

Nathaniel Witherell Health and Human Services Budget Sub-Committee Report

1. How does the actual budget for the department compare to the requested budgeted amount? (YTD run rate comparison)

YTD through October, Witherell is favorable to budget for overall operating operating results by \$514,489. We anticipate the pattern of favorable monthly variances will continue for the remaining 2/3 of the fiscal year, although seasonal declines in census & revenue during the 2017 year-end holiday period are anticipated.

2. What is different in the proposed budget from last year and why? (Are there any new large expenditures? Program changes? Head count changes?)

There are no major changes in operations anticipated for FY19, although the trend of increasing admissions with shorter lengths of rehab stays may necessitate expanding 1 part-time social worker position to full-time. We plan to initiate non-medical homecare services in partnership with DanielCare in the last half of FY'18 , but there will be no changes in Witherell expense (or staffing) associated with this new service. DanielCare will bear the complete burden of additional costs in exchange for preferred provider status at Witherell. Profits generated by the business will be shared equally between Witherell and DanielCare.

3. What are the themes and goals for the department over the next fiscal year?

A major initiative will be to enhance long term care services by initiating renovations to the interior public spaces in the Tower Building's 4 nursing units and to the auditorium. This will improve the environment of care and enhance Witherell's competitive position to attract private pay admissions.

Likewise, Witherell will be focusing on compliance with the new phase 2 Medicare Requirements of Participation (effective 11/28/17.) Phase 3 requirements will be initiated a year later (effective 11/28/18). The Witherell Board and management team is focused on improving net operating results.

4. What issues of concerns does the department have over the next fiscal year?

a. Recruit and replace a key executive position (Director of Financial Operations) This position became vacant in December 2017 and will impact the reporting of financial results until February 2018. b. uncertain impact of changes to the Affordable Care Act (Obamacare); c. the impact of State budget deficits on the Medicaid program/reimbursement is unknown.

5. If applicable, how do comparable communities compare in terms of service delivery?

There are no comparable communities that deliver SNF facility services.. However, Witherell's bed utilization rate (93%occupancy) surpasses the statewide average occupancy by nearly 7%. (Overnight occupancy at Greenwich Woods was recently reported at 64%.)

6. Describe any regulatory changes that will impact your department this year?

a. Phase 2 of Medicare's Requirements of Participation was the most sweeping change in Medicare regulations since the 1980s.
b. Changes in Federal Income tax law, including removal of the Affordable Care Act's health insurance mandates, may have an impact on facility reimbursement for services in upcoming years. However, since the new tax legislation will likely impact younger individuals more than

seniors, Medicaid eligibility for SNF services remains somewhat shielded, at least in the short term.. Additionally, repeal of the insurance mandates does not take effect until January 2019.