

# *MEADOW BROOK*

*ANTRIM COUNTY MEDICAL CARE FACILITY*

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ANNUAL REPORT for the YEAR 2016

to the

Antrim County Board of Commissioners

# 2016 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 70%, County Millage 9%, and other State/Federal support 21%.

## OCCUPANCY

During the year 44,255 days of care were provided which represents 91.2% occupancy. There were 199 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 2016 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 2016, Meadow Brook received 3 citations from the State survey team; this is well below the state average of 7.3 citations per survey.

## PERSONNEL

While the number of employees varies somewhat from month to month, on average Meadow Brook had 202 full-time and 22 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 27.7% for 2016 or an increase of approximately 2.2% from 2015.

## PHYSICAL PLANT

Completed the following major physical plant projects in 2016:

• Water Main - Replacement	\$19,647.50
• Roof Drain Line Repair – Maintenance Area	41,077.94
• Glacier Hill Run Off Repair	7,490.00
• Barn Roof Replacement	34,000.00
• Pitless Adapter Replacement – Well Pump	10,684.50

**CAPITAL EXPENDITURES**

From Depreciation Funds:

Bladder Scanner	\$7,650.98
Hobart Dish Machine	6,671.00
Portable Indirect Heaters	17,710.75
Water Heater – Laundry	12,669.00
Pickup Truck	<u>26,251.10</u>

**TOTAL - CAPITAL EXPENDITURES** **\$70,952.83**

**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 2015 is \$23.56 per hour (2016 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 \$129,933 in contributions during 2016. This is an increase of \$2,448, or 1.9%, 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 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 have increased honoring contributions as households have help in setting up and cleaning the dining rooms.

**Volunteer Contributions-**

- **Total Number of Hours = 5,515**
  - **Resident Volunteers (5) 1,150**
  - **Pet Visitors (3) 41**
  - **Clergy (19) 336**
  - **Transitional Companions (1) 4**
  - **Community Groups (34) 2,065**
  - **Individuals (52) 1,919**

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**FINANCIAL**

Meadow Brook continued receiving the millage for taxes received in 2016 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 \$2,445,695. The 2016 "Wages" increased \$45,365 (or 0.51%) from 2015. The 2016 "Fringe Benefits" increased \$48,767 (or 1.87%) from 2015. The 2016 "Other Expenses" increased \$1,677,562 (or 34.66%) from 2015 due to increased building depreciation, and inclusion of bond repayment-related expenses in 2016 operational expenses.

	<u>2016 BUDGET</u>	<u>2016 ACTUAL</u>	
<u>Operating Statement</u>			
<b>Revenue</b>	\$17,299,505	\$19,634,774	13.5% above budget
<b>Expense</b>			
Salaries	8,604,449	8,997,174	
Fringe Benefits	2,763,456	2,663,513	
Other	<u>6,837,569</u>	<u>6,517,088</u>	
<b>Total Expenses</b>	18,205,474	18,177,776	0.15% below budget
<b>Net Gain (Loss)</b>	(905,970)	1,456,998	

Ending Balance 12/31/16

**Board Designated Funds**

General Restricted	\$ 8,994.05
Angell Fund	401,320.09
Wise Fund	260,167.28
Ferstle Fund	<u>173,375.33</u>

**TOTAL – Designated Funds**      \$ 843,856.75

**Cash Position**

General Cash	3,527,838.75
Depreciation Fund	31,298.95
Contingency Fund	<u>1,495,648.52</u>

**TOTAL – Cash Position**      \$5,054,786.22

**TOTAL – All Funds**      \$5,898,642.97

## **GENERAL MEADOW BROOK UPDATES**

Meadow Brook received a 5 Star CMS Rating in 2016 (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.)

The Facility maintained its community partnerships. In 2016, the Facility continued its partnership with Antrim County Transportation, 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.

One of the major goals of the Facility in 2017 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, 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 three (3) 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 2016, Meadow Brook paid \$8,997,174 in wages to its 224 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 \$29,960,589 to \$47,954,937 in 2016.

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 will be adopting a conservative approach when estimating patient care revenue and a worst case scenario approach when estimating increases in employee benefit costs when preparing the fiscal 2018 operations budget.

**MEADOW BROOK MEDICAL CARE FACILITY**

**MONTHLY & YEAR TO DATE BUDGET**

**OPERATING RESULTS COMPARISONS FOR DECEMBER, 2016**

	MONTH	MONTH	MONTH	YTD	YTD	YTD
	Actual	Budget	Variance	Actual	Budget	Variance
CENSUS (in resident days)	3,680	3,803	-123	44,046	45,632	-1,586
<b>REVENUE:</b>						
Patient Care Revenue (1)	1,171,261	1,274,951	-103,690	13,829,651	15,299,413	-1,469,762
Interest Income	1,803	570	1,233	12,761	6,841	5,920
Contributions	113	417	-304	3,559	5,000	-1,441
Millage Tax Revenue	144,926	144,362	564	1,739,118	1,732,343	6,775
Q A Supplement (2)	267,892	106,194	161,698	1,772,369	1,274,323	498,046
CPE Revenue (3)	217,999	0	217,999	2,445,695	0	2,445,695
Miscellaneous Income	12,657	5,476	7,181	31,309	65,710	-34,401
Bad Debt	0	-16,667	16,667	-199,688	-200,000	312
<b>TOTAL REVENUE</b>	<b>1,816,651</b>	<b>1,515,303</b>	<b>301,349</b>	<b>19,634,774</b>	<b>18,183,630</b>	<b>1,451,144</b>
<b>EXPENSES:</b>						
Administration (4)	135,094	124,960	10,134	1,628,067	1,499,522	128,545
Fringe (5)	236,720	230,288	6,432	2,663,513	2,763,456	-99,943
MOE (6)	7,078	11,195	-4,117	20,813	134,341	-113,528
Depreciation	104,991	104,991	0	1,259,888	1,259,888	0
Q A Assessment (7)	231,387	78,526	152,861	843,562	942,312	-98,750
Plant (8)	118,004	95,594	22,410	1,041,899	1,147,128	-105,229
Laundry	10,461	13,185	-2,724	125,581	158,214	-32,633
Housekeeping (9)	33,750	25,506	8,244	384,405	306,076	78,329
Dietary	72,391	68,310	4,081	800,514	819,717	-19,203
Pharmacy (10)	11,006	13,917	-2,911	220,420	167,000	53,420
Nursing (11)	663,587	595,684	67,903	7,316,368	7,148,210	168,158
Lab	1,957	2,167	-210	25,349	26,000	-651
Speech Therapy	8,789	4,000	4,789	50,434	48,000	2,434
Physical Therapy	66,820	27,500	39,320	330,483	330,000	483
Occupational Therapy	72,143	22,917	49,226	297,968	275,000	22,968
Outpatient Therapy	0	0	0	5,666	0	5,666
Radiology Expense	929	483	446	9,260	5,800	3,460
Therapeutic Recreation	21,594	21,141	454	238,634	253,686	-15,052
Professional	2,667	3,083	-416	30,700	37,000	-6,300
<b>TOTAL OPERATIONS EXPENSE</b>	<b>1,799,368</b>	<b>1,443,446</b>	<b>355,922</b>	<b>17,293,524</b>	<b>17,321,350</b>	<b>-27,826</b>
<b>PRINCIPAL &amp; INTEREST</b>	<b>0</b>	<b>73,677</b>	<b>-73,677</b>	<b>884,250</b>	<b>884,125</b>	<b>125</b>
<b>OPER. NET GAIN &lt;LOSS&gt;</b>	<b>17,283</b>	<b>(1,820)</b>	<b>19,103</b>	<b>1,457,000</b>	<b>(21,845)</b>	<b>1,478,845</b>

**COMMENTS**

LEGAL	0	1,667	-1,667	6,102	20,000	-13,898
M.O.E.	7,078	12,037	-4,959	20,813	144,449	-123,636

**Notes:**

- (1) Reflects lower than budgeted Medicare and Medicaid revenue versus budget
- (2) Higher Quality Assurance Revenue based on actual Medicaid days year to date
- (3) NEW: Inclusion of Certified Public Expenditure (CPE) revenue received
- (4) Reflects higher than budgeted wages, maintenance agreements and consultant services
- (5) Reflects lower than budgeted health insurance, workers comp insurance, unemployment expenses vs budget
- (6) Reflects lower than budgeted Maintenance of Effort Costs - Non MOE required January - September
- (7) Lower Quality Assurance Assessment expenses versus budget
- (8) Reflects significantly lower utility costs versus budget
- (9) Reflect higher than budgeted wages
- (10) Reflects several months of 2015 pharmacy charges paid in 2016
- (11) Reflect higher than budgeted wages