

MEADOW BROOK

ANTRIM COUNTY MEDICAL CARE FACILITY

ANNUAL REPORT for the YEAR 2015

to the

Antrim County Board of Commissioners

2015 ANNUAL REPORT

GENERAL

Meadow Brook Medical Care Facility is a 133-bed Long Term Care Facility (as of December 2014) 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 81%, County Millage 11%, and other State support 9%.

OCCUPANCY

During the year 43,773 days of care were provided which represents 90.2% occupancy. There were 253 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 restaurant 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 2015 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 2015, Meadow Brook received NO citations from the State survey team; this is well below the state average of 8.6 citations per survey.

PERSONNEL

While the number of employees varies somewhat from month to month, on average Meadow Brook had 200 full-time and 31 part-time staff on payroll. Approximately 56% of staff is covered under a collective bargaining agreement with the Teamsters Union, Local 214. Employee turnover rate was 25.5% for 2015 or an increase of approximately 10% from 2014.

PHYSICAL PLANT

Completed the following major physical plant projects in 2015:

- | | |
|--|--------------|
| • Radiant Heat Panels – Resident Rooms | \$186,777.00 |
| • Exterior Lighting upgrades | 40,500.00 |
| • Exterior Painting | 25,200.00 |

RENOVATION/REMODELING PROJECT

Meadow Brook completed the transition to the Household Model in December 2014 resulting in seven (7) households with a total of 123 private rooms and 5 semi-private rooms.

CAPITAL EXPENDITURES RELATED TO CONSTRUCTION

From Depreciation Funds:

Door Controls	\$12,495.00
Conductors and Cabling	10,542.30
Closed Circuit Television	17,448.68
Landscaping	6,999.00
Repair Laundry Room Floor	15,372.51
Weather Proofing – South Side of old Bluejay Lane	5,775.00
Renovation/Expansion – Professional Services	<u>2,266.69</u>
TOTAL CAPITAL EXPENDITURES	\$70,899.18

OTHER CAPITAL EXPENDITURES

From Depreciation Funds:

Zenith Beds (Quantity 15)	\$27,370.64
Internal and Remote Computer Server Backup	6,368.75
Carpet Extractor	6,428.65
Point Click Care Software	8,400.00
Muffin Monster	13,026.00
Dumpster/Generator Fencing	<u>8,500.00</u>
TOTAL - OTHER CAPITAL EXPENDITURES	\$70,094.04

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 2014 is \$23.07 per hour (2015 dollar value not available as of this report). 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 \$127,485 in contributions during 2015. This is an increase of \$6,830, or 5.7%, from 2014.

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 increased due to a shift of several groups with additional members including a church group that participates for Bingo on Saturday mornings that consists of approximately 12 volunteers each week. Resident volunteers are down due to the passing of several long term residents.

Volunteer Contributions-

• Total Number of Hours =	5,526
▪ Resident Volunteers (5)	594
▪ Pet Visitors (10)	85
▪ Clergy (12)	316
▪ Transitional Companions (4)	30
▪ Community Groups (34)	2,438
▪ Individuals (62)	2,063

FINANCIAL

Based on the recommendation of the County's financial advisor, Meadow Brook recommended maintaining the millage for taxes received in 2015 at 1.0 mil. Actual revenue was lower than budgeted revenue due to a longer than anticipated length of time needed to fill the additional 20 beds. The 2015 "Wages" increased \$942,674 (or 11.77%) from 2014 related to additional Nursing and Household Coordinator positioned added to support the Household staffing needs and the increase in maximum census from 113 to 133 residents. The 2015 "Fringe Benefits" increased \$319,605 (or 13.93%) from 2014 due to the increased FICA, MERS and Health Insurance expenses. The 2015 "Other Expenses" increased \$311,400 (or 6.88%) from 2014 due to increased building depreciation, liability insurance and contracted therapy services expenses.

Meadow Brook 2015 ANNUAL REPORT

2015
BUDGET 2015
ACTUAL

Operating Statement

Revenue	\$16,527,053	\$15,990,545	3.25% below budget
Expense			
Salaries	8,519,744	8,951,809	
Fringe Benefits	2,616,957	2,614,746	
Other	<u>5,482,796</u>	<u>4,839,526</u>	
Total Expenses	16,619,497	16,406,081	1.28% below budget
Net Gain (Loss)	(92,444)	(415,536)	Represents 1.97% above budget

Ending Balance 12/31/15

Board Designated Funds

General Restricted	\$ 11,496.20
Angell Fund	400,538.34
Wise Fund	259,660.49
Ferstle Fund	<u>173,037.51</u>

TOTAL – Designated Funds \$ 844,732.54

Cash Position

General Cash	(144,045.87)
Depreciation Fund	112,812.36
Contingency Fund	<u>1,490,732.07</u>

TOTAL – Cash Position \$1,459,498.56

TOTAL – All Funds \$2,304,231.10

GENERAL MEADOW BROOK UPDATES

Meadow Brook received a 4 Star CMS Rating in 2015 (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. Following the completion of the move of residents into the household environment, Clinical staff reported a reduction in resident behaviors (wandering, screaming, slapping, depression, etc.) This has resulted in a decrease in the use of anti-psychotic medications for long term residents (national average is 18.0% of residents, Michigan average is 13.8% and Meadow Brook is 7.0%).

The Facility maintained its community partnerships. In 2015, the Facility continued its partnership with Antrim County Transportation, Commission on Aging, Antrim County Conservation District and several regional Hospice organizations. With the completion of the construction/renovation project, the local Rotary and Lions Clubs have resumed their club meetings.

One of the major goals of the Facility in 2016 will be to attract and maintain nursing staff (RN, LPN and caregivers). This will be accomplished by starting Nurse Aide training classes in 2015. To date, four (4) classes have been held. Additionally, the Facility is responding to external changes in dynamics of the workforce from traditional 8 hour workdays to 12 hour shifts for professional nurses. A second goal is to maintain the Facility's 4 – 5 star rating in the CMS Nursing Home Compare website. The CMS website will introducing six (6) new quality measures in July 2016. A third goal is to increase marketing efforts as a premiere rehab and long-term care facility to increase resident census and expand partnerships with Munson Medical Center, Home Health agencies, DMEs, adult foster care groups and physicians. A final goal is to increase the diversification of the Facility's revenue stream. Meadow Brook is on a six (6) month track to complete certification for outpatient therapy. Additionally, the Facility looks to expand care and admission of Dialysis patients to increase and stabilize census and increase partnership with Antrim County Transportation.

In 2015, Meadow Brook paid \$8,951,809 in wages to its 231 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 \$29,839,362 to \$47,759,045 in 2015.

MEADOW BROOK MEDICAL CARE FACILITY

MONTHLY & YEAR TO DATE BUDGET

OPERATING RESULTS COMPARISONS FOR DECEMBER, 2015

	MONTH	MONTH	MONTH	YTD	YTD	YTD
	Actual	Budget	Variance	Actual	Budget	Variance
CENSUS (in resident days)	3,992	3,884	108	43,773	46,603	-2,830
REVENUE:						
Patient Care Revenue (1)	1,235,867	1,186,191	49,676	13,165,498	14,234,292	-1,068,794
Interest Income	470	879	-409	5,808	10,550	-4,742
Contributions	525	417	108	7,547	5,000	2,547
Millage Tax Revenue	142,934	142,381	553	1,716,991	1,708,571	8,420
Q A Supplement (2)	137,645	133,538	4,107	1,392,914	1,602,455	-209,541
Miscellaneous Income	188	5,443	-5,255	6,847	65,310	-58,463
Bad Debt (3)	0	-16,667	16,667	-305,060	-200,000	-105,060
TOTAL REVENUE	1,517,629	1,452,182	65,448	15,990,545	17,426,178	-1,435,633
EXPENSES:						
Administration (4)	136,111	119,755	16,356	1,522,993	1,437,061	85,932
Fringe	237,032	217,696	19,336	2,614,746	2,612,356	2,390
MOE	0	12,037	-12,037	0	144,449	-144,449
Depreciation	58,381	58,381	0	725,617	700,570	25,047
Q A Assessment (5)	204,058	82,837	121,221	824,492	994,049	-169,557
Plant	93,020	97,332	-4,312	1,131,884	1,167,988	-36,104
Laundry	11,185	19,318	-8,133	157,382	231,812	-74,430
Housekeeping (6)	42,546	39,468	3,078	351,356	473,615	-122,259
Dietary (7)	76,997	109,585	-32,588	849,552	1,315,014	-465,462
Pharmacy	0	13,525	-13,525	146,549	162,300	-15,751
Nursing (8)	685,319	537,425	147,894	7,246,138	6,449,103	797,035
Lab	0	1,667	-1,667	24,032	20,000	4,032
Speech Therapy	0	2,917	-2,917	43,319	35,000	8,319
Physical Therapy	0	24,167	-24,167	256,336	290,000	-33,664
Occupational Therapy	0	19,583	-19,583	219,172	235,000	-15,828
Radiology Expense	0	1,000	-1,000	6,039	12,000	-5,961
Therapeutic Recreation	21,640	22,071	-431	256,807	264,857	-8,050
Professional	1,000	3,250	-2,250	29,667	39,000	-9,333
TOTAL OPERATIONS EXPENSE	1,567,289	1,382,015	185,275	16,406,081	16,584,174	-178,093
PRINCIPAL & INTEREST	74,927	74,927	0	899,125	899,125	0
OPER. NET GAIN <LOSS>	(124,587)	(4,760)	(119,827)	(1,314,661)	(57,121)	(1,257,540)

COMMENTS

LEGAL	2,862	1,667	1,195	25,599	20,000	5,599
M.O.E.	0	12,037	-12,037	0	144,449	-144,449

Notes:

- (1) Reflects lower than budgeted Medicaid revenue versus budget
- (2) Lower Quality Assurance Revenue based on actual Medicaid days year to date
- (3) Reflects higher bad debt writeoff versus budget
- (4) Reflects higher wages, liability insurance and maintenance agreements versus budgets
- (5) Lower Quality Assurance Assessment expenses versus budget
- (6) Reflects shift of housekeeping wages to universal worker wages versus budget
- (7) Reflects shift of dietary wages to universal worker wages, lower food and large equipments expenses versus budget
- (8) Reflects higher wages and lower expenses versus budget