

Expenses & Revenues vs Budget

Early 2004 found Lasata Care Center and Lasata Heights facing an unstable and uncertain future. The Board of Trustees determined that it would be appropriate for Lasata staff along with the County Administrator's office and the Trustees to proceed with an in-depth study of the operations of both facilities.

Four public hearings were held to obtain community input, comments and suggestions relative to the operations of Lasata care Center and Lasata Heights. Based upon the information obtained the Board of Trustees forwarded a list of recommendation to the County Board.

As we move forward every effort will be made to maximize revenues and control costs to minimize dependence on a tax levy. In addition, options will be explored for potential growth in new service areas that could enhance or compliment our current mission.

We budgeted an operating deficit of \$1,038,000 but had an estimated operating deficit of \$173,830 after adjustments for principal on debt, capital outlay and construction expenses. With our tax levy appropriation added we had an estimated Net Operating Surplus of \$784,072.

Our revenues were \$762,000 over budget, most of this was increased IGT (Intergovernmental Transfer Program) funds but we also had a higher than expected number of Medicare residents and Private Pay residents. In addition, our operating expenses were \$557,200 below budget mainly due to savings from decreased utilization of Health Insurance and savings in purchases of supplies.

The major capital improvement project completed this past year was the renovation and remodeling of the four passenger elevators. The final cost of this 2-year project was \$292,000. Other capital improvement projects included replacing flooring in some of the resident areas, replacing a section of the roof, and boiler conversions that will reduce energy costs by

thousands of dollars per year.

In cooperation with the Cedarburg Light and Water Utility we received a State Public Benefits Program credit of \$20,200 towards our electric bill over the summer months. We have now received over \$79,000 from this program in the past 4 years.

Staffing levels in several departments, especially nursing, were reduced in an effort to control wage and fringe benefit costs. Staffing levels in every department of Lasata are now comparable to averages for other nursing homes in the state. These levels were still above state mandated levels and resident care was not compromised.

We were proud to experience a State of Wisconsin Division of Health deficiency-free survey for the second year in a row. This supports our belief that we continue to provide a high level and quality of care after implementation of several new and more efficient operating procedures.

Occupancy levels in Wisconsin nursing homes continue to average about 89% but Lasata's average occupancy was 98% (197 beds filled daily). Twenty three percent of our residents were Private Pay, 70% were Medicaid (T19), and 7% were Medicare (T18). Ninety-two percent of our new admissions in 2004 were Ozaukee County residents prior to being admitted, 7% had a relative who qualified as a County resident and 1% were non-County residents with no relatives that were Ozaukee County residents.

At Lasata, like most long-term care facilities we now care for a more medically complex and highly acute resident that not only increases costs per resident day but eventually results in a much higher turnover ratio.

A total of 122 new residents were admitted during the past year, this was an increase of 5% over the previous year and 42% over two years ago. We had a large increase of admissions from other nursing homes mainly because of the closing of Mequon Care Center, a privately owned facility that went out of business due to growing Medicaid financial losses. We also

had a large increase in Medicare admissions, residents that came for short-term rehabilitation.

Sixteen percent (19 total) of our new admissions were from the Lasata Heights apartments, nearly triple from 5 years ago. It is obvious that many Lasata Heights tenants are aging-in-place and then moving to Lasata when they can no longer live independently. They seem to be forgoing that middle level of care available at Assisted Living Facilities throughout the county.

113 residents were permanently discharged during the past year, an increase of 9% over the previous year and 34% over two years ago. Ten years ago about 20% of all residents admitted to Lasata returned home or went to a less institutional living arrangement. This past year over 42% of Lasata residents that were discharged went to a less institutional setting. This again was directly related to our increased short-term Medicare admissions.

Over 46% of Lasata residents had Alzheimer's, dementia or some other brain disorder as their primary diagnosis. Another 19% were diagnosed with heart attack or stroke and 19% were diagnosed with paralysis, fractures or a skeleto-muscular disease such as Muscular Dystrophy or Multiple Sclerosis.

The average age of all residents was 85.2 years, the youngest was 41 and the oldest was 102 years old. There were 4 residents under the age of 55 and 6 residents were over 100 years old, requiring our staff to meet the physical, medical and social needs of a very diverse population.

The average length of stay is getting shorter every year and is now 3.1 years with 86% of our current residents residing here less than 5 years. On the opposite end of the spectrum was one resident who has been with us for over 30 years.

Eight employees retired totaling 216 years of service or an average of 27 years each. This was by far the largest number of employees with the

highest average years of service that have ever retired from Lasata in the same year.

Goals for 2005 include a renovation of treatment and medication rooms, partial replacement of our nurse-call system, retention and recruitment of qualified licensed nurses and nursing assistants. We aim to have a deficiency-free State survey for the third year on a row. We will also continue to explore the feasibility for expansion into other programs that may compliment or enhance our services and mission.

In cooperation with the county nursing home and non-profit nursing home associations we will work with State and Federal legislators in an attempt to increase funding for the services we provide to Medicaid covered residents.

Respectfully submitted by the Lasata Care Center Board of Trustees and Lasata Care Center Administrator, February 8th, 2005.