

MEADOW BROOK

ANTRIM COUNTY MEDICAL CARE FACILITY

ANNUAL REPORT for the YEAR 2014

to the

Antrim County Board of Commissioners

2014 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 79%, County Millage 12%, and other State support 9%.

OCCUPANCY

During the year 38,484 days of care were provided which represents 93.3% occupancy. There were 183 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 2014 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 2014, Meadow Brook received 6 citations from the State survey team; this is on par with the state average of 5.95 citations per survey.

PERSONNEL

While the number of employees varies somewhat from month to month, on average Meadow Brook had 186 full-time and 33 part-time staff on payroll. Approximately 54% of staff is covered under a collective bargaining agreement with the Teamsters Union, Local 214. Employee turnover rate was 15.5% for 2014 or an increase of approximately 3.1% from 2013.

PHYSICAL PLANT

Completed the following major physical plant projects in 2014:

- Lightning Protection System \$48,335.00

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:

Food Service Equipment	\$120,909.10
Door Controls	97,417.72
Conductors and Cabling	43,168.70
Closed Circuit Television	44,735.46
Resident Bath tubs	28,269.02
Furniture and Fixtures	50,348.24
Public Address System	12,038.15
Resident Televisions	23,192.95
Resident Beds	32,157.10
In-room Medicine Cabinets	26,796.00
Landscaping	17,116.54
Temporary Laundry Room	64,065.62
IT Service Relocation	11,581.00
Dietary and Nursing Store Room HVAC	14,420.00
Main Laundry Lint Removal System	42,020.00
Asbestos Oversight and Abatement	83,072.00
Old Bluejay Lane Drain Sleeving	27,522.30
Computer Room Air Conditioning	6,175.00
Weather Proofing – South Side of old Bluejay Lane	9,430.19
Stryker Evacuation System	8,893.00
Renovation/Expansion – Professional Services	<u>72,235.80</u>
TOTAL CAPITAL EXPENDITURES	\$835,563.89

OTHER CAPITAL EXPENDITURES

From Depreciation Funds:

Software Management System	\$7,785.00
Total Body Exerciser	6,606.20
Avanti Wound Vac	6,000.00
HEPA Cart	<u>9,231.00</u>
TOTAL - OTHER CAPITAL EXPENDITURES	\$29,622.20

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 2013 is \$22.55 per hour (2014 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 \$120,665 in contributions during 2014. This is an increase of \$18,333, or 17.9%, from 2013.

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 increased and shifted in 2014. Resident volunteering has increased dramatically as households have regular volunteers that help in setting up the dining rooms as well as cleaning up three times daily. We also have regular helpers for setting up Bingo.

Volunteer Contributions-

- **Total Number of Hours = 5,351**
 - **Resident Volunteers (7) 1,248**
 - **Pet Visitors (2) 38**
 - **Clergy (9) 261**
 - **Transitional Companions (2) 10**
 - **Community Groups (34) 1,869**
 - **Individuals (55) 1,925**

FINANCIAL

As part of the construction/renovation project and recommendation from the County’s financial advisor, Meadow Brook recommended maintaining the millage for taxes received in 2014 at 1.0 mil. Actual revenue was lower than budgeted revenue due to a six month delay in completion of the project renovations that included an increase of twenty (20) residents. The 2014 “Wages” increased \$627,008 (or 8.49%) from 2013 related to additional Nursing and Household Coordinator positioned added to support the Household staffing needs. The 2014 “Fringe Benefits” increased \$122,548 (or 5.64%) from 2013 due to the increased FICA, MERS and Worker Compensation Insurance expenses. The 2014 “Other Expenses” increased \$269,935 (or 6.34%) from 2013 due to increased utility, depreciation and pharmacy expenses as well as expenses attributable to preparing the remaining three (3) new households for operations.

Meadow Brook 2014 ANNUAL REPORT

	<u>2014 BUDGET</u>	<u>2014 ACTUAL</u>	
<u>Operating Statement</u>			
Revenue	\$15,341,202	\$14,516,430	5.38% below budget
Expense			
Salaries	8,214,816	8,009,135	
Fringe Benefits	2,375,398	2,295,141	
Other	<u>4,926,378</u>	<u>4,528,126</u>	
Total Expenses	15,516,592	14,832,402	4.41% below budget
Net Gain (Loss)	(175,390)	(315,972)	Represents 0.97% above budget

Ending Balance 12/31/14

Board Designated Funds

General Restricted	\$ 11,414.56
Angell Fund	399,758.11
Wise Fund	259,154.69
Ferstle Fund	<u>172,700.56</u>

TOTAL – Designated Funds \$ 843,027.92

Cash Position

General Cash	1,148,174.97
Depreciation Fund	215,610.39
Contingency Fund	<u>1,488,526.47</u>

TOTAL – Cash Position \$2,852,311.83

TOTAL – All Funds \$3,695,339.75

GENERAL MEADOW BROOK UPDATES

Meadow Brook improved to receive a 5 Star CMS Rating (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 19.5% of residents, Michigan average is 13.7% and Meadow Brook is 12.6%).

The Facility maintained its community partnerships. In 2014, the Facility continued its partnership with Antrim County Transportation, Commission on Aging, Antrim County Conservation District and several regional Hospice organizations. Historically, the Facility has played host to the local Rotary and Lions Clubs. We look forward to resuming their use of the Facility in 2015.

One of the main goals of the Facility in 2015 is to complete the transition from an institutional model to a resident-centered household model. This will entail continuing efforts to fine tune roles and relationship building to create an increased sense of home. A second main goal of the Facility will be to expand its marketing efforts to acute care hospitals, private practices and the general public.

In 2014, Meadow Brook paid \$8,009,135 in wages to its 219 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 \$26,697,116 to \$40,045,675 in 2014.

MEADOW BROOK MEDICAL CARE FACILITY

MONTHLY & YEAR TO DATE BUDGET

OPERATING RESULTS COMPARISONS FOR DECEMBER, 2014

	MONTH	MONTH	MONTH	YTD	YTD	YTD
	Actual	Budget	Variance	Actual	Budget	Variance
CENSUS (in resident days)	3,284	3,543	-259	38,484	42,520	-4,036
REVENUE:						
Patient Care Revenue (1)	989,827	1,106,671	-116,844	11,466,346	13,280,052	-1,813,706
Interest Income	750	1,433	-683	9,105	17,200	-8,095
Contributions	3,170	417	2,753	9,135	5,000	4,135
Millage Tax Revenue (2)	141,146	64,470	76,676	1,693,749	773,640	920,109
Q A Supplement (3)	129,477	108,333	21,144	1,372,547	1,300,000	72,547
Miscellaneous Income	436	5,443	-5,007	19,911	65,310	-45,399
Bad Debt	0	-8,333	8,333	-54,363	-100,000	45,637
TOTAL REVENUE	1,264,806	1,278,434	-13,628	14,516,430	15,341,202	-824,772
EXPENSES:						
Administration (4)	113,464	118,073	-4,609	1,385,219	1,416,875	-31,656
Fringe (5)	234,088	197,950	36,138	2,295,141	2,375,399	-80,258
MOE	1,631	12,500	-10,869	86,071	150,000	-63,929
Depreciation	33,333	33,333	0	400,000	400,000	0
Q A Assessment	68,937	66,667	2,270	838,855	800,000	38,855
Plant (6)	98,957	89,401	9,556	1,009,378	1,072,815	-63,437
Laundry	14,021	20,797	-6,776	210,956	249,568	-38,612
Housekeeping (7)	27,322	45,028	-17,706	472,278	540,337	-68,059
Dietary	72,805	102,235	-29,430	1,160,180	1,226,818	-66,638
Pharmacy (8)	23,314	15,667	7,647	167,520	188,000	-20,480
Nursing (9)	500,866	514,301	-13,435	6,078,687	6,171,611	-92,924
Lab	3,491	2,083	1,408	22,109	25,000	-2,891
Speech Therapy (10)	-375	3,750	-4,125	38,526	45,000	-6,474
Physical Therapy (10)	-479	27,083	-27,562	238,685	325,000	-86,315
Occupational Therapy (10)	-782	18,750	-19,532	192,290	225,000	-32,710
Outpatient Therapy	0	0	0	7,525	0	7,525
Radiology Expense	186	1,000	-814	4,149	12,000	-7,851
Therapeutic Recreation (11)	22,214	21,139	1,075	188,987	253,669	-64,682
Professional	2,667	3,292	-625	35,846	39,500	-3,654
TOTAL EXPENSES	1,215,660	1,293,049	-77,389	14,832,402	15,516,592	-684,190
NET GAIN <LOSS>	49,146	(14,616)	63,762	(315,972)	(175,390)	(140,582)

COMMENTS

LEGAL	3,506	1,667	1,839	18,585	20,000	-1,415
M.O.E.	1,631	12,500	-10,869	86,071	150,000	-63,929

Notes:

- (1) Reflects lower than budgeted Medicare and Medicaid revenue versus budget
- (2) Reflects total amount of millage received versus the budgeted "net" millage after bond interest and principal
- (3) Higher Quality Assurance Revenue based on actual Medicaid days year to date
- (4) Reflects lower administrative expenses versus budget
- (5) Lower FICA, Health Insurance and MERS retirement expenses versus budgeted year to date
- (6) Lower supplies, utilities and equipment purchases versus budgeted year to date
- (7) Reflects open Household Assistant positions versus budget
- (8) Reflects lower than budgeted pharmacy expenses based on current residents
- (9) Reflects lower nursing expenses versus budget
- (10) Reflects lower than budgeted therapy expenses
- (11) Reflects open Household Assistant positions versus budget