>525,842</b>
<b>PRINCIPAL &amp; INTEREST</b>	<b>0</b>	<b>75,281</b>	<b>-75,281</b>	<b>903,625</b>	<b>903,375</b>	<b>250</b>
<b>OPER. NET GAIN &lt;LOSS&gt;</b>	<b>(273,030)</b>	<b>(15,307)</b>	<b>(257,723)</b>	<b>(1,275,200)</b>	<b>(183,684)</b>	<b>(1,091,516)</b>

**COMMENTS**

LEGAL	207	1,667	-1,460	17,590	20,000	-2,410
M.O.E.	10,436	12,037	-1,601	113,736	144,449	-30,713

**Notes:**

- (1) Reflects lower than budgeted revenue versus budget
- (2) Reflects interim reconciliation of 2017 certified public expenditure payments
- (3) Quality Measure Initiative - Annual Revenue and Assessment - State of Michigan fiscal 2017 (NEW in 2018)
- (4) Reflects lower than budgeted bad debt expenses
- (5) Reflects open Administrative position and consulting vs. budget
- (6) Reflects lower than budgeted insurance expenses
- (7) Maintenance of Effort paid is lower versus budget
- (8) Higher wages paid versus budget and \$134,299 in winter 2017-18 Daikin repairs
- (9) Reflects higher wages, nursing supplies and resident transport expenses versus budget