

Lourdes Senior Community Boards

Tuesday, November 14, 2023, 1:30 p.m., LRHC Chapel

Note: Includes Board of Directors for Lourdes, Inc., Fox Manor, Clausen Manor (Lourdes Alzheimer's Special Care Center), Joseph T. Mendelson Assisted Living Home (Lourdes Assisted Living), Dominican Health Care and Lourdes Campus Fund

BOARD MEMBERS PRESENT

Richard Acho, President and CEO
Erin Asdell
Sister Janice Bachman, OP
Brian Condit, Chair
Linda Gifford
Peggy Holden
Henrietta Juras, MD
Steven Kastner (via Zoom)
Msgr. Michael LeFevre
Joseph Manuszak
Sister Peggy Martin, OP
John Noone, Secretary/Treasurer
Barbara Mendelson, Vice President (via Zoom)
Paul Propson (via Zoom)
Sister Barbara Rund, OP

STAFF PRESENT

Colleen Burke, Director, Clausen Manor
David Krolikowski, Director, Finance
Rebecca Latta, Director, Human Resources
Robin McClintock, CTRS, CASP, Director, Fox Manor and Mendelson Home
Maureen McGee, Administrator, Lourdes Rehabilitation and Healthcare Center
Jason Mize, Director, Plant Operations
Wendy Mosella, Director, Development and Marketing

CALL TO ORDER

The meeting was called together at 1:36 p.m. by Mr. Condit. A full quorum was present.

INTRODUCTION OF NEW MEMBERS

Mr. Condit introduced Erin Asdell, Peggy Holden, and Paul Propson who are the three new Board Members beginning their first terms.

OPENING PRAYER

Mr. Rich Acho along with the Senior Leadership Group led the group in prayer.

LOURDES SENIOR COMMUNITY FINANCIAL INSIGHTS

Mr. Chris Jones and Mr. Keegan DeBoer, both of Plante Moran, gave a presentation on the Lourdes 2022 financial insights captured following the financial statement audit. Their presentation was included in the packet. Mr. DeBoer reported that the audit went very smoothly with an unmodified opinion. The industry benchmarks that were compared with Lourdes included days cash on hand, days in net accounts receivable, historical debt service coverage ratio, unrestricted cash and investments, average age of facility, and operating ratio. Lourdes performed better than the benchmark in nearly every category. An update was shared on the trends that are being seen in the senior care industry. The State issued pass-through wage increases will be a concern once the funding comes to an end which is expected in September 2024. The increase in Medicare Advantage plans play a part in revenue per patient day with trends predicting the Advantage plans to overtake regular Medicare in the near future. Due to their lower reimbursement rates and length of stay monitoring, this will impact Lourdes.

LSC FY 2024 BUDGET

Mr. John Noone spoke to the finance department's preparation of the FY 2024 budget for the Finance Committee to review. The opportunities and challenges are considered in the preparation. Mr. David Krolikowski reviewed the goals that were set in the 2023 budget and the progress that has been made to meet those goals. Unforeseen challenges in 2023 included the property tax dispute and civil monetary penalties imposed by the State. The 2024 budget goals were reviewed. Revenue assumptions for 2024 include a 3.25% rent increase for Clausen Manor, Fox Manor, and Mendelson Home. A consolidated operating income for 2024 is predicted to be

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\$290K. This is the result of the new lease agreement with Angela Hospice which will add \$287K to our current operating income. Wage increases of 3% for union and non-union employees begins in February. Total rate increases for the campus in 2024 will be \$121K. The capital budget for 2024 is budgeted at \$1.3M. 2024 budget changes and challenges include inflation, managed care dictating treatment, Medicaid reimbursement changes, maintaining the star rating for QMI reimbursement, staffing shortages, and the COVID-19 uncertainty.

MOTION: SR. PEGGY MARTIN, OP, MADE A MOTION TO RECOMMEND THE BUDGET FOR THE ENTITIES OF LOURDES INC., FOX MANOR, LOURDES ALZHEIMER'S SPECIAL CARE CENTER, LOURDES ASSISTED LIVING, AND LOURDES CAMPUS FUND TO THE CORPORATE MEMBERS. SECONDED BY JOHN NOONE. ALL IN FAVOR. MOTION CARRIED.

LOURDES MASTER PLAN

Mr. Acho spoke about the plans for the Marian Hall wing. This wing was completely rebuilt and opened in May 2022. At that time residents were moved into the new rooms. Quickly after opening the staffing crises hit. The cost to staff the wing with contracted workers was not sustainable. The wing was closed in late 2022 and residents relocated back into the other parts of the building. A search began to repurpose the space. Various options were explored. The most logical option was to open an inpatient hospice. Rather than reinventing the wheel, a search was conducted with Trinity Hospice and Angela Hospice being approached. Trinity Hospice had no interest. Angela Hospice showed interest and approached its board and provincial council. A 3-year agreement between Lourdes and Angela Hospice has been signed. Angela Hospice will be opening a 15-room inpatient care center in the 14,000 square feet. The official name of the facility will be Angela Hospice at Lourdes. The Lourdes residents transitioning to hospice will have the option to stay at Lourdes or move over to Angela. This will be dependent on the census at Lourdes as not to take away from operating revenue there.

Following the April Board meeting, a market study was completed to determine the need for additional independent living units. The study found that Waterford Township needs 80-100 more independent living units. The plan is to build 6-10 ranch-style homes in the current location of the St. Jude home. Additionally, a new independent living apartment building will be constructed. The majority of the apartments will be 2-bed 2-bath units with balconies or patios. This will be located where the current convent sits. The Dominican Sisters of Peace graciously offered to donate the land to Lourdes for the new development. This new building will be approximately 80,000 square feet. Each apartment will have a view of the lake.

Mr. Acho has received proposals from three architects. A sub-committee has been formed to begin the process of selecting an architect, selecting a contractor, and beginning the build. The ranch-style homes will be built first with a home to accommodate the sisters currently living in the convent. The hope is to have the ranch homes completed in 2025. A focus group comprised of some of our current independent living residents and residents in the local communities.

MANAGEMENT REPORTS

Human Resources – Rebecca Latta: Nominations are being accepted by staff members for fellow staff members who could use a gift card for Thanksgiving. The nominations are always emotional and eye-opening to see what some of our staff members are going through. Each person nominated will receive a \$100 gift card for Kroger. Staff holiday treats will be shared each Wednesday through December. Employee holiday parties are planned at each building. Surveys will be sent to employees on December 4th by WeCare Connect. This is in conjunction with a grant through the Workforce Stabilization grant that LeadingAge Michigan received. LSC will receive \$5K for offering the surveys and each employee will receive \$100 to complete all offered surveys. Currently, five CNAs at LRHC have converted to a four-day work week.

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Lourdes Rehabilitation and Healthcare Center – Maureen McGee: A COVID vaccine clinic was offered at LRHC with lower numbers of residents and employees agreeing to be vaccinated. The new DON has been a nurse for 30 years and has previous long-term care experience.

Finance and Information Technology – David Krolikowski: Report stands as written. The ERC funds are currently in the checking account and being reinvested. The total was \$3.7M received. This is generating approximately \$15K per month in interest. For October the YTD consolidated loss from operations is -\$15K.

Clausen Manor – Colleen Burke: Report stands as written. Staffing remains a challenge. Clausen Manor is able to offer flex shifts with employees helping employees.

Marketing/Communications/Development – Wendy Mosella: Every person who attends an event sponsored by Lourdes is being tracked and following communications sent. Puzzles with pictures of the campus are raffled off at events. The website has been redone with tracking and follow-up communications being sent to visitors of the website. The year-end appeal will be mailed close to Thanksgiving. The raffle has sold 400 tickets so far with the drawing being held on December 1.

Fox Manor – Robin McClintock: Fox Manor has 5 vacancies with 2 moving to Mendelson. 26 residents and 2 staff received the COVID-19 vaccine.

Mendelson Assisted Living – Robin McClintock: Has 4 vacancies. There have been 24 deaths so far in 2023. The average is 10 deaths per year. This is due to the residents coming to us later in their years. 37 residents and 8 staff received the COVID-19 vaccine.

Plant Operations – Jason Mize: Report stands as submitted. A resident of Fox Manor has been volunteering in grounds.

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EXECUTIVE SESSION

DOMINICAN SISTERS OF PEACE

Sr. Janice Bachman, OP, will be taking the recommendation of the Board to approve the budget to the Corporate Members. The annual gathering of founded ministries health care organizations will be held in February. The meeting of the educational institutions of the founded ministries is going on now.

REPORT OF THE CHAIR

Mr. Condit spoke about the CEO metrics that were emailed earlier in the day. The performance-based metrics were introduced last year. The intent is for the Board to provide direction with the metrics set forth. The metrics are not set in stone and expectations can be adjusted as necessary. Significant strides have been made in retention. The expectation is a year-over-year improvement. The State survey is a priority with a focus on eliminating the citations for anything that might fall under harm to our residents. Development is making progress with more to be made with cultivating the relationships with our donors who may be willing to share more. Growth through additional independent living and the partnership with Angela Hospice is taking Lourdes in the right direction. It was suggested that certain quality indicators should be tracked to improve the State survey. As far as the resident and family surveys go, benchmarks should be set to strive to be the top in our industry rather than simply improving year over year. Rich explained the measures that drive the star rating. Specifically for quality measures, items that affect the quality rating include falls, fractures, wounds, medication errors, etc. Maintaining the ongoing commitment to serving the spiritual needs of our residents has been added to the metrics. It was suggested that rather than maintaining the spiritual commitment, enhancing the spiritual services should be included. The employee satisfaction survey of 2022 is serving as a baseline going forward. Inclusion and diversity need to be kept at the forefront to keep Lourdes as a welcoming environment regardless of race or religion. A marketing plan was created last year and will continue to be executed. Development has a high-level plan that needs to be dialed in. A focus on cybersecurity needs to continue. Several Catholic institutions are taking a deeper look at the physical security of their facilities. Active shooter training will be held in early 2024. Mr. Acho commented on the change in the dynamics of philanthropic giving. Estate giving to institutions is rare with most residents he talks with leaving their estates to their children, grand children and families. It was cautioned that passive ways of giving are better received than direct asks in certain cases. Increasing the Lourdes presence within the parishes is important. Sr. Barbara recommended finding ways to get parishioners to Lourdes to see what is offered. Sharing the Lourdes story through educational meetings at the parishes could create a connection. Rich will work on this.

REPORT OF THE CHIEF EXECUTIVE OFFICER

The Angela Hospice partnership was announced on November 14, 2023. The agreement was signed on November 10. A joint press release will be sent in December. A meeting is scheduled with the Trinity Hospice group to assure them the Lourdes/Trinity relationship will continue.

A date to set a date with the Tax Tribunal has been scheduled for December 18. The actual date to be seen by the Tribunal court will more than likely not be until late 2024 or early 2025. A discovery phase will take place in the meantime.

Mr. Acho had a visit from Najah Bazy. She is an Angela Hospice Board member who runs her own nonprofit for marginalized women and children.

Committee and Board membership recruiting continues.

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COMMITTEE REPORTS

Quality Resident Care Committee – Linda Gifford: Lynne Golling continues to chair the committee. The Committee met in September to cover the facility reports, administrator's report, psych report, and strategic imperatives. The next meeting is November 15, 2023. Two new Committee members will be welcomed at this meeting.

Audit and Compliance Committee – Barbara Mendelson: The Committee met on November 3rd. Sister Peggy Martin, OP, has agreed to chair the Committee going forward. Plante Moran has been chosen to complete the 2023 audit, 990s, and cost report. The fees for the audit rose by 4.8% from \$86,900 to \$91,000. The new accounting standards were discussed during the meeting. A simulated cyber attack was conducted by the leadership team. Findings from the simulation included the need for paper copies of electronic medication records along with instructions to set up hotspots if necessary. The next meeting is April 19, 2024.

Finance Committee – John Noone: The Finance Committee met November 8th. The 2024 budget was the key topic.

Human Resources Committee – Steve Kastner: The Committee has not met since the last meeting of the Boards.

Governance and Nominating Committee – Brian Condit: The Committee continues to ask for recommendations for potential Board and Committee members.

Philanthropy Committee – Brian Condit: The Committee will meet in December.

Continuing Support Fund Committee – Rich Acho: The Committee will meet on December 14. There are 4 to 5 residents for whom the Committee will be seeking support.

CONSENT AGENDA

- Meeting minutes of August 29, 2023
- Testimonials
- Educational Article

MOTION: SR. JANICE BACHMAN, OP, MADE A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED. SR. BARBARA RUND, OP, SECONDED. ALL IN FAVOR. MOTION CARRIED.

ADJOURNMENT

The meeting adjourned at 4:30 p.m.



Brian Condit, Board Chair



Debi Batchelder, Recorder

