

**HEALTH COMMITTEE MEETING MINUTES
APRIL 28, 2010**

HEALTH COMMITTEE MEMBERS PRESENT: Shay, Hall, Suprenant, Campbell, Sady, Idleman, Pitts

HEALTH COMMITTEE MEMBERS ABSENT: None

SUPERVISORS: Rymph, LaPointe, Lindsay, Tatko, Watkins

Debra Prehoda, Clerk of the Board

Kevin Hayes, County Administrator

Patty Hunt, Director Public Health

Tina McDougall, Fiscal Manager PH

Doug Cosey, Administrator PV

Nancy West, Nursing Director PV

Tom Quinlan, PV Comptroller

AGENDA AS PRESENTED IN COMMITTEE NOTICE:

- 1) Call to Order
- 2) Approval of Minutes – March 31, 2010
- 3) Department Reports/Requests
 - A. Public Health
 1. Fiscal Report
 2. State Budget Updates
 3. Travel Requests
 4. Request to Accept Funding – 2010 Ryan White Funding for HIV Program
 - B. Pleasant Valley
 1. Physician Credentialing
 2. Quality Assurance Report
 3. Staffing Request
 4. Fiscal Report
 5. Miscellaneous
- 4) Other Business
- 5) Adjournment

Chairman Shay called the meeting to order at 12:55 P.M. at Pleasant Valley Infirmary.

A motion to approve the minutes of the March 31, 2010 minutes was moved by Mr. Campbell, seconded by Ms. Idleman and adopted.

PUBLIC HEALTH – Patty Hunt, Director, addressed the following items with the committee:

- Fiscal Report – Tina McDougall, Fiscal Manager, distributed and explained the monthly budget reports for 2009 and 2010, on file. Next month's 2009 report will be a final report of 2009 expenditures. The accounts receivable balance for home care is negative due to additional monies that came in from Medicare based on a mandated project and they will have to refund to Medicare in the amount of approximately \$202,000. The agency did maximize their core grant of \$406,000 for 2009 and anything in addition to that was reimbursed at 36%. They have received notice from the state that they cannot bill for the preschool program through Medicaid starting July 1, 2009 and forward. There is a state plan amendment being worked on between the State Education Department and the federal government and they cannot bill until that is finalized. Last month there was a significant increase in the preschool program due to kindergarten round up. In 2010, she is projecting the revenue to be under budget. The CHHA and Hospice census

is down approximately 10%. The number of patients in CHHA for the first quarter of 2009 was 607 and 574 in the first quarter of 2010. The hospice patients are coming on at the end of life, a shorter stay than in the past. The state aid application has been completed for 2010, \$698,000. Public Health is requesting the following budget amendments:

- A motion to transfer funds between line items under the immunization grant to purchase a filing cabinet which has to be locked as the current filing cabinet's lock is broken and not fixable and a TV for educational purposes, 100% state aid, in the amount of \$950.00 was moved by Mrs. G. Hall, seconded by Mr. Campbell and adopted.
- A motion to add the remaining early intervention administrative grant funds, the grant runs from October 1, 2009 through September 30, 2010, carry over 2010 portion from 2009 in the amount of \$30,404.10 was moved by Mrs. G. Hall, seconded by Ms. Idleman and adopted.
- State Budget Updates: Patty updated the committee on the following budget information:
 - Home Care
 - Proposing to eliminate trend factor for 2010 as well as the first quarter of 2011;
 - Increasing the gross receipt tax on the home care revenue – proposal is to double amount they receive currently;
 - Looking into perspective payment for Medicaid;
 - Increasing Medicaid Fraud Recovery Targets – the rules for the audit have not been made clear so they are not sure what they are auditing for but they have these targets to meet;
 - Elimination of state aid for optional services – includes: CHHA & Hospice – If we had a competitive CHHA in the county it would apply to us but because we are a sole source CHHA, we would be exempt and allowed to collect the 36.5%. If another CHHA came in then Public Health could not collect the 36.5%.
 - Increase penalties for not returning required statistics and cost reports;
 - Public Health
 - Proposed tax on Cigarette and Sugary Beverage to offset health care expenditures. Non-passage may mean cuts;
 - Proposal to move Coroner Funding out of Health to Criminal Justice Services and out of Article VI funding – set to be instituted the first quarter of 2011;
 - EI insurance mandate – They wanted the parents responsible for some of the expenses and that has been rejected by both houses;
 - Pre K – proposal to cap County expense and that has been rejected by both houses;
 - Chronic Disease – file HIV under this program;
- Federal Budget Update
 - Home Care
 - Positive and Negative Impacts, cut or decrease trend factor and rebasing of home care payments;

- Delaying Home Care Productivity – initiate 2015
- Modifying Outlying Patients
- Reduces from 24 to 12 months maximum period for submitting Medicaid claims;
- Physician have face to face with client before they issue a certification for home care
- Public Health
 - See this as one of the biggest booms to Public Health, moving Public Health forward – a huge impact on preventative wellness;
 - Supporting PH workforce – additional education
- Travel Requests:
 - Coding for Home Health (Intermediate Program) This course is for the two QA Coordinators who are in charge of validating our coding, which is how they are paid. The course is in Mt. Kisco on June 15th and 16th. It will require one room overnight, gas, \$299 per person conference fee including meals and they will have a certification examine included for a total of \$1,522.00 which they have budgeted for. A motion to approve travel request for coding training was moved by Mr. Pitts, seconded by Mrs. G. Hall and Mr. Suprenant and adopted.
 - Delta Event in PA June 21st – June 24th. This is their software provider. It provides education and training on both the clinical and financial side of the system so they can continue to maximize its use and updates on new add ons. They are proposing to send three employees for four days including travel at a total cost of \$2,181 and this expense is budgeted. Public Health pays approximately \$7,000 a month in maintenance support fees for this program. A motion to approve Delta travel was moved by Mrs. G. Hall, seconded by Mr. Suprenant and adopted.
- 2010 Ryan White Funding – Upper Hudson Primary Care Consortium – A motion to accept Ryan White Funding for HIV and STD outreach, prevention and testing (used to purchase test kits and these are shared with the jail) in the amount of \$4,400 for April 1, 2010 – October 31, 2010 was moved by Mr. Suprenant, seconded by Mrs. G. Hall and adopted.
- Miscellaneous:
 - Request by WIC to add a cell phone to Public Health's current plan and PH would bill WIC on a monthly basis. They have four clinics in basements and currently an employee has been using their own phone to call physicians, etc. A motion to approve WIC cell phone under Public Health's plan and billed the monthly charge was moved by Mr. Campbell, seconded by Mr. Pitts and adopted.
 - Health Educator requests for items:
 - Communities Capacity Building grant – Laura Lee Tucker, Health Educator, is requesting banners for towns to use as a campaign to present health messages. These banners would be shared between the towns. The cost is approximately \$2,400 for two sets of banners, a set for the north and one for the south. The banners would include health messages and the website. This is state aid eligible and was budgeted for. A motion

to approve Communities Capacity Building banners was moved by Ms. Idleman, seconded by Mrs. G. Hall and adopted.

- Outreach for schools, fair and worksite wellness - \$20,000 was budgeted for these expenses. Items being requested for outreach to the schools, fair and worksite wellness are sun screen, jump ropes – childhood and adult obesity, Frisbees, bubbles, pencils – fair with health message, hand sanitizer, hygiene kits – toothbrush, toothpaste, deodorant, soap and combs – school programs, immunization grant is requesting coloring books, and worksite wellness is requesting exercise bands, and aluminum water bottles. A motion to approve outreach items requested was moved by Mr. Campbell, seconded by Mr. Pitts and adopted.

Mr. Pitts complimented Public Health nurse, Ellen Kent, who is taking care of his grandmother, on her professionalism.

- Biggest Loser Contest – Washington County won the contest between Washington and Warren Counties. We had the greatest percentage of weigh loss, 557.6 pounds. If this becomes an annual event, Kevin Hayes, County Administrator, is willing to buy a trophy to go back and forth between the counties. The county has two Choice Well Live Well classes (Weight Watchers like program) and 45 at home participants.
- Awards presented to Public Health:
 - Balto Award – in response to HINI
 - American Red Cross – Bloodmobile – Silver Level Award

PLEASANT VALLEY – Doug Cosey, Administrator, addressed the following items with the committee:

- Physician Credentialing – The Board of Supervisor approves the physician privileges at Pleasant Valley. Doug distributed a handout listed the medical staff that treat patients at the facility and their specialty area, attached. A motion to approve physician privileges at the facility to those listed on the handout was moved by Mr. Campbell, seconded by Mr. Sady and adopted.
- Quality Assurance Report – Doug stated one of their responsibilities is to report to the Board what their internal quality assurances activities are. They have a Quality Assurance Committee that meets on a monthly basis and goes over risk management issues to make it a safer environment. They have been looking at the following items:
 - Cited for use of physical restraints – (1) failed to document notification to family of education and use of restraint – i.e. instituted a lap tray for nutrition – now do weekly audits, and (1) no written documentation in care plan when restraint to be released.
 - Overall resident care plans – 122 patients have individual plans to meet their specific needs regarding nutrition, mobility, etc. A survey noted they were not showing the outcome of a changed intervention. Care plans are now being audited on a weekly basis.

- Physician telephone orders – By law, all physician telephone orders have to be countersigned by physician within 48 hours of verbal order. Now faxing once a weekend orders to be signed by physician.
- Safety statistics for resident falls and accidents. For the first quarter of 2010 – 102 resident falls, this is down from 2009 by 7. Sixty-one of the falls were in the dementia unit. Thirty-seven falls occurred on the day shift, 40 on evenings and the remainder on the night shift.

Kevin Hayes, County Administrator, distributed a request for proposals, evaluation of options for operation, management, and/or sale of skilled nursing facility and home health agencies, attached. He thought an RFP addressing a possible sale of these facilities/services was premature at this time. This is a proposal to help the board through the RFP up to and if there is a sale. Kevin and Brian Campbell, Budget Officer, met with someone in the business that evaluates nursing homes and stated if the decision is made to sell that the facility could be marketed within a short time frame. Through this RFP, Kevin is looking for a consultant to submit a list of items/priorities to work the Board through the decision tree. He asked who is going to interview the responders to the RFP and he assumes it is this committee. Eventually a contact person needs to be named. He also suggested establishing a working group/subcommittee when a firm is hired as the committee may be too large for this task. Mr. Campbell suggested that Mr. Henke should be a member of this working group because Pleasant Valley is in the Town of Argyle. Kevin stated the consultant should indicate these are things you should be looking at to determine whether or not you should be in the business or what we could be doing different say for example with the Adult Home and, should we look at combining the billing between agencies, Public Health and Pleasant Valley. It would then be up to the Board to develop the criteria they should look at. If the decision is made to sell, then the Board would need to look for/RFP for someone to sell the facility. This RFP with minor adjustments will be forwarded to the Finance and Personnel Committee for review and then sent out. Kevin stated it probably will not be changed very much. A motion to tentatively approve RFP and forwarding to the Finance and Personnel Committee on Thursday May 13th for consideration was moved by Mr. Pitts, seconded by Mr. Campbell and adopted.

- Staffing Request – Doug stated an Account Clerk has transferred from Pleasant Valley to another county department (Public Health). She was responsible primarily for the accounts payable. He is requesting permission to go to Staffing Review on May 13th. He hopes to meet on the topic of reorganization of that department prior to the 13th with Public Health, Personnel Director and the County Administrator. The bookkeeper doing the billing is also going to retire. Kevin stated the title of the position should be looked so as to get someone skilled into that position. Mrs. G. Hall mentioned possibly a coder, a new title. A person in a coder position might also be able to do account clerk work. Tom Quinlan, Comptroller, stated they are currently down two people in the fiscal department. The audit is being postponed due to lack of personnel. Doug will address his personnel concerns with Barb Winchell, Personnel Director.
- Fiscal Report – Tom Quinlan, Comptroller, stated they are short staffed by two positions. The bookkeeper, who does the billing, is out on extended leave and that work is not getting done. The March billing is not done therefore he cannot report on March

revenues. He has no backup for the bookkeeper. She has been out two weeks. Mr. Shay suggested this not drag out. Mrs. G. Hall stated the facility should be receiving payments for March not just billing it. Tom stated they could catch up if she comes back shortly. Mrs. G. Hall stated this department needs to be reorganized. A motion to go out for a temp agency to provide assistance with this billing was moved by Mr. Campbell, seconded by Mr. Suprenant and adopted. Tina McDougall, Public Health, stated they could delay the person transferring from PV to Public Health if that would help. Tom addressed writing off some bad debt, \$95,000.00, handout attached. He is looking into three nursing home resident accounts totaling \$40,000, and three Medicare Part B bills that are probably not going to be collected in the amount of \$55,450.50 and need to be written off. Mrs. G. Hall recommends another appeal on the Medicare Part B billings. Tom will check on another appeal. He addressed the budget to actual handout, on file. He stated most departments running under budget.

- **Miscellaneous:**

- **Sprinkler System** – The facility must install a sprinkler system by 2013. The funds are in the budget for that project. Although this is a required project, the facility still needs to file a CON, Certificate of Need, application with the NYS Department of Health. A motion that the Board of Supervisors authorizes Pleasant Valley to file a certificate of need application with the NYS DOH regarding the sprinkler system was moved by Mrs. G. Hall, seconded by Mr. Sady and adopted.
- **Annual Rate Appeals** – The facility has been filing annual rate appeals relative to the interest and depreciation reimbursement on the Alzheimer's wing. They have inadequately been reimbursed since 2000 and they have filed timely rate appeals every year. The total dollar that they are talking about is approximately \$200,000. Last year, an attorney was hired to file an Article 78 in relation to this matter. The NYS Department of Health has not been processing any rate appeals. The attorney needs to file a continuance and that will cost up to \$5,000 billed on an hourly basis, \$150.00 per hour. Doug feels this needs to be done to protect our interest in the \$200,000. Mike McCarty, independent auditor for Pleasant Valley, concurs this should be continued. A motion to amend budget transferring funds between line items, out of equipment into contractual, for ongoing litigation was moved by Mr. Pitts, seconded by Mr. Suprenant and adopted.

OTHER BUSINESS: None.

The meeting adjourned at 2:45 P.M.



WASHINGTON COUNTY
REQUEST FOR PROPOSALS

EVALUATION OF OPTIONS FOR OPERATION, MANAGEMENT, AND/OR SALE OF
SKILLED NURSING FACILITY AND HOME HEALTH AGENCIES

ISSUE DATE:

DUE DATE:

RESPOND TO:

Washington County Purchasing
383 Broadway
Fort Edward NY 12828

ATTENTION:

Robert L. Buck, Jr.
Purchasing Coordinator

REQUEST FOR PROPOSALS

To assist Washington County in evaluating its options for the operation, management and/or sale of both the County's nursing home and home health agencies.

BACKGROUND INFORMATION

Washington County, New York, is a non-chartered county government located in the eastern part of the State, next to Vermont and in the foothills of the Adirondack Park. The County has a population of 61,042 and operates a 122 bed skilled nursing facility in Argyle, NY. In addition to providing baseline skilled nursing services at Pleasant Valley (PV) the County also operates a 33-bed adult home and a 24-slot adult day health care program (Day Care). All expenses relating to this action are captured in an enterprise fund. The following items are attached:

Statement of Income & Fund Equity for Years Ending 2005-2008
Balance sheet for December 31, 2008
Budgets for 2009 and 2010

Washington County also operates several Home Health Agencies, through the County's Public Health Department. These are the sole certified Community Home Health Agency (CHHA); Long-Term Home Health Care Program (LTHHCP) and Hospice.

SCOPE OF SERVICES

Washington County is seeking a professional service/consultant to assist the County in evaluating its options for the operation management and/or sale of both the County operated nursing home and Home Health Agencies. Said service/consultant will be asked to assist the County in outlining options for future public and/or private ownership/operation of the County-owned Health Services and to help the County develop a strategy and plan of action for moving forward.

It is the goal of this project to help County officials look objectively at the range of options from the continuation of the status quo operation of the nursing home and home health agencies to the potential option of selling one or both of these operations.

In order to accomplish this goal, each proposal must include a list of primary decision criteria to be evaluated along with an estimated timeline. It is anticipated that the outcomes of these discussions will drive the various evaluations.

It would be desirable to have the process clearly measured in phases to help keep this project on track.

Each applicant must clearly outline their fee relating to their proposal. Phases to correspond to the above scope of work.

PROPOSAL FORMAT

The following is what is expected in each of the major sections of your proposal. The Proposer is to make a written proposal which presents an understanding of the work to be performed. Responses should be thorough and detailed as possible so the County may properly evaluate the firm's capabilities to provide the required services.

Section A – Introduction:

This section should contain an Executive Summary, which demonstrates your understanding of the Scope of Services. Provide information necessary for Washington County to evaluate the qualifications, experience, and expertise of the proposing firm to work with the County.

Section B – Company Profile and History:

Name, phone number and e-mail address of the person the County should contact with any question on the proposal. The name and title of the person submitting the proposal. Documentation of vendor history, including capabilities in the areas of services to be provided, number of years in business, number of years doing business in New York State, size and scope of operation. Type of organization (corporation, partnership or sole proprietorship). Indicated individual designated as the account manager for this consulting service and a resume for this individual identifying past experience on similar projects. The County reserves the right to interview the individual. A statement indicating the respondent is in good financial standing, not in any form of bankruptcy, current in taxes.

Section C – Vendor Requirements:

Vendor to include compliance to requirements listed within this Request for Proposals. The proposer shall describe in detail any services that will be subcontracted.

Section D – Required Forms:

Required forms listed in the RFP to be returned with proposal. Specifically include a signed Proposal, Non-Collusion and Vendor Responsibility form. Also include the insurance and workers' compensation / disability certification.

Section E – Pricing Section:

Provide pricing details and all associated costs.

Section F – References:

This section shall contain names of at least three (3) similar contracts within New York State you presently have (or previously had) with other municipalities or local government agencies within the past three to five years. Please include company name, address, telephone number and contact person.

Section G – Additional Information:

This section should include any additional information the proposer finds would be helpful regarding the proposed service.

Pleasant Valley
 Statements of Income and Fund Equity
 Years Ended December 31, 2008, 2007, 2006, and 2005

	2008	2007	2006	2005
Operating revenue:				
Net patient service revenue	\$ 11,241,747	\$ 9,864,939	\$ 9,055,303	\$ 9,147,252
Other operating revenue	13,564	12,399	12,884	10,797
Total operating revenue	<u>11,255,311</u>	<u>9,877,338</u>	<u>9,068,187</u>	<u>9,158,049</u>
Operating expenses:				
Nursing services	4,036,089	3,917,122	3,929,577	3,651,017
Ancillary services	680,949	715,622	627,694	948,631
Dietary services	890,185	828,593	784,403	738,172
Housekeeping	344,362	312,992	308,938	298,979
Laundry services	273,062	264,621	271,815	259,048
Maintenance	777,921	671,650	625,029	623,765
Administrative and fiscal services	621,353	572,894	555,958	543,728
Insurance	26,363	25,939	25,654	25,400
Employee benefits	2,445,552	2,371,417	1,960,073	2,187,273
Cash receipts assessment	538,205	403,659	411,924	410,964
Depreciation	648,721	629,372	680,718	600,586
Provision for bad debts	71,497	40,447	12,119	14,288
Total operating expenses	<u>11,354,259</u>	<u>10,754,328</u>	<u>10,193,902</u>	<u>10,301,851</u>
Loss from operations	<u>(98,948)</u>	<u>(876,990)</u>	<u>(1,125,715)</u>	<u>(1,143,802)</u>
Non-operating revenue (expense):				
Indirect costs and donated services from County	-	145,171	135,295	134,935
Cash subsidy and transfers from County	4,730	500,000	660,000	300,000
Transfer to County	(101,763)	-	-	-
Intergovernmental transfers	2,344,390	-	187,000	374,529
Interest income	19,055	23,303	30,311	21,138
Interest expense	(186,043)	(143,963)	(144,148)	(153,201)
Other grant revenue	5,234	69,350	-	118,000
Other revenue	25,006	30,095	146,831	119,619
Loss on disposal of equipment	-	(1,671)	-	-
Total non-operating revenue, net	<u>2,110,609</u>	<u>622,285</u>	<u>1,015,289</u>	<u>915,020</u>
Increase (decrease) in fund equity	2,011,661	(254,705)	(110,426)	(228,782)
Fund equity, beginning	2,163,718	2,418,423	2,528,849	2,757,631
Fund equity, ending	<u>\$ 4,175,379</u>	<u>\$ 2,163,718</u>	<u>\$ 2,418,423</u>	<u>\$ 2,528,849</u>

WASHINGTON COUNTY PUBLIC HEALTH
ANALYSIS OF CHHA, LTHHCP, AND HOSPICE NET REVENUE

	<u>2008</u>			
	CHHA	LTHHCP	HOSPICE	TOTAL
DIRECT EXPENSES	3,030,637	612,688	1,147,103	4,790,428
OVERHEAD ALLOCATION				
CAPITAL	37,307	7,386	6,420	51,113
PLANT OPERATION & MAINTENANCE	59,735	11,826	10,278	81,839
ADMINISTRATIVE AND GENERAL	733,463	148,178	272,942	1,154,583
TOTAL COSTS	<u>3,861,142</u>	<u>780,078</u>	<u>1,436,743</u>	<u>6,077,963</u>
2008 NET PATIENT SERVICE REVENUE	3,894,206	558,751	1,413,437	5,866,394
RETROACTIVE MEDICAID REVENUE FOR 2007 RECEIVED IN 2008	26,112	17,862	-	43,974
STATE AID	-	33,909	-	33,909
INDIRECT COUNTY SERVICES	131,874	26,321	48,191	206,386
TOTAL REVENUE	<u>4,052,192</u>	<u>636,843</u>	<u>1,461,628</u>	<u>6,150,663</u>
NET INCOME (LOSS)	<u>191,050</u>	<u>(143,235)</u>	<u>24,885</u>	<u>72,700</u>
	<u>2007</u>			
DIRECT EXPENSES	2,739,724	615,608	755,603	4,110,935
OVERHEAD ALLOCATION				
CAPITAL	42,919	8,496	7,384	58,799
PLANT OPERATION & MAINTENANCE	92,166	18,246	15,858	126,270
ADMINISTRATIVE AND GENERAL	707,894	158,173	191,784	1,057,851
TOTAL COSTS	<u>3,582,703</u>	<u>800,523</u>	<u>970,629</u>	<u>5,353,855</u>
2007 NET PATIENT SERVICE REVENUE	3,537,585	507,554	866,419	4,911,558
STATE AID	203,123	33,909	-	237,032
INDIRECT COUNTY SERVICES	141,203	19,475	35,704	196,382
TOTAL REVENUE	<u>3,881,911</u>	<u>560,938</u>	<u>902,123</u>	<u>5,344,972</u>
NET INCOME (LOSS)	<u>299,208</u>	<u>(239,585)</u>	<u>(68,506)</u>	<u>(8,883)</u>
	<u>2006</u>			
DIRECT EXPENSES	2,576,968	593,287	875,869	4,046,124
OVERHEAD ALLOCATION				
CAPITAL	39,380	7,946	10,257	57,583
PLANT OPERATION & MAINTENANCE	63,515	12,815	16,543	92,873
ADMINISTRATIVE AND GENERAL	639,528	146,538	215,415	1,001,481
TOTAL COSTS	<u>3,319,391</u>	<u>760,586</u>	<u>1,118,084</u>	<u>5,198,061</u>
2006 NET PATIENT SERVICE REVENUE	3,181,660	495,912	875,756	4,553,328
STATE AID	502,755	66,865	-	569,620
INDIRECT COUNTY SERVICES	209,705	34,668	50,963	295,336
TOTAL REVENUE	<u>3,894,120</u>	<u>597,445</u>	<u>926,719</u>	<u>5,418,284</u>
NET INCOME (LOSS)	<u>574,729</u>	<u>(163,141)</u>	<u>(191,365)</u>	<u>220,223</u>

Pleasant Valley
Balance Sheet
December 31, 2008

Assets

Current assets:

Cash	\$ 1,949,011
Restricted cash - resident funds and security deposits	195,922
Patient accounts receivable, net	1,434,576
Due from County	27,775
Supplies	176,076
Prepaid expenses	188,369
Total current assets	<u>3,971,729</u>

Property, plant and equipment, net of accumulated depreciation

5,158,400

Total assets

\$ 9,130,129**Liabilities and Fund Equity**

Current liabilities:

Current portion of long-term debt	\$ 220,732
Accounts payable	358,631
Accrued payroll and related benefits	260,361
Accrued interest	28,393
Due to third-party payors	135,389
Due to County	348,864
Resident funds and security deposits	195,922
Total current liabilities	<u>1,548,292</u>

Long-term liabilities:

Long-term debt, net of current portion	2,410,366
Workers' compensation claims and judgments payable	996,092
Total long-term liabilities	<u>3,406,458</u>

Fund equity:

Invested in property, plant and equipment, net of related debt	2,527,302
Unrestricted equity (deficit)	1,648,077
Total fund equity	<u>4,175,379</u>

Total liabilities and fund equity

\$ 9,130,129

BAD DEBT ALLOWANCE BREAKDOWN		
1	CURRENT BALANCE IN OUR ALLOWANCE FOR BAD DEBT ACCOUNT:	95,000.00
	NOTE: THIS IS WELL BELOW THE INDUSTRY AVERAGE OF 200,000 TO 300,000	
2	THE ALLOWANCE AMOUNT CONSISTS OF:	
3	3 NURSING HOME RESIDENT ACCOUNTS TOTALING	40,000.00
	(I NEED TO REVIEW THESE ACCOUNTS WITH OUR BOOKKEEPER WHEN SHE RETURNS TO DETERMINE IF COLLECTION IS STILL POSSIBLE)	
4	BRIEF HISTORY OF THE PART B BILLING PROBLEM: (SEE ATTACHED FOR FURTHER EXPLANATION)	
	FOR PART OF 2006 AND 2007 THE THERAPIES (PHYSICAL THERAPY, OCCUPATIONAL THERAPY AND SPEECH THERAPY) WERE BILLED INCORRECTLY AND DENIED BY MEDICARE. THEY WERE RESENT TO MEDICARE FOR A RECONSIDERATION AND THEY WERE DENIED AGAIN	
5	NURSING HOME: MEDICARE PART B BILLS YEAR-2007	36,836.87
6	ADULT DAY CARE: MEDICARE PART B BILLS YEAR--2007	16,262.74
7	ADULT HOME: MEDICARE PART B BILLS YEAR--2007	2,350.89
	PART B TOTAL	55,450.50