

OAK HILL NURSING HOME  
LEASE BETWEEN ACCOLADE  
HEALTHCARE AND MONROE  
COUNTY

SHORT TERM CHANGES FOR  
LONG TERM STABILITY

# IMPORTANT NOTES

- ▶ The primary concerns for the County in deciding to lease operations:
  - ▶ The Residents
  - ▶ The Employees
  - ▶ The Community
  - ▶ The Continuation of Oak Hill as a local nursing home for Monroe County citizens

# Misconceptions

- ▶ Monroe County residents receive preference for admission to Oak Hill
- ▶ Oak Hill is 5-star rated by Medicare
- ▶ Oak Hill is discounted because it is a County run nursing home
- ▶ Many Illinois Counties operated nursing homes so Monroe County should as well

# HISTORY

- ▶ Began in 1858 as the Monroe County Alms House
- ▶ In 1951, the Alms House was replaced with the Monroe County Nursing Home, Monroe County was the first county in the State of Illinois to build a Nursing Home which served as a model and inspiration to other nursing homes.
- ▶ In 2004, plans began for a replacement facility due to the age of the building and the required regulations.
- ▶ The new nursing home facility on Hamacher Road, Oak Hill, opened on December 1, 2006.
- ▶ In 2017, Monroe County opened Evergreen Pointe to help with those needing short-term rehabilitation.

# WHAT IS NOT CHANGING?

- ▶ No Residents will be moved as the result of the lease.
- ▶ Care of Residents will not be affected.
- ▶ Accolade Healthcare has agreed to assume the current Collective Bargaining Agreement.
- ▶ Accolade Healthcare has indicated a desire to retain the current employees at Oak Hill.
- ▶ Monroe County Nursing Home Endowment Board will continue in its current form and continue its support of Oak Hill.

# RECENT EVENTS

- ▶ Beginning in 2016, Oak Hill has employed five different individuals as administrators, and an inability to maintain continuity has resulted in ongoing management issues.
- ▶ Beginning with the onset of Covid, Oak Hill, like most businesses, began to see a steep decline in profitability.
- ▶ After Covid, significant consolidation within the industry occurred, Oak Hill remained a stand alone, County owned, nursing home and rehabilitation center and has faced the same regulatory and cost challenges without the necessary support.

# RECENT EVENTS, cont'd

- ▶ February, 2023
  - ▶ Commissioners were advised of possible Medicare billing issues.
- ▶ April, 2023
  - ▶ Commissioners engage with outside accounting firm, specializing in Medical and Nursing Home industry to conduct thorough review of all Medicare Billing from 2016- 2022.
  - ▶ Armanino - Accounting Firm retained

# STAFFING AND INFLATION

- ▶ Overhead costs associated with an inability to fully staff remains a constant challenge.
  - ▶ Agency Costs
  - ▶ Average wage for CNAs, RNs, administration continues to rise
- ▶ Diligent work to reduce use of third-party staffing has made impact but continues to cost County hundreds of thousands of dollars per year.

# REGULATORY CHALLENGES

- ▶ The regulatory landscape is ever-evolving, which requires a knowledge base not currently present at Oak Hill.
- ▶ Challenges in a number of fields:
  - ▶ IT
  - ▶ Health Information Systems
  - ▶ Medical Field, generally

# WHAT OAK HILL DOES NOT HAVE

- ▶ Following the review of Oak Hill by Armanino, the County was advised that best practices required, at a minimum, additional personnel in the following areas:
  - ▶ Governing Board
    - ▶ A governing board would consist of between 5-9 PAID members, each of whom would have a deep knowledge base in the medical and nursing home field.
  - ▶ Legal
    - ▶ Specialized attorney(s) with background in medical facility management, HIPPA laws, labor, worker's compensation, regulations, Medicare (CMS), Medicaid
  - ▶ Accounting
    - ▶ Significant resources needed to dedicate to billing practices, A/R, AP, payroll, including a number of additional personnel
  - ▶ Human Resources
    - ▶ Adding licensed Human Resources professionals with exclusive work within Oak Hill

# COSTS

- ▶ Since April 2023, the County has incurred costs associated with the review of accounting practices, policies, procedures, and other matters in the amount of: \$265,624.00.
- ▶ Not included in the aforementioned costs:
  - ▶ Possible Medicare Reimbursement
  - ▶ Outside Counsel Fees
  - ▶ Any possible fines and/or penalties
- ▶ The minimum needs listed would require exploration of additional tax revenue to ensure adequate funding.

# RISK AND INSURANCE

- ▶ Section 3-601 of Nursing Home Care Act provides: “[t]he owner and licensee are liable to a resident for any intentional or negligent act or omission of their agents or employees which injures the resident.”
- ▶ Insurance
  - ▶ Lower Premiums
  - ▶ Current Insurance Pool has created a committee to discuss County owned Nursing Home liability and the increased risk it presents to the Insurance Pool members.

# ACCOLADE HEALTHCARE

- ▶ Executive teams located in St. Louis and Illinois
- ▶ Reasons why Accolade was chosen by the County:
  - ▶ Manage multiple facilities through Illinois
  - ▶ Teams in place to immediately address regulatory and staffing challenges
- ▶ Track record of acquiring facilities and maintaining resident care as its highest priority.
- ▶ Because of the clinical teams already employed by Accolade, with focus on acute care, they can offer the acute care services to current and future residents.

# ACUTE CARE SERVICES

- ▶ Acute care services provide immediate and short-term treatment for severe injuries, illnesses, or urgent medical conditions.
- ▶ Focus is on rapid intervention and stabilization.
- ▶ Requires clinical team to be in place (additional employee hire requirements)
- ▶ NOT currently offered at Oak Hill

# LEASE DETAILS

- ▶ The County has negotiated an agreement with Accolade to lease the nursing home building, contents, and operations for an initial period of 5 years, with an option to renew for an additional 5 years.
- ▶ Accolade will pay an annual lease of \$750,000 that will increase each year by 2%.
- ▶ If the lease is renewed, the County has agreed to place a question to sell the nursing home to Accolade on the ballot at the General Election to be held in 2030 or 2032.
- ▶ If the voters approve the referendum, a sale price has been agreed to in the amount of \$14 million.

# NEXT STEPS

- ▶ An application to transfer the certificate of need to Accolade has been filed within the Illinois Department of Public Health.
- ▶ Employees have been notified of the lease and County human resources will be on-site to answer any questions and address any concerns.
- ▶ Residents and/or their families or powers-of-attorney will be mailed a letter announcing the lease and reassuring them that their care will not be impacted.
- ▶ Members of Accolade's team will also be on site in the coming days/weeks to effectuate an efficient transition.

# PUBLIC COMMENT

- ▶ In order to conserve time and avoid unnecessary delay, members of the public will be given three (3) minutes each for public comment and/or questions, pursuant to Section 1-2-35(B) of the Monroe County Code of Ordinances.
- ▶ Any question of the County Board which includes time for providing an answer shall count against the three (3) minutes provided.
- ▶ Pursuant to Section 1-2-35(C), “addressing the Board, will refrain from using profane or obscene words or gestures and from making personal, impertinent or slanderous remarks. It is within the sole and final discretion of the Chairman of the County Board to discontinue the person’s commentary if it is, or becomes, profane, obscene, personal, impertinent, slanderous or generally disruptive.”