

# Provincetown Finance Committee and Cape End Manor Board of Directors

September 29, 2004  
3:00 p.m.

**Finance Committee:** Sue Buerkel, Matthew Clark, Gail Enos, Ruth Gilbert (Chair), Mark Leach, Ann Maguire, Virginia Ross (arr 3:15), Thomas Thurston (excused absence), and Robert Vetrick.

**CEM Board:** Robert Cabral, Rev. Henry J. Dahl (recused absence), Marilyn Downey, Patrick Patrick (excused absence), Katherine Perry, and Dr. Janet Whelan (excused absence).

**Also in attendance:** Dennis Anderson, Keith Bergman, Brian Shea, and Eileen Thomas.

## Agenda

Marilyn Downey welcomed and thanked everyone with a few opening remarks.

Ruth Gilbert called the Finance Committee meeting to order at 3:00 p.m.

Dennis Anderson passed out a three-page packet entitled "Administrative Update." He then went over the packet as a presentation to the group.

1. **Land Exchange** - Dennis assured everyone that the land will not be transferred until all approvals are in place and a contract has been executed with the selected bidder.
2. **Zoning** – Dennis indicated that changing zoning to allow a 44 ft. height to support a three-story structure is key to this plan and it requires Town Meeting approval.
3. **IGT Status** – While progress has been made on securing these funds, the Manor is unlikely to receive the level of funding assumed in the projections shared with Town Meeting in April 2004. The formula for the reimbursement rate is still under consideration at the state level i.e., Upper Payment Limits approach. Nothing definite can now be said regarding the reimbursement rate and several scenarios are being discussed.
4. **FY 2004 Fiscal Update** – Actual receipts were \$109,000 less than projected and the census decline was considerable in the last two quarters of FY 2004.
5. **FY 2005 Fiscal Update** – The low census is continuing which contributed to an expense reduction from 53.4 FTEs in FY 2004 to the current target of 41-43 FTEs by the end of October 2004. Dennis said every cost-reduction avenue has been tried i.e., job consolidation, hours worked reduction, and lay-offs. He also said that the "B" budget is under review entailing a further negotiation of vendor agreements.
6. **Entities Update** - There have been four real contacts who may or may not be interested in

responding to an RFP. One was a “not-for-profit” and the other three were “for-profit” entities. The proposed timeline is that the RFPs will be sent out on October 11<sup>th</sup>, opened on December 10<sup>th</sup>, and entity selection will take place on January 15, 2005. These possible entities are being asked to consider interim management, which could happen on July 1, 2005, but is not a requirement of the RFP.

7. **Personnel Impact of Downsizing** – It doesn’t even have to be said that any time there are lay-offs and/or reductions in hours worked the consequences are poor morale and overall unhappiness of the personnel involved.
8. **Admissions and Referral Development** – Rachel Butler is visiting the Cape Cod Hospital at least once a week to try to secure discharged patients for the CEM. Dennis Anderson told the group that “lies” about the status of the Manor have been told to prospective patients e.g., “the manor is closing,” the manor can’t do service X,” etc. An attempt is also being made to entice short-term stays and not necessarily “end of life” admissions. The CEM also is marketing IV therapy as a specialty.
9. **Other** – The following pluses were expounded upon: a planned sewer hook-up and an improvement of the Activities Program.

The Finance Committee members asked a number of questions of the Cape End Manor Board as well as from Dennis Anderson and Eileen Thomas.

Ann Maguire was most interested in the legal options for reimbursement and when they would have to be filed. She also asked persistent questions about the census; it is now 33 and Dennis projects a bump of 8 in the near future.

Ruth Gilbert opined that all the projections presented did not help with the 2005 budget.

Mark Leach asked why, when employees are laid off, the projected savings do not materialize. Dennis explained it had to do with payment of unused time to the laid off employee and any overtime incurred.

Matthew Clark, in considering the Massachusetts-wide decline in skilled nursing home census, asked if the manor was still getting the same share of discharges? Dennis said that CEM was getting 1 out of every 100 discharges and now is getting 1 out of every 157 discharges. Dennis indicated that unfair competition from other facilities combined with the manor’s having dropped the ball on referral development led to this decline in share, but that efforts were underway to address both causes.

Robert Vetrick wondered why other nursing homes had more referrals and Dennis, once again, said that representatives present in the hospital lied about the Provincetown facility saying it was closing, etc.

Matthew asked, - “Given the consensus of the two boards that this RFP process was the last hope of saving the manor, what work had been done on some of the worst-case options – including offering the license to a for-profit operator and allowing them over time to transfer operations down Cape that Dennis had discussed with the Finance Committee prior to the April Town Meeting?” Dennis indicated that some of the initial enthusiasm from for-profits had cooled when they learned that the union came with the license. Matthew cautioned Dennis to be careful about adding geographic restrictions to the license as these restrictions might increase the cost to the Town in a worst-case closure situation.

Robert Cabral in defense of the current low census told a story about a hypothetical man who shot his parents and then threw himself on the mercy of the court because he was now an orphan? The point, I think, was to say that the dirge of “low census” - “declining morale” – “closure” becomes a self-fulfilling prophecy and if we continue in this vein it may happen.

Ann said that the only reason we talk about the census is that the budget is based on that – the census.

Ruth Gilbert said that you have to talk about census to see how the short-fall will be funded.

Matthew Clark said that the original financial model used at April Town Meeting assumed that the manor would have Medicare patients. Currently, the manor has 80% Medicaid and 20% private pay. Plugging these numbers into the earlier financial model leads to much larger deficits that would need to be funded by taxpayers. Dennis acknowledged the need to update the earlier projections and committed to provide them to both boards well in advance of the next meeting.

Keith Bergman said there may be further tweaking of the zoning regulation because the property is in the historic district.

Ruth Gilbert, the Chair, decided to have the next meeting on the same subject on Tuesday, October 12<sup>th</sup> at 2:00 p.m. in the Judge Welsh Hearing Room. It is asked that the CEM Board join the meeting at 3:00 p.m. It was agreed.

The meeting adjourned at 4:50 p.m.

Respectfully submitted,

*Evelyn Gaudiano*

Evelyn Rogers Gaudiano

**Approved by** \_\_\_\_\_ on \_\_\_\_\_, 2004  
Ruth Gilbert