7 October 2016

Office of the Governor
207 State House
Springfield, IL  62706

To: Governor Rauner

From: Pattsi Petrie, Chair, Champaign County Board

Re: Champaign County Nursing Home and Medicaid cash flow issues

The point of this memo is to bring to your attention the dire financial condition of the Champaign County Nursing Home (CCNH) because the home is presently owed 1.5 million dollars by the state in back Medicaid payments. This is not all that is owed. In addition, the timely processing of Medicaid applications is nonexistent, meaning that the number of open applications right now is costing the home $180,000/month. And there are several applications that are over two years old.

To be specific, Champaign County Medicaid applications are processed by the Macon hub rather than the Chicago hub. Chicago has a staff of 130; whereas, Macon has 70 with 34 vacancies. Even with full staffing, the volume of applications at the Macon hub still cannot be efficiently processed. The cause is a 14% application increase between January-July 2016 and another 31% increase between July-September. This translates to 100 applications per caseworker in Macon as compared to 15.4 per in Chicago.

Since all 243 beds in the home are Medicaid approved, the home is the safety net for this county and surrounding counties. Right now 70% of the residents are on Medicaid. And the fact is that Medicaid under pays per cost of care per day by $40-75. The county citizens already subsidize the home at three cents per $100 property tax assessment. This is not sufficient to carry the home through the tremendous cash flow deficiencies from the state. One last aspect, a county nursing home, unlike a private one, cannot borrow money as a financial bridge.

Possible strategies to assist the home:

- Assign a team of caseworkers to expedite the processing of the CCNH applications.
- Assign current and future applications to the Chicago hub.
- Provide presumptive eligibility to CCNH’s current and future Medicaid applications with the following options to account for penalties or denied applications:
  - Payment at 100% of CCNH’s Medicaid rate with credit balances returned within 60 days;
  - Payment based on 70% (or other percentage) of the Medicaid rate;
CCNH is paid 100% of the Medicaid rate and will escrow 30% (or other percentage) of the full Medicaid payment.

The reality check is that the Medicaid cash flow delays have created a situation that the decision of last choice may have to be to close the home sometime in 2017; thus the urgency of the memo. And where will the 70% Medicaid residents find an alternative nursing home.

Warm regards,

Pattsi Petrie, Chair