

Walnut Acres, aka Stephenson County Nursing Home,

The Nursing Home is in the BLACK

“The nursing home has been in the black every month this year.”

“All debt owed in previous years, before 2023 has been paid off.”
Stephenson County Board meeting (July, 2023)

State Statute requiring if you built it with a referendum, you must hold a referendum to sell it

Referendums were held in 1970 to erect the building and 25 years ago, in 1998, a \$500K Tax Levy was voted on by the Stephenson County residents (approx \$25 per household)

IL State Statute - 55ILCS 5/Div. 5-21 heading
(55 UKCS 5/5-21001) (from Ch. 34, par. 5-21001)

It takes 2/3rds majority of all members of the board, to sell, dispose of or lease for any term, any part of the home properties in such manner and upon such terms as it deems best for the interest of the county, and to make and execute all necessary conveyances thereof in the same manner as other conveyances of real estate may be made by a county.

However, if the home was erected after referendum approval by the voters of the county, it shall not be sold or disposed of except after referendum approval thereof by a majority of the voters of the county voting thereon.

for more information and discussion, call
County Board member, Jim Hart 630-267-2781
or County Board member, Casey Anthony 815-297-4427

Why the Nursing Home can't lose money

“On the topic of “If you collect your money that you bill, and you are a County Owned Not-for-Profit Nursing Home you can't lose. There's a report that goes out every year, called a cost report that goes to Medicaid (State). It's all your expenses and all your income for the nursing home. The way that the State determines the Medicaid rate for your County owned Nursing Home is they take that report and they take your expenses and they divide by the number of patient days you have and that's your new rate. So they are basically saying you are going to break even, you can't lose money. We are giving you credit for every dime you spent. But, they won't give you credit for money you haven't collected. That's on us, on you, and everyone here. That's on the County and the Nursing Home.

As long as a good percentage of dollars that are billed, are collected, and over the last year, our statistics tell us that we're at 98.2% collected, which is one of our strengths of TCM, among many, there's no reason why this building should ever fall backward and start losing money by chunks and chunks. The past was an anomaly that happened but it shouldn't happen again.

It also offers opportunities. There's a \$500,000 tax levy (approx \$25 per household), on this building and so every year the County allocates \$500K to the nursing home. So, if you are doing everything we just talked about, there's a \$500K profit because you didn't need to dip into the tax levy. You can use that money for other things. You can fix the building, you can pay higher wages, buy nursing equipment, or pave the parking lot, EVERY year. You can do whatever you want with it, there should be extra tax money.

And then when you spend that money, and you put it on the next cost report, you get reimbursed again and it's an endless cycle every year. You can improve the building every year. Or perhaps someday the \$500K or half of that levy, could be decided to be returned to the County so they can use it for something else. It's possible.

On Jan 1st TCM started doing these profit and loss statements. Walnut Acres has been in the black every month this year. There are two ways to do accounting. One is cash basis and one is accrual. What the state requires on these reports and what we do is on an accrual basis.”

Mike Philippo, CFO, Transitional Care Management (TCM)
19 July 2023