

ANNUAL REPORT

ILLINOIS HEALTH CARE ASSOCIATION



2011

Illinois Health Care
ASSOCIATION®



Since 1950

STRENGTH & *Dedication*

From the President



IHCA President
Holgeir Oksnevad

For more than 60 years, the Illinois Health Care Association has served the long term care profession. Its longevity is no doubt a testament to the strength and dedication of its membership. It is that same strength and dedication that has allowed Illinois' long term care providers to persevere against the often difficult odds we face in this state. And, it is that same strength and dedication upon which I will draw as I lead this association during the next two years.

"Strength and dedication" are definitely fitting words for describing two of my predecessors with whom I've had the pleasure of serving: Bob Hedges and Cheryl Lowney. I want to thank them both personally for putting the association on such firm footing during the past decade. Their spirit of collaboration has allowed our profession to move forward for the benefit of the residents we serve.

I have been asked by several members what I hope to achieve during my tenure as President. First, I plan to see that we continue to work with our partners around the state to increase the influence of long term care. Second, we must increase our communication effort, not only to you the members, but also to those outside the profession to show our "strength and dedication." Third, IHCA stands on solid financial footing, and this cannot change. Last, we will continue to develop cutting-edge programs to meet the educational needs of our members.

I want to thank all of you who attended the Member Roundtable meetings last November. This was an exciting way to speak directly with members throughout the state and hear your great ideas for how we can improve the IHCA membership experience. I hope to continue this type of dialogue and encourage you to contact me anytime with your thoughts.

Your association leadership has dedicated itself to do all in its power to project your voice around the state. As I work through my first year in office, I pledge to listen to your issues – good and bad – and make this association better in my wake than when I first joined.

As always, thank you for your membership.

A handwritten signature in white ink, appearing to read "Holgeir Oksnevad".

Holgeir Oksnevad
IHCA President



From the Executive Director

Let's be honest. There's never a dull moment in long term care. And, as we look back at 2011, I think we can say it was pretty much par for the course.

One minute you're getting a reimbursement check every month, the next minute it's been six months since you've been paid. One minute the federal government is churning out stimulus dollars left and right, the next minute they're cutting Medicare rates by 11 percent. Over the past year, members were scheduling chiropractor appointments at an alarming rate, just trying to deal with the extreme whiplash that comes with a career in this profession.

The Illinois Health Care Association saw some changes during the year as well. Our fearless leader, the "Health Care Cowboy" Bob Hedges, decided it was time to head back to the ranch and pass his six-shooters over to Holgeir Oksnevad, who was elected IHCA President in September. I'm sure I speak for everyone when I thank Bob for the leadership he provided during his six years as President.

I'm also sure I speak for everyone when I thank Holgeir for his willingness to take over and lead the association during these challenging times. He will be joined by some new faces at board meetings. Tom Annarella was elected in October as Nursing Facility Second Vice-President. In addition, Steve Miller is in his first year as PAC Chair.

In closing, I want to thank you for taking the time to look at this Annual Report. Even more importantly, I want to thank you for being a continued supporter and member of the association – in good times and bad. As always, please let me know how we can be of service to you. If you have any questions about this report or other items, please contact me directly at dvoepel@ihca.com or at (800) 252-8988.



David A. Voepel
Executive Director



IHCA Executive Director
David A. Voepel



EDUCATION *Department*



The Education, Convention and Trade Show Committee once again worked persistently to provide quality educational sessions for the long term care profession. With the new requirement for licensed nurses to obtain 20 hours of continuing education in a licensure period, the Nursing Academy was launched to provide clinical and other timely topics for nurses via web seminars. This new educational offering offers convenient, low-cost CEs for facility nurses. Sessions are recorded and then archived, so that they are available 24/7.

IHCA, in collaboration with the Illinois Council on Long Term Care, offered seminars on wound care, MDS basics, advanced directives, and F322.

Other educational offerings included the Review Course for the Illinois Licensure Exam for Nursing Home Administrators quarterly and the 14th Annual Resources for Success.

RESOURCES FOR SUCCESS

In its 14th year, Resources for Success once again provided attendees with timely and informative sessions. Theresa Lang, RN, BSN, RAC-C, WCC started off the first day with a lively presentation called, "Management Hats and Shoes: A Fashion Show." She then delivered a full day of topics on the Nursing QA Process, Documentation and Delegation. Day two began with Mardy Chizek, RN, FNP, BSN, MBA, AAS speaking on generational differences, then continued with Nick Lynn, RPH, JD providing information about the nurses' responsibility in regards to controlled substances. During lunch, participants were able to browse the latest products and services at the trade show. Finally, Al Litwiller ended the conference with "5 Simple Secrets" to make life a little easier and keep stress at a minimum in today's fast-paced work environment.

CONVENTION AND TRADE SHOW

This was IHCA's 61st Annual Convention and Trade Show. Over 2000 attendees were treated to a general session featuring Steven Ford, son of former president Gerald Ford. Mr. Ford gave insights into some of his father's toughest decisions during his presidency and also shared some of the more humorous moments.

A new event, By Invitation Only! offered a select number of vendors the opportunity to meet with owners, CEOs, corporate purchasing agents, and other key decision makers in a relaxed setting away from the trade show floor.

THE YEAR AHEAD

In 2012, IHCA will launch its first Cruise for Education. Participants will receive 12 hours of continuing education while enjoying a 5-day cruise to Grand Cayman and Cozumel.

Making a return in 2012 will be the AANAC MDS (March 20-22) certification course and the 15th Annual Resources for Success (scheduled for April 25 – 26). A new HFS reimbursement system may be implemented in the coming year, so there will be joint IHCA/ICLTC training in multiple locations throughout the state.

IHCA is also exploring the development of a Wound Care Certification program for LPNs and RNs.

LONG TERM CARE *Nurses Association*

The Long Term Care Nurses Association (LTCNA) is a non-profit, 501(c)3 organization designed to provide education, career advancement, networking opportunities and advocacy to its long term care nurse members.

LTCNA members serve on the governing council, which oversees the progress and viability of the organization. In addition, members serve on committees within the Illinois Health Care Association and send a representative to meetings of both the IHCA Board of Directors and the Illinois Council on Long Term Care's nurse advisory group.

The association fosters career advancement through two scholarship opportunities: the Long Term Care Nurses Association scholarship and the John W. Maitland Jr. – Joseph F. Warner Long Term Care Nurses Educational Trust. This not-for-profit trust has as its sole purpose providing scholarships to long term care nurses. Many of us are experiencing firsthand the effects of the nursing shortage, and these scholarship programs work to educate nurses, thereby helping to alleviate the shortage.



Networking and education were promoted at the 14th Annual Resources for Success. This two-day event was filled with topics pertinent to long term care nursing. The LTCNA Council also worked with IHCA educational staff in the development of topics for the Nursing Academy. The Nursing Academy offers web seminars on topics pertinent to long term care nursing and is an economical way for facilities to provide continuing education hours for their nursing staff.

During the latter part of 2011, LTCNA, in collaboration with the Illinois Council on Long Term Care's nurse advisory group, began working to develop a Director of Nursing Manual. This manual will focus more on the management of this position, rather than policies and procedures. This work will continue into 2012.

In December, the LTCNA Council hosted an LTCNA member holiday luncheon. This provided an opportunity for all members to network and to hear a presentation by Judith Conway from the Illinois Department of Public Health (IDPH) on infection control.

Other projects for 2012 will include planning the 15th Annual Resources for Success, as well as providing input on the new HFS reimbursement system being developed.

JOHN W. MAITLAND, JR.

JOSEPH F. WARNER LONG TERM CARE NURSES SCHOLARSHIP FUND

The John W. Maitland, Jr. – Joseph F. Warner Long Term Care Nurses Scholarship Fund is a not-for-profit group formed by the Illinois Health Care Association in honor of Senator John Maitland and Joe Warner, past president of the association, community leader and friend to many around the state.

With a board of directors led by Chair Joanne Maitland, the main objective of the fund is to raise money to award scholarships to those individuals seeking to pursue nursing degrees and employment in the long term care field.

In 2011, the Maitland-Warner Fund received 24 applications for scholarships and after extensive interviews, awarded 14 scholarships. The fund awarded a total amount of \$12,000 toward the applicants' tuition costs. Those chosen were:

- Janet Andrews, Lincoln Land Community College
- Charles Attakorah, ITT Technical Institute
- Aretha Brown, CMK Health Care
- Cassandra Cherry, Methodist College of Nursing
- Laurie Condiff, Capital Area School of Practical Nursing
- Emily Davy, Sauk Valley Community College
- Nathan Gross, Beck Area Career Center
- Amanda Heilman, Prairie State College
- Christie Marquith, Beck Area Career Center
- Elizabeth Northrup, Rock Valley College
- Deandra Peach, Lake Land College
- Angela Range, University of St. Francis
- Katie Spaniol, Saint Francis Medical Center College of Nursing
- Nadine Walker, South Suburban College

Since its inception in 2006, the Fund has awarded 40 scholarships. For more information on the fund or to donate or participate on the board of directors, please contact David Voepel at the IHCA office.

HEALTH CARE COUNCIL OF ILLINOIS

The Health Care Council of Illinois (HCCI) serves as the joint legislative, regulatory and political arm of both the Illinois Health Care Association and the Illinois Council on Long Term Care. HCCI speaks with a strong and unified voice in representing the Illinois nursing home profession.

Through its legislative outreach, the staff of HCCI works diligently to support legislation that will benefit Illinois' 100,000 nursing home residents, and to defeat or correct any legislation that would have a negative impact on those we serve. HCCI provides a strong presence at the state capitol in representing the needs and values of Illinois' long term care community.

As an important component of the overall government affairs program, HCCI actively participates in the regulatory process in the development, response, and interpretation of both federal and state agency regulations. HCCI representatives play crucial roles on several state and federal committees including those for the Illinois Department of Public Health, Illinois Department of Healthcare and Family Services, and the Centers for Medicare & Medicaid Services.

The Health Care Council of Illinois Political Action Committee (HCCI-PAC) orchestrates political contributions and activities for its two parent organizations. HCCI-PAC's political plan includes personal visits with legislators by professional lobbyists, grassroots efforts by members, fundraising, contributions to proven Champions of our profession, and campaign activity across all four legislative caucuses.

To ensure the needs of the membership are addressed, the Health Care Council of Illinois' Board of Directors consists of board members from the Illinois Health Care Association (IHCA) and board members from the Illinois Council on Long Term Care. The board members from IHCA are:

- Steve Wannemacher (Co-Chair), Heritage Enterprises, Inc.
- Alan Gaffner, Fair Oaks Nursing Home
- Holgeir Oksnevad, Medina Nursing Center

For more information on HCCI go online at www.hccil.org.



Over the past years, The Center has been influential in the ID/DD legislative and regulatory arena to ensure that the issues our members are facing are being addressed. With that being said, our goal has been to build and sustain relationships with state and federal agencies, along with the executive and legislative branches, to establish an overall system of supports and services for all individuals with developmental disabilities, as well as their advocates and service providers. With these relationships in place, it will continue to allow us to respectfully represent our membership and to advocate for individuals with developmental disabilities.

Also, in 2011, with the input of our membership and other participants, we were able to implement a new and completely redesigned website (www.cddacs.org). We believe that the new website will not only make life easier for both our members and consumers, but will be a valuable, one-stop resource for legislative and regulatory information regarding the DD profession.



LIGAS V. MARAM LAWSUIT

On June 15, 2011, the Ligas v. Maram consent decree was finally approved. This lawsuit was first brought to court in 2005, and was then decertified on July 7, 2009, meaning that this lawsuit would only have impacted the seven named plaintiffs and not all developmentally disabled adults. On July 7, 2009, Ligas v. Maram was re-filed with several changes for the good.

As the negotiations moved forward, the consent decree resulted in the following:

- Sets forth steps for an “implementation plan” and for selecting an independent and impartial monitor.
- The Decree in no way affects the rights of individuals who choose to reside in ICFs/DD or otherwise do not wish to receive community based services or placement in a community based setting.
- Resources necessary to meet the needs of those individuals who choose to reside in ICFs/DD will continue to be made available and such resources will not be affected by the Defendants’ fulfillment of their obligations under the Decree.

To read more on the approved Ligas v. Maram lawsuit, please visit our website @ www.cddacs.org.

2011 SPRING LEGISLATIVE SESSION

During the 2011 legislative session, The Center supported and monitored legislation that included funding and regulatory issues for individuals with developmental disabilities.

HOUSE BILL 653 (P.A. 97-0441) ~ “Paul’s Law” ~ this legislation amends the Community-Integrated Living Arrangements Licensure and Certification Act. It requires the department to adopt rules to establish the process by which determination is made to initiate a review of an agency and stipulate a timeframe. This legislation also requires providers to do annual registry checks on all employees.

SENATE BILL 145 (P.A. 97-038) ~ ID/DD Task Force ~ this legislation amends the ID/DD Community Care Act that provides regulatory changes for facilities that operate as Intermediate Care Facilities for the Developmentally Disabled and Long Term Care for Under 22 Facilities.

SENATE BILL 1833 (P.A. 97-227) ~ Removes References of Retardation ~ this legislation amends the provisions of State law to substitute the term “intellectual disability” for “mental retardation,” “intellectually disabled” for “mentally retarded,” and “ID/DD Community Care Act” for “MR/DD Community Care Act,” without any intent to change the substantive rights, responsibilities, coverage, eligibility, or definitions referred to in the amended provisions represented in this Act.

To view more on these pieces of legislation and others you can visit www.ilga.gov or www.cddacs.org.



REGULATORY

As you know, in 2010 the formation of the Nursing Home Safety Task Force (NHSTF) was the result of an issue concerning individuals with Mental Illness (MI) co-existing with geriatric individuals living in nursing homes. From this task force, SB 326 (P.A. 96-1372) was formed in order to address that issue. As you are aware, The Center adamantly objected and worked closely with legislative members and other parties to ensure that individuals that resided in Intermediate Care Facilities for the Developmentally Disabled (ICF/DD) and Long Term Care for Under 22 Facilities (SNF/Ped's) were excluded from this process.

Moving forward, following some unfortunate incidents, the Governor created a similar task force to address comparable issues relating to facilities that provide care for individuals with developmental disabilities. SB 145 (P.A. 97-038) includes regulatory changes for facilities licensed under the ID/DD Community Care Act.

FY 2012 BUDGET

As we move into FY12, the State of Illinois's budget deficit has not improved. With continued payment delays it has been difficult for providers to maintain the status quo. This year, the Illinois General Assembly implemented a new budget policy that would basically identify and set forth the amounts of general revenue funds estimated to be available during FY2012. Once funds were identified, a specific revenue number was assigned to appropriation committees, which represented the maximum amount of what is to be allocated to various programs.

The Illinois General Assembly passed HB 3717, which is the budget for the State of Illinois, including the Department of Human Services. This legislation does not include a rate cut for facilities licensed as Intermediate Care Facilities for the Developmentally Disabled and Long Term Care for Under 22 Facilities.

Also, in the past there has been an ongoing practice with agencies regulating through memorandums. This process was used to adjust rates and to impose rules and regulations on providers. Now, the General Assembly has directed the department to go through the rulemaking process to make any adjustments to rates or to implement rules.

As we're sliding into the FY2012 budget cycle and a new legislative session, we will continue to fight for a more predictable payment cycle and an adequate source of revenue that would allow providers to continue to serve individuals with developmental disabilities.

MEMBERSHIP

With a sluggish national economy and Illinois long term care providers facing the additional fiscal pressures of Medicare cuts and Medicaid payment delays, the Illinois Health Care Association worked throughout 2011 to ensure that its members were receiving as much value as possible for their membership dues.

To that end, the IHCA Board of Directors created the **Membership/Communication Committee**. This committee met quarterly and worked on the development of new marketing materials. In addition, committee members participated in the recruitment of area non-member facilities and provided ideas on how IHCA could improve the membership experience.

The IHCA Board of Directors made increased communication with members a top priority for 2011, leading to two initiatives. IHCA News Brief, a new weekly newsletter, was created in response to a board request for a weekly update with association-specific news and other relevant information for long term care providers. The board also asked that IHCA create a "one-stop shop" help desk for members with questions. This led to a streamlined, simplified system for answering member questions. The IHCA staff answered more than 100 questions during the second half of 2011 and many of these questions, and their answers, were featured in the IHCA News Brief as "FAQs." At the suggestion of members, a "FAQs" page was added to the IHCA website to feature previous "FAQs."

This year, members of the **Nursing Facility Constituency** and **Assisted Living Constituency Steering Committees** began holding joint meetings, which have been extremely productive. Committee members made recommendations to the IHCA Board of Directors about various legislative and regulatory initiatives, which were passed along to the Health Care Council of Illinois. The committee members also decided to start a dialogue with various state government entities by inviting representatives from the Department on Aging to one of their meetings to discuss the Ombudsman Program. The committees hope this will be the first of many such meetings and plan to expand this initiative in 2012.

Members of the **Associate & Individual Constituency Steering Committee** continue to work on increasing convention and trade show involvement, PAC activities, and other important items. Specifically, committee members are volunteering their services to develop a demonstration room for the 62nd Annual Convention and Trade Show to showcase the groundbreaking developments happening in person-centered care.

The **DD Constituency Steering Committee** has become **The Center for Developmental Disabilities Advocacy and Community Supports' Board of Directors** and this group governs the DD constituency of IHCA's membership. (A full report about The Center and its many successes is included within this Annual Report.)

Member visits are an integral part of IHCA's membership retention efforts, and these continued throughout the year. In November, President Holgeir Oksnevad joined members of the IHCA staff at numerous facilities for a series of member roundtable meetings throughout the state. These meetings allowed members to meet the newly-elected president and engage in an informal, back-and-forth dialogue on long term care issues.

IHCA's recruitment and retention efforts paid off in 2011 as membership levels held steady and IHCA added 14 new member facilities. In the year ahead, the IHCA staff will continue to work with the **Membership/Communication Committee** to see that IHCA membership remains a quality resource for its members.



ADMINISTRATION / FINANCE AND



The main financial priority of the Administration/Finance and Operations Committee during 2011 revolved around investment strategy and management of IHCA's assets. First, the committee developed a conservative Investment Policy, which was subsequently approved by the board of directors and put into place. In order to provide security for funds over the FDIC limit of \$250,000, the committee established a re-purchase agreement, which is collateralized by the bank.

Later in the year, the committee began its yearly review of the IHCA Trust Fund. The IHCA mortgage was held by the Trust and that was deemed outside the Investment Policy scope. So, the committee and board of directors decided to move the Trust from PNC to Bank of Springfield and pay off the mortgage. This would allow the Trust to be in compliance with the Investment Policy.

The committee continues to monitor and oversee all bank accounts, income and expense reports, dues delinquencies, and future projections of income and expenses.

Over the last two years, the Internal Revenue Service has instituted more stringent reporting for non-profits in the way of an expanded 990 form. In an effort to keep up with audit standards, the committee developed new policies on the disposal of records and document/e-mail retention, which the board of directors approved.

New laws regarding contributions and control of PAC funds required adjustments to IHCA-PAC. A portion of your dues are now sent directly to HCCI-PAC. As of April, all dollars in the IHCA-PAC account have been transferred out to HCCI-PAC.

Following spring flooding in southern Illinois, which affected several IHCA member facilities, the committee proposed a bylaws change to allow up to a 60-day dues abeyance for facilities in a disaster area that must vacate the premises, resulting in a business interruption. The change in bylaws was approved during IHCA's Annual Meeting.

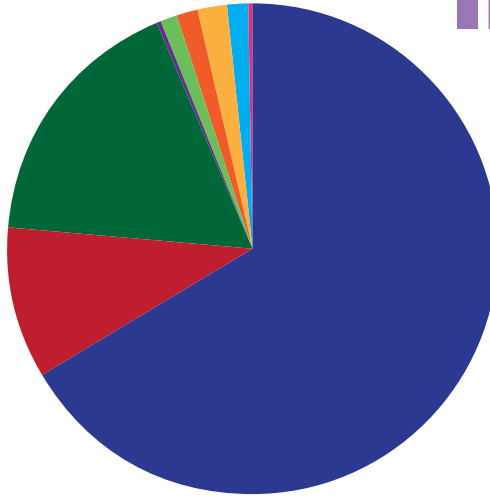
The Administration/Finance and Operations Committee members will remain committed to the financial security of IHCA assets during 2012. If you have questions regarding IHCA's financial information, please contact the IHCA office.

OPERATIONS COMMITTEE

2011 Annual Report

INCOME

DUES (66.62%).....	\$1,559,123.91
EDUCATION (9.8%).....	\$229,275.31
CONVENTION (17.27%).....	\$404,162.50
COMMUNICATIONS (.29%).....	\$6,760.00
INTEREST (1.16%).....	\$27,000.00
SPECIAL SERVICES (1.30%).....	\$30,434.85
ASSOCIATE MEMBERSHIP (2.09%)	\$48,725.00
INCOME FROM TRUST (1.42%).....	\$33,123.57
OTHER (.05%).....	\$1,879.48
TOTAL INCOME.....	\$2,340,484.62

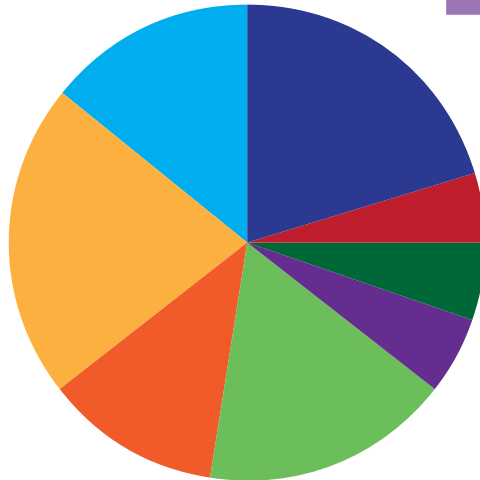


INCOME

- DUES (66.62%)
- EDUCATION (9.8%)
- CONVENTION (17.27%)
- COMMUNICATIONS (.29%)
- INTEREST (1.16%)
- SPECIAL SERVICES (1.30%)
- ASSOCIATE MEMBERSHIP (2.09%)
- INCOME FROM TRUST (1.42%)
- OTHER (.05%)

EXPENSES

PUBLIC POLICY (20.23%).....	\$500,000.00
CDDACS (4.84%)	\$119,543.31
MEMBERSHIP (5.27%)	\$130,207.08
COMMUNICATIONS (5.25%).....	\$129,665.98
EDUCATION (16.62%).....	\$411,268.87
CONVENTION (11.96%).....	\$295,664.86
GENERAL & ADMINISTRATIVE (21.81%) ..	\$539,129.85
POLITICAL ACTION COMMITTEES (14.02%) ..	\$346,453.04
OTHER	\$0.00
TOTAL EXPENSES	\$2,471,932.99



EXPENSES

- PUBLIC POLICY (20.23%)
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- COMMUNICATIONS (5.25%)
- EDUCATION (16.62%)
- CONVENTION (11.96%)
- GENERAL & ADMINISTRATIVE (21.81%)
- POLITICAL ACTION COMMITTEES (14.02%)
- OTHER

Illinois Health Care

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