

COUNTY OF MENARD)
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STATE OF ILLINOIS)

The Menard County Board of Commissioners met on Monday, March 19, 2012, at 6:00 p.m., at the Menard County Health Department, 1120 North Fourth Street – Suite A, Petersburg, Illinois. Commissioners Barb Kyes, Jeff Fore Bob Lott were present. A quorum was present. Commissioners Merle Kirby and Ed Whitcomb arrived later in the meeting after having been in attendance at a rural transportation meeting in Sangamon County, Illinois. This meeting was held in conjunction with a special meeting of the Menard County Board of Health to discuss the Health Department finances. County Treasurer Jackie Horn, State's Attorney Ken Baumgarten, Health Department Administrator Alicia Wade, County Coordinator Steve Duncan, Board of Health members and assorted other Health Department staff were in attendance.

Interim Chairperson Kyes called the meeting to order at 6:00 p.m.

Tom Curtis, Curtis Group and Medicare consultant to the Health Department was in attendance and provided his view of Medicare's impact on the home health services of the Health Department. He stressed that Medicare was profitable, nationwide, for home health services. He pointed out that the Menard County Health Department was a low cost provider. He pointed out that it was profitable when including the Drug Free Community (DFC) grant or taking that out of the equation but the agency's total costs were higher because of the DFC grant. He highlighted that there had been a sizeable decrease in total home health visits by the Menard County Health Department but that this was common for every agency due to increased competition due to the profitability of home health services. He said in 1997 there were approximately 7,000 home health agencies and over 13,000 today. He highlighted that the Medicare figures in the handout were indicative of only paid Medicare visits.

Independent Auditor Mike Feriozzi, was in attendance to discuss the Health Department's financial issues. He highlighted that the profits that the Health Department received from the home health service profits that Mr. Curtis was highlighting is what helps subsidize the Health Department's other functions such as public health and environmental health services and had offset the loss associated with providing those services. He informed that as a result of decreased home health services this was making it difficult to finance the other functions of the Health Department. Mr. Curtis pointed out that it was not the "Medicare business" but the decreased profits associated with less Medicare visits (driven by increased competition). Mr. Curtis stressed that the Health Department had to market/stress the importance of home health services, and in particular Medicare business, in supporting the health department. Mr. Curtis stressed that the DFC grant did help reduce the costs associated with home health-related employees.

Mr. Feriozzi pointed out that there was equity in the Health Department, based on what he's seen to date, of around \$60,000 and this took into account the line of credit amount. Mr. Feriozzi estimated that the operating loss during 2011 would be around \$50 to \$60 thousand. Mr. Curtis pointed out that it was reasonable to expect to collect around 95% of what you billed Medicare.

Ms. Davis provided an overview of declining County subsidization over the years. She spent time presenting a plan (copy on file), per Board of Commissioner request, to address the Health Department's issues. She informed that the amount of the line of credit that had been reached currently stood at \$90,559. There was discussion about whether the Health Department was up \$35,000 or down \$15,000 for Fiscal Year 2012 with Mr. Feriozzi informing the Health Department was down \$15,000 from his perspective. There was discussion about the proposed plan.

Executive Session

There was no executive session held at this meeting.

Adjournment

With no other business coming before the Board, Commissioner Kirby moved to adjourn the meeting at 7:21 p.m. Commissioner Lott seconded the motion. The motion carried unanimously.