

Darlene Kloeppe for County Executive
January 2018

Should the County Board sell the nursing home?

Given: the county owns an operating nursing home with 243 licensed Medicaid beds

Is there a need? the long term care need established for IDPH Health Care Planning Area 4 for 2020 is 855 beds
Health Care Planning Area 4 currently has 908 licensed beds
the county nursing home census is approximately 140, with 1 1/2 vacant wings

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| Scenario 1 | the census will reach 243
unlikely based on need | allocate some space to other use |
| Scenario 2 | the census will reach 175
possible over time | allocate 1 wing to other use |
| Scenario 3 | the census will remain at 140
possible in the short term | allocate 1-1/2 wings to other use |
| Scenario 4 | the census will decrease to 110
possible over time | allocate 2 wings to other use |

Is it financially viable?	<p>the nursing home is operating on a cash basis</p> <p>the nursing home owes over \$2 million to vendors for accounts receivable</p> <p>the nursing home owes over \$2 million to the county for loans</p> <p>the nursing home budget excludes employee benefits, deferred maintenance</p>	<p>ways to increase revenue/decrease expenses:</p> <p>county taxes</p> <p>fundraising efforts</p> <p>alternate use for vacant wing</p> <p>negotiate payment terms</p> <p>reduce operating costs</p>	
	Scenario 1 revenue covers ongoing and outstanding expenses based on projections, unlikely both short/long term	budget one-time subsidy for outstanding debt	(Amt?)
	Scenario 2 revenue covers all operating expenses possible over time with census over 160	budget reducing subsidy	(Amt?)
	Scenario 3 revenue requires operating subsidy likely in the short term; possible over time	budget annual subsidy	(Amt?)

Reasons for county ownership?	<p>there are 20 county owned nursing homes left in the state; no new ones have emerged</p> <p>need for service not available in private sector? (see need scenarios)</p> <p>offers unique service that benefit county residents?</p> <p>provides jobs that would be lost?</p> <p>county operates this service more efficiently (cost) and effectively (quality) than private business?</p> <p>county can best assume liability and time needed to operate this service</p> <p>county can best subsidize service for low-income residents (see viability scenarios)</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p>
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NOTE: Information has been extracted from the IDPH website as well as County Board minutes from the past few months.