

HEALTH AND HUMAN SERVICES COMMITTEE MEETING

MONDAY, MARCH 6, 2023

9:00 A.M.

MINUTES

MEMBERS PRESENT: Commissioners Tim Barnes, Blake Mulder, Mark Mudry, Joseph Brehler, Brian Lautzenheiser, Barbara Rogers, and Jeanne Pearl-Wright

ALSO PRESENT: Commissioners Jim Mott and Jacob Toomey; Eaton County Health & Rehabilitation Services (ECHRS) Administrator Martha Richard and Controller/Administrator Connie Sobie.

The March 6, 2023 regular meeting of the Health and Human Services Committee was called to order at 9:00 a.m. by Chairperson Lautzenheiser.

The Pledge of Allegiance was given by all.

Commissioner Mulder moved to approve the agenda, as presented. Commissioner Rogers seconded. Motion carried unanimously.

Commissioner to approve the February 6, 2023 minutes, as presented. Commissioner seconded. Motion carried unanimously.

Martha Richard was present to discuss the operation of the Health and Rehabilitation Services operations and financial activities.

Ms. Richard noted that in 2007, the facility requested a millage (.1248) for construction only to add 42 beds to the existing 100 beds due to increasing needs of the community. Outside of this small millage for construction, the Facility has not received any financial support for operations from the County. Today, Eaton County Health & Rehabilitation Services (ECHRS) is one of the remaining 34 County Medical Care Facilities in Michigan that serve citizens in all of Michigan's 83 counties, regardless of ability to pay for care.

It is anticipated that depending on the timing of the receipt of the above outstanding receivables and current cash balance, that the facility will once again need a "temporary" loan. The County covered \$975,852 for a month and the facility "repaid" the full amount in October when outstanding receivables were received.

Ms. Richard noted the several areas, as indicated in the presented report, have negatively affected the facility's cash flow and overall ability to operate without additional financial assistance.

She stated that each year the daily reimbursement rate is set based upon costs from two years prior. There are no adjustments for inflation, so in times of inflation all facilities struggle to keep

up with current costs using reimbursement rates from two years prior. COVID has widened the gap even further, as the industry is realizing inflationary costs between 15-35%, which is why some nursing homes are closing.

The facility has seen a significant increase in the percent of Medicaid residents being served over the previous 3 years (60 to 80%). Medicaid is the payer of last resort and the gap between the cost of the facility to provide care and what Medicaid reimburses continues to widen, currently roughly between \$100 to \$200 per day, depending on the individual resident's needs.

The response to COVID-19 in nursing homes and healthcare in general, has caused a staffing shortage. Last year, the facility reduced its available beds (rooms) by 30 due to staffing not due to lack of need. Without sufficient staffing, appropriate care cannot be provided. The facility holds a five star rating overall and in staffing ratios to patients.

The patients and residents currently served are clinically complex, resulting in additional care needs.

The facility is not alone in this struggle to survive the lingering effects of COVID. In November, a letter was sent to Governor Whitmer representing 200 nursing homes in the State of Michigan. The letter discussed the significant shortfall of Medicaid reimbursement and shared that many nursing homes were struggling to make payroll.

While the Governor did advance QAS/QMI payments to help with cash flow, this was just a temporary fix. Unfortunately, QAS/QMI payments were not deferred to the end of the year and have come due, as referenced in the Financial Results (attached). The State has agreed to increase the interim rate from 2.5% to 4.5% retro-active to January 1st; however, this will take up to 60 days to receive approval from CMS and process. Once processed, ECHRS will receive a retro bulk adjustment which will assist with cash flow.

Regardless of the Medicaid reimbursement issue and the potential for a "new" Medicaid reimbursement system, the facility will need financial support to continue to provide services to Eaton County's most vulnerable citizens. The facility has invested significant financial contributions into its operations and building over decades without support from outside sources for operations.

ECHRS services are needed within our community, now and even more so in the future.

Ms. Richard requested the question of an operating millage be posed to the citizens of Eaton County. Discussion held.

Chairperson Lautzenheiser stated the Tri-County Office Consortium Advisory Council Appointment has a vacancy and will be posted.

There was no miscellaneous items.

Limited Public Comment: Resident Rachel Cuschieri-Murray of Advocates for Mental Health of MI Youth, spoke regarding mental illness and the difficulties obtaining support and specialized services for children and adolescents who need a higher level of care.

Chairperson Lautzenheiser adjourned the meeting at 9:58 a.m.

The next regularly scheduled meeting of the Health and Human Services Committee will be held on Monday, April 3, 2023 at 9:00 a.m., in the Board of Commissioners Room of the Courthouse located at 1045 Independence Blvd, Charlotte MI 48813.



Brian Lautzenheiser, Chairperson