North Central Health Care
Person centered. Outcome focused.

OFFICIAL NOTICE AND AGENDA - AMENDED

Notice is hereby given that the **North Central Community Services Program Board** will hold a meeting at the following date, time and location shown below.

Thursday, June 24, 2021 at 12:00 pm
Northcentral Technical College, 1000 W Campus Drive, Wausau WI 54401,
Health Sciences Building, Room 2014

In addition to attendance in person at the location described above, Board members and the public are invited to attend by telephone conference. Persons wishing to attend the meeting by phone should contact Debbie Osowski at 715-848-4405 24 hours prior to the start time of the meeting for further instructions. Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative Office at 715-848-4405. For TDD telephone service call 715-845-4928.

Our Mission

Langlade, Lincoln, and Marathon Counties partnering together to provide compassionate and high-quality care for individuals and families with mental health, recovery, and long-term care needs.

AGENDA

1. CALL TO ORDER

2. CHAIRMAN'S ANNOUNCEMENTS

3. PUBLIC COMMENT FOR MATTERS APPEARING ON THE AGENDA (Limited to 15 Minutes)

4. ELECTIONS
   A. Election of Officers

5. CONSENT AGENDA AND MONITORING REPORTS
   A. Board Minutes and Committee Reports
      i. ACTION: *Motion to Approve the April 29, 2021, May 21, 2021, and May 27, 2021 NCCSP Board Minutes*
      ii. FOR INFORMATION: Minutes of the April 23, 2021 and May 20, 2021 Executive Committee Meetings and March 23, 2021 Nursing Home Operations Committee Meeting
      iii. ACTION: *Motion to Approve the Recommendations of the Medical Executive Committee to reappointment of Brigitte Espinoza Ugaz MD, Ed Krall MD, and appointment of Daniel Hoppe MD, Waqas Yasin MD, and Jessica Dotson MD*
      iv. Executive Operational Reports

6. BOARD DISCUSSION AND ACTION
   A. Presentation of the 2020 Audit (45 Minutes) – Kim Heller and Josh Boyle, WIPFLI
      i. ACTION: *Motion to Accept the 2020 Audit*
      ii. ACTION: *Motion to Accept the 2020 Fund Balance Statement*

   B. CEO Report and Board Work Plan (5 Minutes) – J. Meschke

   C. ACTION: *Motion to Accept the Dashboards and Executive Summary* (5 Minutes) – J. Meschke

D. ACTION: *Motion to Accept the April and May Financials* (5 Minutes) – J. Meschke

E. ACTION: *Motion to Approve City-County Information Technology Commission Intergovernmental Agreement* (5 Minutes) – G. Klein, CCIT Director

F. ACTION: *Motion to Approve City-County Information Technology Commission Operating Agreement* (5 Minutes) – G. Klein, CCIT Director

G. ACTION: *Motion to Appoint Dr. Chet Strebe to the City-County Information Technology Commission* (5 Minutes) – G. Klein, CCIT Director

H. ACTION: *Motion to Approve the Mission, Vision, End Statements* (20 Minutes) – J. Meschke

I. PRESENTATION (2:00 PM): Market Assessment and Benchmarking Report for Mount View Care Center and Pine Crest Nursing Homes (60 Minutes) – Michael Peer, CLA

J. ACTION: *Motion to Approve the Comprehensive Community Services Contracted Provider Agreements* (45 Minutes) –D. Adzic and J. Hintz

K. ACTION: *Motion to Recommend the 2022 Budget Priorities and Guidelines* (30 Minutes) – J. Meschke

7. Consider Motion to Convene in Closed Session

A. Pursuant to Wis. Stat. sec. 19.85(1)(c) "considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility," sec. 19.85(1)(e) "deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons require a closed session," and sec. 19.85(1)(g) "conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved;" to wit, to discuss status of personnel changes, which remain the subject of negotiation and discussion, and implementation of Board direction regarding legal positions and alternatives.

8. Reconvene in Open Session Immediately Following Closed and Take Action on Matters Discussed in Closed Session, If any.

9. BOARD CALENDAR AND FUTURE AGENDA ITEMS

10. BOARD EXPERIENCE OPTIMIZER

11. ADJOURN

NOTICE POSTED AT: North Central Health Care
COPY OF NOTICE DISTRIBUTED TO:
Wausau Daily Herald, Antigo Daily Journal, Tomahawk Leader,
Merrill Foto News, Langlade, Lincoln & Marathon County Clerks Offices

DATE: 06/23/2021 TIME: 10:00 AM BY: D. Osowski

Presiding Officer or Designee

North Central Health Care
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NORTH CENTRAL COMMUNITY SERVICES PROGRAM
BOARD MEETING MINUTES

April 29, 2021 **3:00 p.m.** **Wausau Board Room**

Present via conference phone (due to Covid19) unless otherwise noted

X	Eric Anderson	X	Randy Balk	X	Chad Billeb
X	Ben Bliven	X	John Breske	X(HCC)	Kurt Gibbs
X	Deb Hager	X	Lance Leonhard	X	Dave Oberbeck
X	Robin Stowe	X	Gabe Ticho	X	Pat Voermans
X	Bob Weaver	X	Cate Wylie		

Staff Present: Michael Loy, Jill Meschke, Jaime Bracken, Jarret Nickel, Tom Boutain, Dr. Rob Gouthro

Others Present: Dejan Adzic, Asst. Marathon County Corp. Counsel

Call to Order

- Meeting was called to order at 3:00 p.m. by Chair K. Gibbs.

Chairman Announcements

- Von Briesen & Roper is finishing the review for the Board. There will be a special meeting of the Board on May 13, 2021 at 3:00 p.m. Please mark your calendars.
- An Executive Committee meeting may also be scheduled prior to the May 13 Board meeting.

Public Comments for Matters Appearing on the Agenda

- None

Patient in the Board Room

- Nicole Woitula, Case Manager with the Wausau Community Treatment Youth Team, introduced a member of the Community Treatment program who shared her experiences with the program and NCHC.

Consent Agenda and Monitoring Reports

- **Motion**/second, Leonhard/Wylie, to approve the Consent Agenda and Monitoring Reports.
    - A new agenda item 'Recent State, Federal and Accreditation Reports' has been added and will continue to do so as reports are available. Information was provided in the packet including a cover letter to help navigate and understand the reports.
    - Motion carried.

Board Education

- Community Treatment Programs – J. Hintz, Director of Community Treatment and Outpatient Programs
    - The 51.42 County responsibilities were reviewed along with an overview of the Community Treatment Department and Programs which include:
        - Team Based Care, Comprehensive Community Services (CCS), Community Support Program (CSP), Coordinated Services Teams (CST), and Children's Long-Term Support (CLTS)

Board Discussion and Action

- CEO Report and Board Work Plan – M. Loy
    - Number of Covid cases continues to decline.
    - Tomorrow two legislators from Joint Finance Committee will tour our facilities and learn about our projects. A lot of the state budget provisions around crisis services are geared to benefit our organization that serves as a model around the State. Next week we will be hosting DHS Secretary-Designee Karen Timberlake who is also interested to learn more about our organization and for insights to help in getting budget provisions passed.
    - **Motion**/second, Balk/Billeb, to accept the CEO Report as presented in the packet.
    - The Board formally acknowledged and expressed thanks to Brenda Christian, Director of Adult Protective Services, who is retiring after 34 years of dedicated service to the organization. Congratulations Brenda!
    - Motion carried.
- Dashboards and Executive Summary – M. Loy
    - Dashboards and Executive Summary
        - Turnover will be reviewed in more depth later in the meeting; turnover is a pressure point for us relative to high hiring activity and wage growth.
        - Quality measures are just over target and we anticipate trending in the right direction will continue.
        - Both Adult and Youth hospitals are seeing higher readmissions; youth have a natural desire to want to return to a positive environment.
        - Program dashboards are working to improve access rates and we have seen some movement in a positive direction and expect that to continue.
        - **Motion/**second, Bliven/Stowe, to accept the Dashboards and Executive Summary. Motion carried.
- March Financials – J. Meschke
    - March financials show a loss of $480,000 which was more than the budgeted loss of $220,000. Year to date our loss is just under $1.4 million. We continue to have a revenue shortage which is driven by the low net patient revenue. Primarily we are not hitting census targets as had been set in the budget. Programs are doing a great job at managing expenses, and diversion expense is significantly better when comparing year over year.
    - Census is the primary driver of revenue shortfall, but the other contributing factors is not meeting targets in staffing i.e., over time, open positions, filling CNA positions with nurses due to the shortage of CNAs.

- Combining the two nursing homes' bottom line shows $880,000 loss of the $1.3+ million YTD loss. In June we likely will receive a supplemental payment from the State, although it is not a guarantee it would help significantly with the revenue shortfall. Also, if nursing homes do not receive more State and Federal funds to help support nursing homes, we anticipate many nursing homes will close. We are not unique in the struggles we are having.
- **Motion**/second, Leonhard/Anderson, to accept the March financials. Motion carried.

- Market adjustments for Certified Nursing Assistants, Dietary, and Housekeeping Positions – M. Loy
  - Currently we have very challenging dynamics around the labor force and staffing of our nursing homes. Going forward, compensation principles need to be strategic with managing inflationary pressures, identifying, and monitoring market rate for positions actively. Key labor performance indicators (turnover, vacancy, overtime) were reviewed for CNAs, Dietary Aides, Cooks, Housekeeping, and Laundry Aides and compared to national wage data.
  - Vacancy rates are high and applicant flow from October 2020 through March 2021 is significantly down for these positions. Vacant shifts are filled by current staff and paid overtime which significantly impacts budget.
  - Proposal for wage increases for each of these categories was reviewed. Recommendations include moving starting wages slightly above the market rate and moving current employees up with incremental wage increases in four steps over the next 2 years. We want to not only get the applicants in the door, but we also want to retain the staff.
  - **Motion**/second, Bliven/Ticho, to approve the market adjustments for CNA, Dietary, and Housekeeping positions as recommended. Roll call vote taken. Motion carried unanimously.

<u>Overview and Discussion on Commitment Order Process and Decision-Making – M. Loy & R. Gouthro</u>

- Based on feedback from our stakeholders NCHC will focus on developing and managing a clearer and more consistent process for moving individuals to a more restrictive setting when they are non-compliant with court ordered treatment by identifying what is non-compliance, what do we do with people who are non-compliant, what is treatable, and how do we best balance County and treatment responsibilities at the same time?
- Next steps include identifying a written protocol on describing the path and roles in moving an individual under a Settlement Agreement or Commitment to more restrictive setting, eliminating silos in supervising commitments including enhanced data sharing, training programs for stakeholders, re-examining roles of the Court Liaison and Linkage and Follow-up Coordinators, and making Targeted Case Management program a budget priority for 2022.
- Contract for Aegis for Restorative Nursing Program – J. Nickel
  - The request is to add Restorative Nursing Program to our current contract with Aegis effective June 1, 2021. Restorative nursing services are nursing interventions that promote the resident's ability to adjust to living independently as safely as possible. These services can be captured for reimbursement through

our Case Mix Index (CMI) and potentially increase reimbursement for our Medicaid residents. This program also helps improve the quality of life for our residents.
    - The cost of the program is $7,761 per month covering labor for restorative aides, therapy management, and overall program management. We anticipate the program will pay for itself and has potential to increase the monthly Medicaid reimbursement.
    - **Motion**/second, Leonhard/Voermans, to approve the addition of the Restorative Nursing Program to the current contract with Aegis. Motion carried.
- Modification to the 2021 Budget to Purchase Contract Management Software – D. Adzic
    - NCHC has a need to implement a contract management software program to better organize, standardize, and streamline the contracting processes and workflows. The greatest benefits are with compliance, standardization, and efficiencies. NCHC has over 1,000 contracts that are physically stored and managed. The cost of the software would not exceed $40,000 for the first year of implementation and $25,000 for each year thereafter. The new expense will be offset by the reduction of the position that previously managed contracting and contract workflows.
    - **Motion**/second, Voermans/Wylie, to approve the purchase of a contract management software as presented. Motion carried.
- Review and Approval of Board Policy
    - The Strategic Planning Policy and Budget Policy are presented for approval; both policies have no amendments.
    - **Motion**/second, Leonhard/Bliven, to approve the Strategic Planning Policy and Budget Policy as presented. Motion carried.
- Resolution in Support of 2021 Senate Bill 239 to Amend 51.15(5) of the State Statutes; relating to: excluding time for evaluation and treatment of certain medical conditions from the time limit for emergency detention without a hearing
    - **Motion**/second, Stowe/Voermans, to authorize the chair to sign and forward the resolution to area legislators. Motion carried.

<u>Board Calendar and Future Agenda Items</u>

- NCCSP Special Board Meeting – Thurs, May 13, 3:00 p.m. – to discuss the report completed by Von Briesen & Roper

<u>Board Experience Optimizer</u>

- Within 24 hours of the Board meeting a brief survey will be sent via email to each Board member. The Experience Optimizer is a Board governance effectiveness tool. Results are shared with the Board Chair which helps in preparing for and running more effective meetings.

<u>Adjourn</u>

- **Motion**/second, Balk/Voermans, to adjourn the meeting at 5:28 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

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NORTH CENTRAL COMMUNITY SERVICES PROGRAM
BOARD MEETING MINUTES

May 21, 2021 **2:00 p.m.** **Wausau Board Room**

Present via conference WebEx unless otherwise noted by "HCC" which denotes in-person attendance.

X (HCC)	Eric Anderson	X	Randy Balk	X	Chad Billeb
X	Ben Bliven	X	John Breske	X (HCC)	Kurt Gibbs
X	Deb Hager	X (HCC)	Lance Leonhard	X	Dave Oberbeck
X (HCC)	Robin Stowe	X (HCC)	Gabe Ticho	X	Pat Voermans
X	Bob Weaver	X (HCC)	Cate Wylie		

Others Present: Andy Phillips and Joe Russell, von Briesen & Roper

Call to Order

- Meeting was called to order at 2:00 p.m. by Chairman Gibbs.

Consider Motion to Convene in Closed Session

- **Motion** by Stowe, Pursuant to Wis. Stat. sec. 19.85(1)(c) "considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility," sec. 19.85(1)(e) "deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session," and sec. 19.85(1)(g) "conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved; to wit, to receive, review, and discuss the receipt of independent counsel's report on the organization and benefits granted certain employees of NCHC including, without limitation, the legal ramifications associated with the provision of benefits. Second by Wylie. Roll call. All Ayes. Motion carried.

Reconvene in Open Session Immediately Following Closed and Take Action on Matters Discussed in Closed Session, if any

- **Motion**/second, Bliven/XXX, to move into Open session at 7:00 p.m. Roll call. All Ayes. Motion carried.
- There were no announcements or actions.

Adjourn

- **Motion**/second, Stowe/Wylie, to adjourn the meeting at 7:00 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

North Central Health Care
Person centered. Outcome focused.

NORTH CENTRAL COMMUNITY SERVICES PROGRAM
BOARD MEETING MINUTES

May 27, 2021 **12:00 p.m.** **Wausau Board Room**

Present via WebEx unless otherwise noted by "HCC" which denotes in-person attendance.

X	Eric Anderson	X	Randy Balk	EXC	Chad Billeb
X (HCC)	Ben Bliven	X	John Breske	X (HCC)	Kurt Gibbs
X	Deb Hager	X (HCC)	Lance Leonhard	X	Dave Oberbeck
X (HCC)	Robin Stowe	X	Gabe Ticho	X	Pat Voermans
X	Bob Weaver	X (HCC)	Cate Wylie		

Others Present: Joe Russell, von Briesen & Roper (HCC)

Call to Order

- Meeting was called to order at 12:00 p.m. by Chairman Gibbs.

Consider Motion to Convene in Closed Session

- **Motion** by XXX, Pursuant to Wis. Stat. sec. 19.85(1)(c) "considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility," sec. 19.85(1)(e) "deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session," and sec. 19.85(1)(g) "conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved;" to wit, to review and discuss independent counsel's report on the organization and benefits granted certain employees of NCHC including, without limitation, the reasons associated with the provision of such benefits. The Board may excuse certain persons for portions of the closed session as it discusses and deliberates the appropriate action to take based upon the information received. Second by XXX. Roll call taken. All indicated Aye.

Reconvene in Open Session Immediately Following Closed and Take Action on Matters Discussed in Closed Session, if any

- **Motion**/second, XXX/XXX to move into Open Session at XXX. Roll call. All Ayes. Motion carried.
- There were no announcements or actions

Adjourn

- **Motion**/second, XXX/XXX, to adjourn the meeting at XXX p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

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NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
EXECUTIVE COMMITTEE

April 23, 2021		**8:00 AM**	**NCHC – Wausau Board Room**
Present:	X Eric Anderson	X(WebEx) Kurt Gibbs	X(WebEx) Lance Leonhard
	X(WebEx) Robin Stowe	X Cate Wylie	

Others Present: Michael Loy, Jarret Nickel, Dejan Adzic

Guests: Jason Hilger, Langlade County Manager

Call to Order

A. Meeting was called to order at 8:03 a.m. by Chairman Gibbs.

Public Comment

A. No public comment

Approval of the March 18, 2021 Executive Committee Meeting Minutes

A. **Motion**/second, Stowe/Anderson, to approve the March 18, 2021 Executive Committee Meeting Minutes. Motion carried.

Review of the Draft NCCSP Board Agenda for April 29, 2021

A. April 29, 2021 NCCSP Board Agenda was reviewed.

Policy Issues for Discussion and Possible Action

A. HSRI Final Report
    - We are under contract with HSRI to review the mental health system including data, services array, and communities' needs, to develop an intermediate and long-term approach to building a modern mental health system for our community. The work was paused the review due to the 2020 pandemic. The community engagement portion will not be completed due to the constraints of not being able to meet in person. A draft report will be available for review in May.

Operational Functions Required by Statute, Ordinance, or Resolution

A. None

Educational Presentations/Outcome Monitoring Reports

A. CEO Report
    - COVID continues to ebb and flow with a small uptick recently in activity. About 70% of staff and 90% of Mount View Care Center residents have been vaccinated and the same for residential; about 70% of the Pine Crest residents have also completed their vaccination. Staff vaccination rates at Pine Crest are lower. Staff who are vaccinated and exposed but do not have symptoms are able to continue to work. Without the vaccination the staff will be on a 10-day quarantine. Some who have been vaccinated have tested positive but have minimal symptoms.

- DHS continues to provide recommendations and we follow enhanced precautions on units when there is a positive case. When a resident test is positive, even if vaccinated, we cannot admit to that unit which ultimately impacts revenues. Currently, if there are no new positive tests at MVCC, we will be able to admit next week Friday, April 30. There has also been a small outbreak in the supported apartments with one facility on quarantine.
- The financial audit was delayed originally from March to April and will move to April in the future. Wipfli has completed the audit except for the COVID-related funding. We are waiting for the IRS to open their portal to access the information needed to finish the audit.
- We have recently been recognized in the Environments for Aging Design Showcase publication in recognition of our nursing home renovation project. One of our architectural firm partners, MKM, had submitted the project which was then selected. The nursing home tower is on schedule for completion in July. We are preparing for bids to be let for the D Wing renovation in the next few weeks. This includes the hospital, crisis, MMT, and loading dock. We are working on temporary program modifications for phasing of this project to maximize space and census while the project is in progress.
- Sober Living in Langlade County will have a grand opening event in May; waiting on furniture delivery at this time but the program is operating and doing well.
- Lincoln County Board was provided with an overview of the proposed changes to the Lincoln Industries programs. The changes were anticipated over time, but the pandemic accelerated the timeline which also resulted in a loss of membership thereby creating a financial issue. Our staff are working with families to better understand the changes. It was important to emphasize that the program is not closing but rather making a transition that the State is pushing through policy. C. Wylie noted that M. Loy provided an exceptional presentation and answered the many questions that arose. NCHC will continue to work with Lincoln County, the members, and their families on the upcoming transitions.
- Portage County Health Care Center analysis was provided to the County Executive and the Chair of their Nursing Home Committee. The assessment did not have a compelling case to pursue regionalization. There are a lot of issues financially with low census and lack of an ability to increase supporting tax levy. At this point there is too much risk for NCHC. If they approach us to help assure minimalizing risk, we may be able to reconsider.
- CLA study is in progress and anticipate having it available for the May Board meeting.
- The Adult Protective Services Director is retiring after 34 years. Recruitment has begun and we are expecting a seamless transition. K. Gibbs wished Ms. Christian well and asked to extend the Board's appreciation for her 34 years of tremendous service.

B. Organizational and Program Dashboards

- Vacancy rates are being driven by direct care staff and is the reason there is a proposal for market adjustments coming. Mount View has not hired a CNA since September 2020. Two to three years ago we had matched the market with increased wages. Currently there is no applicant flow, and our vacancies will continue to grow. Last September we completed a compensation study, but the Board's decision was to not implement it due to uncertainties of the pandemic and our financial status. We are struggling now with an increasing census and the large number of vacancies. We have an imperative to increase wages for CNA's to help retain staff and encourage a stronger pool of applicants. In addition, we do not want to burn out staff from working extra hours. The plan will be to implement the wage adjustment in June 2021.

- We are expecting rate increases in the next State budget. If the State does not provide the increases for nursing homes, there will likely be several closures around the State. More detailed information will be provided to the Board.
    - American Rescue Plan may have allocations for provisions to nursing homes which Loy will investigate.
    - Wisconsin Counties Association (WCA) and National Counties Association indicates there is money for nursing homes but how it will be distributed is unknown. WCA says the states have the money but it will not cover wages. May add to agenda for discussion at May Board meeting.
- Readmission rates are above target; nursing home readmissions are high, and we are working with hospitals to be in a better position to admit and avoid hospital readmissions.

C. March Financials
    - Revenues continue to be soft; 2021 budget was based on "new normal" with COVID and belief that revenues would begin to increase by now, but they remain soft and vulnerable to COVID operational changes. Expense management and staffing redeployment are being done. We are currently at a $1.36 million YTD loss. There needs to be some level of patience as we are likely to get additional unanticipated funding mid-summer as we did in 2020. Financials are being closely monitored.

D. Board Work Plan
    - Annual report is being developed now.
    - Audit should be ready as well as fund balances.
    - The Committee was encouraged to think about budget priorities and guidelines for the May Executive meeting and Board retreat. Will present some ideas heard from meetings i.e., outpatient and access issues as budget priority for next year. Bring your input from counties in budget priorities.

Next Meeting Date & Time, Location, Future Agenda Items

A. Board Retreat Agenda for May 27, 2021
B. Next meeting is scheduled for Thursday, May 20, 2021 at 3:00 p.m.

Announcements

A. Review is continuing. Have had scheduling challenges with some interviews but K. Gibbs expects to provide a report at the Board meeting next week.
B. M. Loy was asked to provide a general overview on recent discussions with law enforcement and corporation counsel.

Adjournment

A. **Motion**/second, Leonhard/Stowe, to adjourn the meeting at 8:51 a.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

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NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
EXECUTIVE COMMITTEE

May 20, 2021 **3:00 PM** **NCHC – Wausau Board Room**

Present:	X	Eric Anderson	X	Kurt Gibbs	X	Lance Leonhard
	X	Robin Stowe	X	Cate Wylie		

Others Present: Michael Loy, Jarret Nickel, Dejan Adzic

Call to order

A. Meeting was called to order at 3:00 p.m. by Chairman Gibbs.

Public Comment

A. No public comments.

Approval of the April 23, 2021 Executive Committee Meeting Minutes

A. **Motion**/second, Wylie/Leonhard, to approve the April 23, 2021 Executive Committee Meeting Minutes. Motion carried.

Review of Draft NCCSP Board Agenda for May 27, 2021

A. May 27, 2021 NCCSP Board Agenda was reviewed.

Policy Issues for Discussion and Possible Action

A. Recommendation of Board Priorities and Guidelines for 2022 Budget were reviewed.
    - Committee agreed that expanding outpatient counseling and Targeted Case Management in each of the counties is a priority due to the high demand for these services.
    - Technology solution in vehicles of law enforcement officials may be challenging in rural areas due to minimal connectivity.
    - Loy will continue to develop proposals for each of these priorities and further discussion and consideration for inclusion in the 2022 budget.

Operational functions Required by Statute, ordinance, or Resolution

A. Consideration of Program Modification of Day Treatment and Intensive Outpatient Programs in Langlade County
    - Due to staffing vacancies and low census the programs have been suspended since September 2019. Referral flow does not match expressed need. Day Treatment services are accessible in Wausau. NCHC will work with the three counties to develop a referral process.
    - **Motion**/second, Leonhard/Wylie, to approve the program modification of Day Treatment and Intensive Outpatient in Langlade County. Motion carried.

B. Consideration of the Request to Langlade, Lincoln, and Marathon Counties for Funds Available from the American Rescue Plan Act (ARPA)
    - A report was included in the meeting packet providing a detailed summary of Covid-19 Relief Funding, Expenses, Lost Revenues, and the total Covid financial impact for 2020.
    - The State has ARPA money which we may be able to get back. WCA is looking at specific clarification for nursing homes and the utilization of ARPA funds across the State.
    - We continue to experience impacts of Covid and will continue to track this information through 2021 and provide an update for each of the counties in an annual report as agreed by the committee.

<u>Educational Presentations/Outcome Monitoring Reports</u>

A. CEO Report - Highlights
    - Covid-19 continues to affect our organization. In an effort to minimize closing the nursing home to admissions on the two rehab units due to potential exposures, beginning the week of 5/24 we plan to make an operational change to allow only vaccinated staff to work the two rehab units; also, new admissions must have started the vaccination process. Because we have the ability to close each unit individually, we are requesting the State allow us to close single units rather than the entire building during potential exposure periods.
    - CNA Recruitment has been extremely successful based on the Board's approval of the wage increase. There were 52 applications received in the first week, 13 hires and 5 offers pending. In addition, several staff rescinded their resignation. From an average of 20 terminations per month January thru April, there have been just 6 so far in May.
    - This week we successfully moved into the Adult Crisis Stabilization facility; the tower is on target for completion in July; and we are targeting an open house in August.
    - Governor Evers visited NCHC yesterday holding a press conference in relation to the state budget. During the press conference he announced that NCHC will be receiving a $5 million grant for behavioral health services. He also toured the new Adult Crisis Stabilization Unit.
    - Pending state approval, the Youth Crisis Stabilization is anticipated to open in 4-6 weeks.
    - Invitations to the Hope House in Antigo were distributed; R. Stowe noted that Michael Loy and Toni Kellner gave a presentation to the Langlade County Board sharing what the goals are for the 5-year pilot program.
    - Lincoln Industries PreVoc community-based program will stay in the community. A local church has graciously offered the use of their property for the program, practically free. The transition will begin this summer. Those needing sheltered work will be transported to Wausau.
B. Organizational and Program Dashboards
    - Turnover is trending high, however, so far for May is substantially less.
    - Readmission rate is also trending higher but expect it to trend down; mostly related to the Youth Hospital.
    - Out of County placements had less than 100 days which we are extremely pleased to see.
C. April Financials
    - We continue with census and overtime issues; last month there was a loss of $350,000 which is lower than previous months. We will wait to see if there is any additional funding over the summer and discuss right sizing the nursing home.

Consider Motion to Convene in Closed Session

Motion by Stowe, Pursuant to Wis. Stat. sec. 19.85(1)(c) "considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility," sec. 19.85(1)(e) "deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session," and sec. 19.85(1)(g) "conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved; to wit, to receive, review, and discuss the receipt of independent counsel's report on the organization and benefits granted certain employees of NCHC including, without limitation, the legal ramifications associated with the provision of benefits. Second by Leonhard. Roll call taken. All indicated Aye. Andy Phillips and Joe Roberts, von Briesen & Roper, S.C. joined the closed session meeting. Motion carried.

Reconvene in Open Session Immediately Following Closed and Take Action on Matters Discussed in Closed Session, If Any

A. **Motion**/second, Leonhard/Stowe, to move into Open session at 6:00 p.m. Roll call. All ayes. Motion carried.

B. There were no announcements or actions.

Next Meeting Date & Time, Location, future Agenda Items

A. Board Agenda for June 24, 2021
B. Committee members are asked to bring ideas for future discussion and educational presentations to the NCCSP board
C. Next Meeting: Thursday, June 17, 2021, at 3:00 p.m. in the North Central Health Care Board Room

Announcements

A. None

Adjournment

A. **Motion**/second, Leonhard/Stowe, to adjourn the meeting at 6:00 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

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NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
NURSING HOME OPERATIONS COMMITTEE

March 23, 2021 **3:00 PM** **Conference Call**

Present:	EXC	Kurt Gibbs	X	Paul Gilk	X	Cindy Rider
	X	Pat Voermans	X	Bob Weaver	X	Cate Wylie

Staff: Jarret Nickel, Jill Meschke, Zach Ziesemer, Ryan Hanson, Kristin Woller, Connie Gliniecki, Kim Rantanen-Day
Others: Dejan Adzic

Call to Order
- Meeting was called to order at 3:03 p.m. by B. Weaver.

Public Comment for Matters Appearing on the Agenda
- None

ACTION: Approval of January 26, 2021 Nursing Home Operations Committee Minutes
- **Motion**/second, Voermans/Rider to approve the January 26, 2021 Nursing Home Operations Committee meeting minutes. Motion carried.

Financial Report – J. Meschke
- The 2020 Financial Audit is in progress; final report scheduled to be reviewed at the April 29, 2021 Board meeting.
- Mount View Care Center year to date ending February is showing a loss of $307,000. The 2020 budget was constructed with a projected higher census for the first half of 2021 and lower for the 2nd half due to the renovations and anticipated transitions. Revenue shortfalls can mostly be attributed to not meeting payer mix and volume targets. Expenses are also above plan primarily due to staffing expenses. There is no additional Cares Act funding expected at this time.
- Pine Crest is showing a loss of $384,000 through February. Targeted census was calculated at 100 but is currently averaging in the low 90's. Pine Crest received about $27,000 in Cares Act funding in February with no significant additional receipts expected at this time. Expenses are above target through February due to staffing and agency staff use.

- Reforecasting efforts are in progress for both nursing homes to include lowering the average census for both facilities and resetting expense targets to match more closely. A scheduling analysis is also in progress to confirm appropriate staffing levels. Both nursing homes continue to face the impact of the pandemic. Higher expenses can be attributed to the cost of personal protective equipment (PPE), while coming down, is still much higher than in the past. No units are currently on enhanced precautions which helps reduce expenses. Technology has replaced much of the staff expense for screening purposes. C. Rider concurred that Aspirus is experiencing similar higher than normal expenses as well as the need for reforecasting.

Committee Education

- Leading Age Overview and Board Involvement Opportunities – Z. Ziesemer
    - Leading Age is a great asset for providing industry updates, education tools and resources. During the pandemic they have provided guidance on visitation and updates from CMS and the State.
    - Conferences are held each year (usually May and September) with one day designated to Board members.
    - Leading Age also helps with advocacy efforts at the Capitol and working with our legislators. John Sauer, Leading Age Executive Director, has been instrumental in working on improvements in Medicaid rates. Current deficits climb in Medicaid losses. Mount View and Pine Crest have two of the highest deficits in the State due to the volume of our Medicaid population.
- Mount View Care Center Survey Results and Survey Process – K. Woller
    - Last year CMS suspended routine inspections due to the pandemic and recently resumed their annual surveys visiting Mount View recently. The survey includes a thorough review of documents on a percentage of residents, interviewing residents, families, and employees, and observing all we do. They also reviewed documents on closed records (those discharged from the facility). The survey team was at Mount View for 4 days and provide a verbal report upon exit. A written report will also be provided.
    - We received just two recommendations compared to the State average of 8.1 and national average of 9.5. Both were low level citations. We are preparing the plans of correction to submit once the written statement of deficiencies is received.

Nursing Home Operations Reports

- Mount View Care Center – K. Woller
    - Highlights include filling the open positions given the challenge with the small number of applicants. Until approval is received for a CNA class, we will be hiring those who have expressed interest in the class as hospitality aides which will give them experience working with CNAs prior to the class.
    - Lower patient experience scores can be directly related to fewer activities for residents during the pandemic. An increase in activities is beginning to occur and residents are ready to move about again.

- Covid Update: last resident who tested positive was in December; staff positivity rate has decreased significantly; we are only required to test once per month as of March. Compassionate care visits continue, window visits began in February and as of March 1 in-person visits are scheduled in the gift shop. Next week we will have designated visiting hours for visiting in resident rooms. Small group activities of 10 or less are occurring and volunteers will be returning soon.

- Pine Crest Nursing Home – Z. Ziesemer
  - Filling the open CNA and nurse positions are a struggle due to a limited applicant pool. Working with NTC to be a site to hold clinicals and waiting for approval to provide CNA classes. We are also working with a management firm to fill our night nurse position.
  - A 30- and 90-day check-in with supervisors is being implemented in an effort to help reduce turnover. We are also rolling out stay interviews for a better snapshot of employee engagement and morale.
  - With the restrictions implemented during the pandemic, Pine Crest received similar feedback from families expressing frustration with the inability to visit. Easing some restrictions should help improve the patient experience.
  - We are working with Lincoln County to obtain a designated tax ID for Pine Crest which would put us in the ANI Network and help improve admissions.
  - Covid Update: We are now testing once per month as community rates are below 5%. No resident cases since December and last employee case was in February. In person visitation in the conference area begins next week. All visitors will be screened. Beautician services have resumed. Small group activities have also started. Vaccination clinics are being offered for residents and staff.

<u>Update on Assessment of a Potential Regional partnership with the Portage County Health Care Center</u> - J. Nickel

- Thanks to J. Meschke who led the initiative. Information gathering has occurred and an in-depth review is being done.
- Next step will be to meet with the Portage County Health Care Center Board in April. The NCCSP Board will be provided an update at their May meeting.

<u>Discussion on Scope of Updating Market Assessments and Operational Assessments for Mount View Care Center and Pine Crest</u> – J. Nickel

- Clifton Larson Allen (CLA) study kicked off with Zach heading it up.
- This is a partnership between NCHC and CLA to understand the ideal size and scope of both skilled nursing facilities and opportunities for other business ventures with the two counties. With the impacts of 2020 and into 2021 our 5–10-year plan was expedited and is good timing to have this study completed. A report is slated to be provided in May.

2021 Dashboard Review and Census Growth – J. Nickel

- The 2021 Dashboard reflects the goals set for programs and approved by the Board.
- The goals were set in the Fall prior to survey and anticipating we were on the better half of Covid. We are in a good recovery and currently trending positively. Reducing turnover is a high priority. We are diving into manager relationships, developing action plans and identifying opportunities outside of compensation to improve engagement and retention. By June we are hopeful to offer an internal CNA class.
- Committee asked about comparing pay for contracted staff vs increasing pay for inhouse staff. The market is analyzed often. We find as soon as our wages are increased other agencies do the same. Another vital issue is increasing reimbursement for Medicaid to help afford a wage increase.

Nursing Tower Construction Update – J. Nickel

- The nursing tower is on track and within budget. We have already anticipated possible delays in delivery of furniture and supplies in the timeline. Projected completion date is July 23 followed by 30-60 days to allow for the state survey to be completed and receive approval. Our target is to be operating by Labor Day.

Board Discussion

- CDC Guidance on Nursing Home Visitation
    - As discussed above, visitation procedures are being modified and facilities will open for modified in person visits soon. One of the main challenges is for staff to cover the screening process for all visitors. As long as community rates stay low we will continue to be able to relax the restrictions and continue to keep the residents safe.

Future Agenda Items and Meeting Schedule

- No additional agenda items noted
- Next meeting: Tues, May 25, 2021 at 3:00 p.m.

Adjourn

- **Motion**/second, Voermans/Gilk, to adjourn the meeting at 4:03 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

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PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Brigitte G. Espinoza Ugaz, M.D. Appoint/Reappoint 06-01-2021 to 05-31-2023
Time Period

Requested Privileges	____ Medical	____ Mid-Level Practitioner
	__x__ Psychiatry	____ Medical Director
Medical Staff Category	__X__ Courtesy	____ Active
	____ Provisional	____ Consulting
Staff Type	____ Employee	
	____ Locum	Locum Agency: ____
	__x__ Contract	Contract Name: Brigitte Espinoza

CMO PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: ____

(Chief Medical Officer or Designee Signature) 5/17/21 (Signature Date)

MEC ACTION

MEC recommends that:

- ✓ He/she be appointed/reappointed to the Medical Staff as requested
- ____ Action be deferred on the application
- ____ The application be denied

(MEC Committee or Designee Signature) 5-20-21 (Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: ____
(Date)

Response:
- ____ Concur
- ____ Recommend further reconsideration

(Governing Board Signature) (Signature Date)

(Chief Executive Officer Signature) (Signature Date)

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PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Edward J. Krall, M.D. Appoint/Reappoint 07-01-2021 to 06-30-2023
Time Period

Requested Privileges
_____ Medical
__X__ Psychiatry
_____ Mid-Level Practitioner
_____ Medical Director

Medical Staff Category
__X__ Courtesy
_____ Provisional
_____ Active
_____ Consulting

Staff Type
_____ Employee
_____ Locum
__X__ Contract
Locum Agency: _____
Contract Name: Medical College of WI

CMO PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

_____ 5/17/21
(Chief Medical Officer or Designee Signature) (Signature Date)

MEC ACTION

MEC recommends that:
_____ He/she be appointed/reappointed to the Medical Staff as requested
_____ Action be deferred on the application
_____ The application be denied

_____ 5-20-21
(MEC Committee or Designee Signature) (Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: _____
(Date)

Response:
_____ Concur
_____ Recommend further reconsideration

_____ _____
(Governing Board Signature) (Signature Date)

_____ _____
(Chief Executive Officer Signature) (Signature Date)

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PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Jessica M. Dotson, D.O. (Appoint/Reappoint) 06-24-2021 to 08-31-2022
Time Period

Requested Privileges	___ Medical	___ Mid-Level Practitioner
	_X_ Psychiatry	___ Medical Director
Medical Staff Category	___ Courtesy	___ Active
	_X_ Provisional	___ Consulting
Staff Type	_X_ Employee	
	___ Locum	Locum Agency: ___
	___ Contract	Contract Name: ___

CMO PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: ___

(Chief Medical Officer or Designee Signature) — (Signature Date) 6/16/21

MEC ACTION

MEC recommends that:

- _X_ He/she be appointed/reappointed to the Medical Staff as requested
- ___ Action be deferred on the application
- ___ The application be denied

(MEC Committee or Designee Signature) Dilip Borra — (Signature Date) 6/23/21

GOVERNING BOARD ACTION

Reviewed by Governing Board: ___
(Date)

Response:
- ___ Concur
- ___ Recommend further reconsideration

(Governing Board Signature) — (Signature Date)

(Chief Executive Officer Signature) — (Signature Date)

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PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Daniel J. Hoffe, M.D. (Appoint/Reappoint) 06-24-2021 to 03-31-2023
Time Period

Requested Privileges	___	Medical	___	Mid-Level Practitioner
	X	Psychiatry	___	Medical Director
Medical Staff Category	___	Courtesy	___	Active
	X	Provisional	___	Consulting
Staff Type	X	Employee		
	___	Locum	Locum Agency:	___
	___	Contract	Contract Name:	___

CMO PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: ___

___

(Chief Medical Officer or Designee Signature) — 6/16/21 (Signature Date)

MEC ACTION

MEC recommends that:

- X He/she be appointed/reappointed to the Medical Staff as requested
- ___ Action be deferred on the application
- ___ The application be denied

B. H Dilip Bovra — 6/23/21

(MEC Committee or Designee Signature) (Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: ___
(Date)

Response:
- ___ Concur
- ___ Recommend further reconsideration

___ ___

(Governing Board Signature) (Signature Date)

___ ___

(Chief Executive Officer Signature) (Signature Date)

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PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Waqas Yasin, M.D. (Appoint/Reappoint) 06-24-2021 to 08-31-2022
Time Period

Requested Privileges	___ Medical	___ Mid-Level Practitioner
	_X_ Psychiatry	___ Medical Director
Medical Staff Category	___ Courtesy	___ Active
	_X_ Provisional	___ Consulting
Staff Type	_X_ Employee	
	___ Locum	Locum Agency: ___
	___ Contract	Contract Name: ___

CMO PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: ___

[signature] 6/16/21
(Chief Medical Officer or Designee Signature) (Signature Date)

MEC ACTION

MEC recommends that:

_X_ He/she be appointed/reappointed to the Medical Staff as requested
___ Action be deferred on the application
___ The application be denied

6/23/21 [signature] Dilip Bovva 6/23/21
(MEC Committee or Designee Signature) (Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: ___
(Date)

Response:
___ Concur
___ Recommend further reconsideration

___ ___
(Governing Board Signature) (Signature Date)

___ ___
(Chief Executive Officer Signature) (Signature Date)

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MEMORANDUM

DATE: June 2021
TO: North Central Community Services Program Board
FROM: Dr. Robert Gouthro, Chief Medical Officer
RE: CMO Report

The following items are general updates and communications to support the Board on key activities and/or updates since our last meeting:

1) **Residency & Education**:
   - Amp student interns are on site assisting with Cerner, engaging in research surrounding telehealth, and gaining early clinical exposure.
   - Ryan Stever, MD; Amy Butterworth, MD; and Christian Ryser, DO, will graduate from the CW-MCW Psychiatry Program this month – this marks the transition from start up program to established program as all of our inaugural residents now have completed their specialty education.
   - Dr. Daniel Hoppe and Dr. Waqas Yasin, MCW-GB soon to graduate residents that are our joining NCHC's staff were recently interviewed to discuss their new roles at NCHC. The story and video can be seen here: Medical College of Wisconsin seeing graduates stay in central Wisconsin (wsaw.com)
   - MCW-CW have begun to regularly rotate in the Youth Behavioral Health hospital which will hopefully further expand local interest in psychiatry and child psychiatry.

2) **Patient Care and Provider Quality (Behavioral Health)**:
   - Outpatient youth clients were not included in our no-show policy for adults which includes open access groups and open access prescriber appointments. This same model is now being adapted to utilize with our young clients, and we expect this to assist with the youth no-show rate of nearly 18% YTD, post hospital d/c appointment wait times, and most importantly, patient wellbeing.
   - Susan Brust, APNP, officially started in outpatient, which will assist with access and post hospital d/c times. We expect to see her caseload increase rapidly in the coming weeks.
   - Unfortunately, Dr. Borra is leaving us to pursue a forensic fellowship in New York. Dr. Borra has been a model physician and educator, and he will be missed greatly.
   - Physician recruitment is ongoing, and we expect a second interview with Dr. Vogel in early July. Dr. Vogel is an established provider, holds faculty status with Yale, and has extensive psychodynamic therapy and psychotropic expertise.
   - NCHC Acute Care Services leadership is working with law enforcement and community partners to address the recent change to court ordered blood lab draws that may negatively impact the ability to complete a full medical clearance in certain situations where consent is not granted. We believe education and collaboration among local stakeholders will allow for continued safe and effective medical clearance within the bounds of these new limitations.

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MEMORANDUM

DATE: June 17, 2021
TO: North Central Community Services Program Board
FROM: Jaime Bracken, Chief Nursing Officer
RE: Monthly Nursing Services Report

The following items are general updates and communications to support the Board on key activities and/or updates of Nursing Services since our last meeting:

Program Updates:

1. Nursing Education / Learning and Development

- This week we had one of the largest new hire orientations that we have seen here at NCHC! We had ~35 new employees join our organization, and we anticipate that our orientation on 6/28 will be large (20+) as well. This is great to see all the new faces and look forward to seeing the positive impact not only with our patients and residents but our teams as well.
- DHS has approved an emergency CNA program as we wait for final approval for the permanent program. July 12th, we have a class of 10 new staff to start the program. Classes will be help at Pine Crest and we are looking to add another class for August as well.
- The nursing education team continues offering support to our clinical units as we maintain a state of readiness for state survey and Joint Commission visits across our programs. The team continues to conduct mock medical and behavioral emergency drills.

2. Behavioral Health Services (BHS)

- Cerner went live last week, and the team did a great job with the transition. With any new workflow or program, you will have some hiccups however, there have been minor concerns to work through. I anticipate that this trend will continue in this direction and staff can work towards additional efficiencies that we can gain from our new electronic medical record.
- Joint Commission continues to be our major focus for our BHS areas as we are well past our survey window. We continue with our mock tracers and audits to focus on high-risk areas such as use of restraints, seclusion, and ligature risks. The team has several action plans in place, and we will continue this process well beyond our survey to ensure long-term compliance.

3. Long- Term Care

- Mount View and Pine Crest will have nurse manager transitions this month. Natasha Sayles is the Nurse Manager at Mount View and is moving to Pine Crest to fill their open role manager related to a retirement. Kelly Roe is a DON in the area and will be filling her spot at Mount View. Both transitions will make a positive impact in our programs!
- The nursing home teams continue to look for ways to get the facilities “back to normal”. We continue with routine testing and other related Covid policies and procedures. It is nice to see how creative the teams are to engage our residents yet ensure we do it safely and within our infection control guidelines.
- The Directors remain busy with nursing assistant interviews! It is nice to see that we are drastically closing our staffing gap which will improve patient care and employee satisfaction.

4. Clinical Excellence and Quality

- The Falls Prevention Program workgroup is rolling out to staff and units this month. We are already starting to see a decrease in our falls and will continue in that direction. A great deal of work has been put into this and the team has done a great job.
- The leadership team continues to focus on other areas to continue to address adverse events such as medication errors, wounds, and facility acquired infections.
- I am currently in the process of revamping our quality committees for the nursing homes. This will provide standardization and collaboration across both facilities and the ability to better track the work that is being done within the programs.

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MEMORANDUM

DATE: June 18, 2021
TO: North Central Community Services Program Board
FROM: Jarret Nickel, Operations Executive
RE: Monthly Operations Report

The following items are general updates and communications to support the Board on key activities and/or updates of NCHC Operations since our last meeting:

1. **Campus Renovations & Improvements:** Bids for our D & F wing renovations were due on June 17 with construction anticipated to follow in late June or early July. D & F wings will make up our Adult Inpatient Behavioral Health Hospital, Crisis Services, Ambulatory Detox, Medically Monitored Treatment, Central Supply, and Receiving Programs. The nursing tower remains on track with an estimated completion date of July 23 and potential for programming to occur in early September. We also started planning for the current MVCC space, which is anticipated to be comprised of Outpatient, Community Treatment, Pharmacy, Lab, MVCC, and Administration Programs. Drafting of the current MVCC space will go through Summer and into early Fall with anticipated construction in late Fall or early Winter.

2. **Skilled Nursing Operations:** April & May were challenging months for both MVCC and Pine Crest due to Covid-19 restrictions. We are now fully open for visitation and admissions which will benefit our residents as well as our financial statements. Strong regulations remain in place from CMS & DHS making it challenging to operate with one case of Covid-19 closing our entire center. Efforts were made to attempt to reduce restrictions or allow for our individual units to be considered independent, but the request was denied. We do anticipate June to be the start of our recovery and July to see the impacts of wage changes and admissions open for two consecutive months. Plans for moving into the new nursing tower are underway and residents and families are being notified of these moves.

3. **Community Living** May was a strong recovery Month for our Community Living operations with membership returning and our housing full. With these increased numbers has come staffing challenges which we have adjusted our recruitment and use of direct caregiver funding to create a strong recruiting campaign. We have already seen the impact of this campaign with a number of individuals joining our organization in June. We anticipate revenue to continue to trend positive and will focus on managing expenses related to overtime and contracted staff.

4. **Covid-19 Screening & Support:** Covid-19 impacted our nursing homes significantly in May with over half of the month not being able to admit new residents. The reason for the impact was due to one positive vendor that worked between both locations causing both facilities to be on enhanced precautions and more frequent testing. We have not had a positive case in our direct care operations since mid-May and with community positivity rates continuing to stay low, we anticipate this trend to continue. We still are remaining vigilant with precautions and PPE to prevent these shutdowns to our facilities. Visitation is also allowed once again and with the weather warming up we've been able to accommodate most outside which reduces our risk even further. Screening was adjusted for our non-direct care programs along with no longer requiring wearing masks on our grounds just buildings.

5. **Workforce Status Update:** We have over 30 new hires in our June 14th orientation and anticipate the same numbers for our June 28th orientation. It has been a challenge to coordinate the onboarding of 60 new employees but we believe this will significantly improve our quality and financial positions. Turnover for May was at a two-year low with a rate of 2.1% or annualized to 25.2% which would be slightly above our target. Prior to May we were trending around 36 to 38%. We believe this shift is in large part due to compensation changes but also a focus on our employees and multiple action plans coming from our most recent engagement survey.

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MEMORANDUM

DATE: June 15, 2021
TO: North Central Community Services Program Board
FROM: Thomas Boutain, Information Services Executive
RE: Monthly IS Report

The following items are general updates and communications to support the Board on key activities and/or updates of Information Services since our last meeting:

1. Cerner Millennium Behavioral Health Electronic Medical Record (EMR) Implementation Update:

Through its foundational EMR, Cerner's work with NCHC will help facilitate integrated care across its mental and behavioral health services including psychiatric, emergency, rehabilitation, community treatment, and more.

The high-level timeline was drafted to assist leaders and staff with planning/preparation for the targeted Cerner Millennium Go Live in January 2021. Based on checkpoint evaluations between Cerner and NCHC at numerous key project stages, and as the COVID-19 pandemic landscape evolves, orders/guidelines at various local and national levels influenced the proposed timeline. Current Go Live date is scheduled for Q2 2021.

- **System Build and Validation**
  Data collection gathering has wrapped up for core areas and our Cerner consultants have begun to transition our conversations to system build and validation. NCHC and Cerner teams will collaborate to complete system configuration and testing/validation post training environment refresh.
    - ***Complete***

- **Super User Training**
  IMS, Super Users, and department leaders will walk through all registration, scheduling, patient accounting, pharmacy, and other workflows in the system. Super Users receive training on the solution's best practice workflows, as seen in the Future State Workflow Review event, to prepare them to lead End User training.
    - ***We successfully continue to leverage the temporary location, within Lake View Heights, for Cerner Millennium training delivery, testing, and other project-related events leading up to Go Live.***

- ***Cerner Consultants were onsite May 18 through May 20 to train existing and new Super Users, in addition to group of end users, on Registration/Scheduling (Patient Access and Crisis).***
- ***Cerner Consultants worked through Billing scenarios and Clinical Workflow questions while onsite May 18 through May 20.***

- **Integration Testing & Data Migration**
  Teams will test and confirm data flows between integrated system as expected and successfully migrate applicable date from legacy system (TIER) to Cerner Millennium.
  - ***A full Data Migration was completed over the course of the May 10 week including:***
    - ***Demographics***
    - ***Allergies***
    - ***Medications***
    - ***Payor (Insurance) Information***
  - ***IMS built "catch up" data migrations files for Cerner to upload weekly until Go Live.***
  - ***Cerner Consultants were onsite May 18 through May 20 to review Back Charting activities (manual entry of data not migrated, such as patient appointments), as well as Clinical, Pharmacy, and Registration/Scheduling topics.***
  - ***Plans for operationalizing Back Charting activities for end users were developed and implemented.***

- **End User Training**
  Cerner collaborates with NCHC on the development of End User training plans. Super Users deliver End User training to staff to prepare them for using Cerner Millennium. End Users are required to receive training prior to using the system.
  - ***Cerner Essentials sessions were delivered at various times between 6:30am and 6:30pm, during the week of May 10:***
    - ***A general overview of key concepts, terminology, and basic navigation.***
    - ***Set up applications preference in preparation for utilizing the system at Go Live.***
  - ***Work to identify and create critical Tip Sheets, Standard Work, and a process for routine e-mail implementation communications (e.g., News Flashes) continues from pre- to post-Go Live.***
  - ***Programs not transitioning to Cerner (e.g., Aquatics, Adult Day Services, Adult Protective Services, Mount View Care Center) as part of this implementation were trained on the Master Patient Index (MPI) process.***

- **Conversion Prep & User Training**
  Information Management Systems (IMS) receives User Management training to support and manage user accounts. Cerner will provide the IMS team the knowledge/tools to perform system maintenance tasks and prepare the production environment, staff, and devices for Go Live. Overall readiness assessment for Go Live event conducted.

- ***IMS Team Members continue to work with Cerner Consultants to better understand and uphold NCHC's role in User Maintenance.***

- **Go Live**
  Teams will begin using Cerner Millennium to register and schedule patients who need to receive care on or after the Go Live date and ensure all needed information is available in the new system. Once fully prepared for Go Live, all staff will begin registering, scheduling, charting, and completing all day-to-day tasks in Millennium.
  - ***Cerner Go Live occurred on Tuesday, June 8th at 12:01am.***
  - ***IMS Provided 24 hour support for the first week of Go Live through a Command Center model.***
  - ***IMS will continue to work with end users and Cerner Consultants to track, troubleshoot, and resolve identified application/workflow issues.***
  - ***Cerner Consultants were onsite June 8th through June 11th and will return again June 15th through June 18th to support all aspects (e.g., HIM, Pharmacy, Billing, Registration/Scheduling, Core/User Maintenance) of the solution.***
  - ***IMS created several easy access resources as part of their implementation/communication plan to support Super User and End Users:***
    - ***Tip Sheets – Step-by-steps for individual tasks***
    - ***Standard Work – User manuals for each major function***
    - ***News Flashes – Important quick informational messages containing late-breaking information that may not yet be incorporated into standard work***
  - ***Program Directors/Leaders developed and implemented their plan for the delivery of workflow-specific end user training prior to Go Live.***

- **Post Launch Health Checks**
  At 30, 60, and 90 days post Go Live, Cerner and the NCHC team will evaluate/document End User and organizational satisfaction, gather opportunities for improvement based on feedback/usage metrics, and as needed, establish short and long-term action plans.

2. **Information Management System (IMS) Update:** We were in full testing and training mode for our Cerner implementation. A lot of work and preparation went into making the training classes, planning our command center, and supporting our users.

3. **Health Information Management (HIM) Update:** The team spent a lot of time preparing and training for the Cerner Go Live. The new team member that was to join HIM in June, decided to stay with their current employer. We have started the recruitment process again.

WIPFLI

11 Scott Street
Suite 400
Wausau, WI 54403

715 845 3111
wipfli.com

June 17, 2021

Board of Directors
North Central Community Services Program d/b/a North Central Health Care
Wausau, Wisconsin

Dear Board Members:

We have audited the financial statements of North Central Community Services Program d/b/a North Central Health Care (NCHC) for the year ended December 31, 2020, and have issued our report thereon dated June 17, 2021. Professional standards require that we provide you with the following information related to our audit:

Our Responsibility Under Auditing Standards Generally Accepted in the United States and *Government Auditing Standards*

As stated in our engagement letter dated October 13, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of NCHC. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of NCHC's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the management's discussion and analysis, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, and the schedules of employer's proportionate share of the net OPEB liability (asset) and employer contributions – Local Retiree Life Insurance Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information, consisting of combining financial statements, accompanying the combined financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements.

We prepared NCHC's Form SF-SAC – Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations for 2019, which is submitted electronically, along with our audited financial statements, to the Federal Audit Clearinghouse. The Form SF-SAC for 2020 is not yet due.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope communicated to your representative, Jill Meschke, in our planning meetings in addition to our engagement letter, accepted by Jill Meschke. Completion of the audit was delayed because challenges were encountered by management in reconciling and adjusting financial statement balances in preparation for and throughout the audit process.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NCHC are described in Note 1 to the financial statements. There were no new accounting pronouncements adopted during 2020.

We noted no transactions entered into by NCHC during the year for which there is a lack of authoritative guidance or consensus.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. For the year ended December 31, 2020, the following financial statement disclosures were deemed to be sensitive:

- Note 1 and Note 2 – Information related to the change in the reporting entity as a result of the management agreement executed for Pine Crest Nursing Home.
- Note 9 – Information related to the $73.3 million master facility plan currently being constructed.

Qualitative Aspects of Accounting Practices (Continued)

- Finding 2020.001 – Information related to material weaknesses in NCHC's financial reporting processes during the year ended December 31, 2020.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements are:

- The adequacies of the accounts receivable contractual adjustments and allowance for doubtful accounts are subjective estimates affecting the financial statements. The accounts receivable contractual adjustments and allowance for doubtful accounts are maintained at levels that management believes are adequate to provide for possible write-offs. Management regularly evaluates the adequacy of the accounts receivable contractual adjustments and allowance for doubtful accounts using NCHC's past bad debt experience, known and inherent risks in accounts receivable, current economic conditions, and other relevant factors. We evaluated the key factors and assumptions used to develop the accounts receivable contractual adjustments and allowance for doubtful accounts in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

- The estimated final settlements on the Medicare and Medicaid cost reports are based on audits conducted by the fiscal intermediaries. Management periodically evaluates the adequacy of the balance using NCHC's experience, known and inherent risks in the preparation of these cost reports, and risks associated with doing business in the healthcare industry. We reviewed the estimated settlements recorded for each open year to determine the reasonableness of the estimates based on the results of previous audits by the fiscal intermediary, known and inherent risks in the preparation of these cost reports, and risks associated with doing business in the healthcare industry.

- The adequacy of the reserves for self-funded health and dental insurance claims are also subjective. The reserves for health and dental insurance claims are maintained at levels which management believes are adequate to cover claims incurred during the year but not paid until after December 31, 2020. Management periodically evaluates the reserves using NCHC's past experience, known claims, and other relevant factors. We evaluated the key factors and assumptions used to develop the reserves for health and dental insurance claims in determining that they are reasonable in relation to the financial statements.

- The adequacy of the liability for the employee health reimbursement accounts is also subjective. The liability is estimated at a level which management believes is appropriate to cover claims to be paid to employees upon their retirement after December 31, 2020, associated with amounts earned by employees prior to December 31, 2020. Management periodically evaluates the reserves using NCHC's past experience, known claims, and other relevant factors. We evaluated the key factors and assumptions used to develop the estimated health reimbursement account liability in determining they are reasonable in relation to the financial statements.

Qualitative Aspects of Accounting Practices (Continued)

- The allocation of allowable direct and indirect costs used for grant reporting and for allocating the net position among the three participating counties is also subjective. Management periodically reviews the reasonableness of the allocation of costs using NCHC's past experience, known and inherent risks in expenditures, known expenditures, and other relevant factors. We evaluated the key factors and assumptions used in the allocation of the allowable direct and indirect costs for grant reporting and for allocating the net position among the three participating counties in determining that the methodologies are reasonable in relation to the financial statements and the Schedules of Expenditures of Federal and State Awards for the year ended December 31, 2020.

- The net pension and OPEB liability (asset) and the related deferred outflows and deferred inflows are dependent upon actuarial assumptions used by the Wisconsin Department of Employee Trust Funds (ETF) to determine the collective pension and OPEB assets and liabilities of the Wisconsin Retirement System and the allocations provided by ETF to the individual employers. We verified and recalculated amounts specific to NCHC, including the employer amount used in the allocation percentage, the allocation percentage for the employer, and the pension amounts allocated to the employer based on the allocation percentage.

- NCHC is required to evaluate lease agreements to determine if the agreement needs to be recorded as a capital lease obligation. Key factors in making this determination include the useful life of the leased equipment, the incremental borrowing rate, and the fair value of the equipment at the inception of the lease. No new leases were added during 2020.

- NCHC is required to evaluate legal matters outstanding as of December 31, 2020, to determine if NCHC should record a liability for potential settlements related to outstanding legal matters. Key factors in making this determination include the status of the legal matter, the likelihood of settlement of the legal matter, and the ability of NCHC to estimate the potential liability. We reviewed the factors utilized by management to conclude that NCHC should not record estimated liability associated with legal matters outstanding as of December 31, 2020.

- The timing and amount of recognition for revenue related to the U.S. Department of Health and Human Services Provider Relief Fund is based upon management's interpretation of the relevant guidance issued by the U.S. Department of Health and Human Services.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letters dated June 17, 2021, copies of which accompany this letter.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect NCHC's financial statements or on the type of opinion which may be rendered on the financial statements.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The audit process was completed in stages due to challenges encountered by management in completing account reconciliations and adjusting balances in a timely manner. Total adjustments recorded during the audit process impacted the change in net position by a favorable $1,326,200 as follows:

	Statement of Net Position			
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Ending Net Position	Change in Net Position
Adjustments proposed and recorded by client during the audit process	$ 1,538,400	$ (931,300)	$ 2,469,700	$ (245,100)
Proposed adjustments after account balances provided to auditor:				
Adjust Wisconsin Retirement System and OPEB Balances	3,390,000	3,779,100	(389,100)	(389,100)
Correcting entries related to Pine Crest opening net position	-	15,500	(15,500)	(15,500)
Record accounts payable invoices	-	92,000	(92,000)	(92,000)
Correct Employee Retention tax credit receivable	(269,000)	-	(269,000)	(269,000)
Correct entry for duplicate entry for tax levy	(539,200)	-	(539,200)	(539,200)
Record adjustment to self-funded health insurance estimate	-	(250,000)	250,000	250,000
Record adjustment to accounts receivable allowance estimates	739,400	-	739,400	739,400
Record October - December construction in progress invoices	8,419,500	8,419,500	-	-
Record adjustment to correct contributions from Marathon County for pool project	(5,200)	(1,727,400)	1,722,200	1,722,200
Correct county appropriations revenue	44,500	-	44,500	44,500
Record adjustment to remove reserve for final settled T19 cost reports	-	(120,000)	120,000	120,000
Total proposed adjustments after account balances provided to auditor	11,780,000	10,208,700	1,571,300	1,571,300
Total adjustments recorded during the audit process	$ 13,318,400	$ 9,277,400	$ 4,041,000	$ 1,326,200

We also discussed the following items that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is included in the attached audit representation letter.

Effect if entry is not made - Overstated (Understated)

Description	Assets	Liabilities & Deferred Inflows	Beginning Net Position	Income Before Contributed Capital	Ending Net Position
Understatement of fixed assets and accounts payable	$ (31,500)	$ (31,500)	$ -	$ -	$ -
Understatement of revenues and accounts receivable	(165,100)	-	-	(165,100)	(165,100)
Understatement of CCITC Investment	(315,600)		(482,900)	167,300	(315,600)
Other prior year unadjusted differences	-	-	(251,400)	251,400	-
Total unadjusted differences - December 31, 2020	$ (512,200)	$ (31,500)	$ (734,300)	$ 253,600	$ (480,700)

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect NCHC's financial statements or on the type of opinion which may be rendered on the financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as NCHC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

Internal Control Matters

In planning and performing our audit of the financial statements of NCHC as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States, we considered NCHC's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NCHC's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following deficiency in internal control to be a material weakness:

Processes were not in place to appropriately reconcile financial statement balances at December 31, 2020. In addition, independent review and approval of manual journal entries did not consistently occur throughout the year and controls in this area deteriorated with the departure of the former accounting manager. As a result, management was unable to provide an internally prepared trial balance, balance sheet, and statement of revenue, expenses, and changes in net position at the beginning of the audit process. In addition, management recorded material adjustments after the start of the audit process, and there were material adjustments as a result of the audit process.

NCHC's internal control over financial reporting does not end at the general ledger but extends to the financial statements and notes. As part of our professional services for the year ended December 31, 2020, Wipfli was requested to draft the financial statements and related notes.

Effect: The combined lack of processes in place to reconcile financial statement balances, lack of independent review and approval of manual journal entries, and the necessity of having the audit team draft the audited financial statements and notes is a material weakness in NCHC's internal control environment.

We appreciate the opportunity to be of service to North Central Health Care.

This communication is intended solely for the information and use of North Central Health Care's management and Board of Directors, and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering NCHC's internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NCHC's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Wipfli LLP

Wipfli LLP

Enc.

AUDIT REPRESENTATION LETTER
NON-SEC HEALTH CARE ENGAGEMENTS

June 17, 2021

Wipfli LLP
11 Scott Street
Wausau, WI 54403

This representation letter is provided in connection with your audit of the financial statements of North Central Community Services Program d/b/a North Central Health Care (NCHC), which comprise the combined statements of net position as of December 31, 2020 and the related combined statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of date of this letter, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 13, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP.

2. The financial statements referred to above are fairly presented in conformity with GAAP.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.

7. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.

9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A schedule of the uncorrected misstatements is attached.

10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.

11. Material concentrations have been properly disclosed in accordance with GAAP.

12. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with GAAP.

13. We acknowledge our responsibility as it relates to the following nonattest services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

    a. Preparation of the draft financial statements and related notes. We have reviewed, approved, and accepted responsibility for the financial statements and related notes.
    b. Assistance with reconciling property and equipment, net position by county, and various other accounts throughout the audit process.
    c. Services related to a potential acquisition which NCHC was considering.
    d. Consultative services on various business matters throughout the year which consisted primarily of responding to inquiries from management on various business matters.

Information Provided

14. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

c. Unrestricted access to persons within the Organization from who you determined it necessary to obtain audit evidence.

d. Minutes of the meeting of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

15. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

16. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

17. We have no knowledge of any fraud or suspected fraud affecting the Organization involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

19. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements applicable to us whose effects should be considered when preparing financial statements. Specifically:

    a. There are no violations or possible violations of laws or regulations, such as those related to the Medicare and Medicaid antifraud and abuse statutes, including but not limited to the Medicare and Medicaid Anti-Kickback Statute, Limitations on Certain Physician Referrals (the Stark law), and the False Claims Act, in any jurisdiction, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements.

    b. Billings to third-party payors comply in all material respects with applicable coding guidelines (for example, ICD-10-CM and CPT-4) and laws and regulations (including those dealing with Medicare and Medicaid antifraud and abuse), and billings reflect only charges for goods and services that were medically necessary; properly approved by regulatory bodies, if required; and properly rendered.

    c. There have been no communications (oral or written) from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction (including those related to the Medicare and Medicaid antifraud and abuse statutes), deficiencies

in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.

20. We have disclosed to you all known actual or possible litigation, asserted and unasserted claims, and assessments whose effects should be considered when preparing the financial statements. Adequate and reasonable provision has been made for losses related to asserted and unasserted malpractice, health insurance, worker's compensation, and any other claims or assessments.

21. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.

22. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged, except as disclosed in the notes to the financial statements.

23. Receivables recorded in the financial statements represent valid claims for charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value as follows:

    a. Adequate consideration has been given to, and appropriate provision made for, estimated adjustments to revenue, such as for denied claims and changes to prospective payment system assignments.

    b. Recorded valuation allowances are necessary, appropriate, and properly supported.

    c. All peer review organizations, fiscal intermediary, and third-party payor reports and information have been made available to you.

24. Provision has been made, when material, for estimated retroactive adjustments by third-party payors under reimbursement agreements. In regards to cost reports filed with third-parties:

    a. All required Medicare, Medicaid, and similar reports have been properly filed on a timely basis.

    b. Management is responsible for the accuracy and propriety of all cost reports filed.

    c. All costs reflected on such reports are appropriate and allowable under applicable reimbursement rules and regulations and are patient-related and properly allocated to applicable payors.

    d. The reimbursement methodologies and principles employed are in accordance with applicable rules and regulations.

    e. Adequate consideration has been given to, and appropriate provision made for, audit adjustments by intermediaries, third-party payors, or other regulatory agencies.

f. All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the cost report.

g. Recorded third-party settlements include differences between filed (and to be filed) cost reports and calculated settlements, which are necessary based on historical experience or new or ambiguous regulations that may be subject to differing interpretations. While management believes the entity is entitled to all amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate.

25. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and have appropriately recorded the adjustment.

26. We have fully disclosed to you all terms of contracts with customers that affect the amount and timing of revenue recognized in the financial statements, including delivery terms, rights of return or price adjustments, side adjustments, implicit provisions, unstated business conventions, and all warranty provisions.

27. The Organization has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and I we believe the estimates are reasonable in the circumstances.

28. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

29. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions and complying with terms of bond and debt agreements.

30. Inventories fairly represent the value of inventories at the lower of cost on the first-in, first-out method, or net realizable value.

31. The Organization is subject to the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* because it did expend more than $750,000 in federal awards during the year. However, the Uniform Guidance audit cannot be completed at this time as the Department of Health and Human Services ("HHS") has not opened the HHS Provider Relief Reporting Portal which is the basis to audit the schedule of federal and state awards for the federal funds received as part of the CARES

Act. The Uniform Guidance audit will be completed once the reporting portal has opened and management as submitted the provider relief funds reporting information.

32. NCHC has complied with the provisions of the Joint County Agreement between Marathon, Lincoln, and Langlade Counties.

33. We believe the methods used to allocate balance sheet amounts between the 51.41/437 program and the nursing home program are appropriate.

34. We acknowledge our responsibility for presenting the combining financial statements in accordance with GAAP, and we believe the combining financial statements, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the combining financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

35. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

36. We have appropriately disclosed the Organization's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.

37. NCHC has complied with its policy to collateralize all amounts which exceed the FDIC and State of Wisconsin Public Deposit Guarantee program limits.

38. We have a process to track the status of audit findings and recommendations.

39. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

40. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

Sincerely,

North Central Health Care

Jill Meschke, Interim CEO and CFO

June 17, 2021

Unadjusted Differences Attachment

North Central Health Care
Unadjusted Difference Schedule
December 31, 2020

Effect if entry is not made - Overstated (Understated)

Description	Assets	Liabilities & Deferred Inflows	Beginning Net Position	Income Before Contributed Capital	Ending Net Position
Understatement of fixed assets and accounts payable	$ (31,500)	$ (31,500)	$ -	$ -	$ -
Understatement of revenues and accounts receivable	(165,100)	-	-	(165,100)	(165,100)
Understatement of CCITC Investment	(315,600)		(482,900)	167,300	(315,600)
Other prior year unadjusted differences	-	-	(251,400)	251,400	-
Total unadjusted differences - December 31, 2020	$ (512,200)	$ (31,500)	$ (734,300)	$ 253,600	$ (480,700)

Subsequent Events Representation Letter

June 17, 2021

Wipfli LLP
11 Scott Street
Wausau, WI 54403

We are writing to confirm that North Central Community Services Program d/b/a North Central Health Care (NCHC) had none of the following events occur during the time period starting with our most recent fiscal year-end (December 31, 2020) to the date of the letter. There have been no:

1. Subsequent settlements of a contingent liability or litigation at an amount that is different from the amount recorded in the draft year-end financial statements, if applicable.

2. New (previously undisclosed to Wipfli LLP) pending or threatened litigation, claims, or assessments, or unasserted claims or assessments.

3. Substantive consultations with the attorneys, selected for confirmation by you, since the effective date of the respective legal confirmations.

4. Material adverse changes in financial position of NCHC since year-end.

5. Material changes to any significant estimates in the draft year-end financial statements.

6. Sales of any assets subsequent to year-end at a price significantly less than the carrying value in the draft financial statements.

7. Plant shutdowns or strikes, if applicable.

8. Changes to previously disclosed substantial contingent liabilities or commitments that existed at the date of the balance sheet, and no new substantial contingent liabilities or commitments have become known since the balance sheet date.

9. Significant changes in the capital stock, long-term debt, or working capital.

10. Changes in the current status of items in the financial statements being reported on that were accounted for on the basis of tentative, preliminary, or inconclusive data.

11. Unusual adjustments made during the period from the balance sheet date to the date of this inquiry.

12. Significant undisclosed (in the draft year-end financial statements) financial commitments.

13. Commitments or plans for major purchases of capital assets or inventory exist, and consideration was given to possible losses due to price changes.

14. Changes in accounting or financial policies.

15. Events that caused a decline in the value of any assets or that made any significant portion of fixed assets idle or obsolete.

16. Expiration or cancellation of significant insurance coverage.

17. New regulatory requirements or laws that could adversely affect the entity.

18. Liabilities in dispute or being contested.

19. Losses of major suppliers or key executive employees.

20. New, or change to, related-party transactions since year-end.

21. Minutes (or summaries in place of approved minutes) from director meetings have been prepared and not provided to you for the period under audit through the date of this letter.

22. Meetings of directors where minutes have not yet been prepared.

Sincerely,

North Central Health Care

Jill Meschke, Interim Chief Executive Officer and Chief Financial Officer

North Central Community Services Program d/b/a North Central Health Care

Combined Financial Statements and
Required Supplementary Combining Information

Year Ended December 31, 2020

North Central Health Care
Person centered. Outcome focused.

WIPFLI

WIPFLI

Independent Auditor's Report

Board of Directors
North Central Community Services Program d/b/a North Central Health Care
Wausau, Wisconsin

Report on the Financial Statements

We have audited the accompanying combined statement of net position of North Central Community Services Program d/b/a North Central Health Care as of December 31, 2020, and the related combined statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the combined financial statements which collectively comprise North Central Community Services Program d/b/a North Central Health Care's combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of North Central Community Services Program d/b/a North Central Health Care as of December 31, 2020, and the changes in its financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

WIPFLI

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, and the schedule of the employer's proportionate share of the net OPEB liability (asset) and employer contributions - Local Retiree Insurance Fund be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements, and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise North Central Community Services Program d/b/a North Central Health Care's basic financial statements as a whole. The accompanying combining financial statements are presented for purposes of additional analysis of the combined financial statements rather than to present the separate financial position, results of operations, and cash flows of the 51.42/.437 program and the nursing homes, and are not a required part of the combined financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the combined financial statements as a whole.

WIPFLI

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of North Central Community Services Program d/b/a North Central Health Care's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of North Central Community Services Program d/b/a North Central Health Care's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Community Services Program d/b/a North Central Health Care's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

June 17, 2021
Wausau, Wisconsin

Overview of the Financial Statements

The annual financial report consists of management's discussion and analysis, the combined financial statements, including notes to the combined financial statements and related combining information, and other information. The combined financial statements present different views of North Central Community Services Program d/b/a North Central Health Care's (NCHC) financial activities and consist of the following:

- The combined statements of net position compare assets to liabilities to give an overall view of the financial health of NCHC.

- The combined statements of revenue, expenses, and changes in net position provide information on an aggregate view of NCHC's finances.

- The combined statements of cash flows provide sources and uses of cash for NCHC.

Brief Discussion

NCHC financial statements represent three distinct businesses:

- The 51.42/.437 Human Services Program which includes a 16-bed psychiatric hospital, AODA and mental health services, crisis services, adult protective services, the aquatic program, community programs, and residential program serving the specialized needs of targeted populations.

- A 200-bed nursing home on the NCHC campus which is operated for the benefit of Marathon County.

- A 160-bed nursing home in Merrill which is operated for the benefit of Lincoln County.

Financial Analysis

Statements of Net Position

One of the most important questions asked about NCHC's finances is, "Is NCHC as a whole better or worse off as a result of the year's activities?" The statements of net position and statements of revenue, expenses, and changes in net position report information about NCHC's resources and its activities in a manner that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All current year's revenue and expenses are considered regardless of when cash is received or paid.

NCHC's net position – the difference between assets and liabilities – is one way to measure NCHC's financial health or financial position. Over time, increases or decreases in NCHC's net assets are one indicator whether financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in NCHC's revenue base and measures of the quality of service it provides to the community, as well as local economic factors, to assess the overall health of NCHC.

Condensed Statements of Net Position

Assets and deferred outflows of resources:		
Current assets	$	14,946,130
Investments		11,635,464
Assets limited as to use		1,990,604
Patient trust funds		105,264
Net pension asset		7,280,177
Capital assets - Net		53,891,713
Deferred outflows of resources		18,262,408
Total assets and deferred outflows of resources	$	108,111,760
Liabilities:		
Current liabilities	$	9,742,699
Net pension liability		2,506,809
Amounts due to Marathon County for property and equipment		28,137,785
Long-term portion of capital lease liability and bonds payable		6,215,877
Patient trust funds		88,178
Total liabilities		46,691,348
Deferred inflows of resources - Related to pensions and life insurance		22,225,906
Net position:		
Net investment in capital assets		16,540,064
Restricted for net pension assets		7,280,177
Unrestricted:		
Board designated		1,990,604
Undesignated		13,383,661
Total net position		39,194,506
Total liabilities, deferred inflows of resources, and net position	$	108,111,760

Statements of Net Position (Continued)

Factors affecting NCHC's statement of net position in 2020 are:

- During 2020, cash and cash equivalents decreased $268,115. Investments and assets limited as to use decreased $1,557,579 during 2020. While NCHC has targeted, through the strategic planning process, to continue to increase reserves each year, costs related to the Covid-19 pandemic, including higher prices for supplies and need for more staff time, have reduced cash reserves.
- Current liabilities totaled $9,742,699 at December 31, 2020, which includes accounts payable, accrued payroll and related fringe benefits, and amounts payable to and deferred revenue related to third-party reimbursement programs and patient trust funds which are managed by NCHC for residents of the nursing home.
- At December 31, 2020, NCHC's net position totaled $39,194,506 on a combined basis consisting of an investment of $16,540,064 in capital assets net of related debt, net position restricted for net pension assets of $7,280,177, and $15,374,265 of unrestricted net position.
- A significant component of the change in NCHC's net position is the 2020 loss before contributed capital of $3,952,807. There was an expense totaling $389,186 which was recorded in 2020 because of Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement No. 75. However, prior to this expense, there was a loss in operations for the year of $3,540,910.
- The supplementary information includes a combining statement of net position and a combining statement of revenue, expenses, and changes in net position. These combining statements present separate information for the 51.42/.437 program and the Nursing Home program of NCHC.

The supplementary information includes a combining statement of net position and a combining statement of revenue, expenses, and changes in net position. These combining statements present separate information for the 51.42/.437 program and the Nursing Home program of NCHC.

Capital Assets

NCHC's investment in capital assets as of December 31, 2020, totals $53,891,713 net of accumulated depreciation. This is a significant increase compared to 2019, mainly due to the increase in construction in progress related to the renovation projects. Outside of this, there were asset additions of $28,730,914 offset by depreciation of $3,274,131.

Capital assets consisted of the following at December 31, 2020:

NCHC's Capital Assets (Net of Accumulated Depreciation)		
Land and land improvements	$	383,220
Building and building improvements		24,386,826
Equipment		6,281,449
Construction in progress		22,840,218
Totals	$	53,891,713

Noncurrent liabilities

NCHC's noncurrent liabilities totaled $36,948,649 as of December 31, 2020. Noncurrent liabilities increased primarily as the result of a $22,076,560 increase in amounts due to Marathon County for property and equipment primarily related to the master facility plan project.

Long Term Debt

NCHC's long term-debt totaled $37,351,649 which is composed of $9,137,972 of revenue bonds payable related to Pine Crest Nursing Home, $75,892 of capital lease obligations, and $28,137,785 in amounts due to Marathon County related to the master facility plan project. Upon completion of the master facility plan project, the amount due to Marathon County will be converted to an amortization schedule to coincide with the amortization of revenue bonds issued by Marathon County to finance the project.

Statements of Revenue, Expenses, and Changes in Net Position

The combined statement of revenue, expenses, and changes in net position for the year ended December 31, 2020 is as follows:

Combined Statements of Revenue, Expenses, and Changes in Net Position		
Revenue:		
Net patient service revenue	$	62,969,374
Other revenue		22,084,859
Total revenue		85,054,233
Expenses:		
Salaries		38,862,065
WRS Retirement		2,979,652
Other fringe benefits		11,950,187
Supplies and other		30,796,962
Utilities		240,430
Depreciation		3,082,659
Care of patients at other facilities		1,072,374
Total expenses		88,984,329
Operating loss		(3,930,096)
Nonoperating loss		(22,711)
Loss before contributed capital		(3,952,807)
Contributions restricted for capital assets		93,156
Contributions from counties for capital assets		2,329,930
Change in net position		(1,529,721)
Net position at beginning		40,724,227
Net position at end	$	39,194,506

Statements of Revenue, Expenses, and Changes in Net Position (Continued)

Net Patient Service Revenue

Net patient service revenue, on a combined basis, is 74.0% of total revenue in 2020. Increasing net patient revenue is a priority for NCHC. As net patient revenue increases, the reliance on the county subsidy can decrease.

51.42/.437 Program

In 2020, NCHC recorded $32,576,391 of net patient service revenue for its 51.42/.437 program. Significant components of this change are:

- The Human Services Programs (51.42/.437) patient services are billed based on units of services, either hours or days. Changes in the volume of units or changes in payor can impact net patient services revenue. Net revenue from billed services decreased approximately $4,600,000 compared to 2019. This resulted from a decrease in hospital revenue, a decrease in community treatment revenue of $1,483,000, and a decrease in outpatient revenue. The Covid-19 pandemic and the inability to see patients in person for most of 2020 greatly impacted billed revenue. The average census in the Adult Crisis Stabilization Facility decreased in 2020 resulting in decreased revenue of $376,000. Additional psychiatrists added in 2020 contributed to an increase in revenue of $92,000. The addition of the Lincoln Industries program increased revenue $420,000 in 2020. Opening of the youth acute care hospital in October 2020 added $269,000 of revenue.
- The settlement for both the Wisconsin Medicaid Program (WIMCR) increased $214,000 in 2020; however, the Comprehensive Community Services (CCS) reconciliation revenue decreased $1,770,000.

Mount View Care Center

Mount View Care Center recorded $17,492,534 of net patient service revenue in 2020. Factors impacting Mount View Care Center revenue include:

- The nursing home census decreased in 2020 with an average census of 155 per day compared to the average census of 180 in 2019. In addition to the census decrease, payer mix continued to shift with a loss of an average of four Medicare residents through 2020. The shift in the payer mix contributes to the average net revenue per patient day decreasing by about $6.00. Write-offs increased in 2020 compared to 2019 by $30,000.
- The Supplemental Payment (SP) for the nursing home decreased by $543,000 compared to 2019. The nursing home did receive another Certified Public Expenditure (CPE) payment in 2020 of $560,000. The State again received additional funds in excess of the Medicaid losses and was required to return these funds to the government-operated nursing homes. The payment received in 2020 was $642,000 less than the payment in 2019.

Statements of Revenue, Expenses, and Changes in Net Position (Continued)

Pine Crest Nursing Home

January 2020, North Central Health Care added the management of Pine Crest Nursing Home located in Merrill, Wisconsin. Pine Crest recorded $12,900,449 of net patient service revenue in 2020. Contributing factors include:

- The nursing home had an average daily census of 121 in 2020.
- The nursing home received a SP in 2020 of $2,677,000 and a CPE payment in 2020 of $567,000. The State again received additional funds in excess of the Medicaid losses and was required to return these funds to the government-operated nursing homes.

Other Revenue

In 2020, other revenue totaled $22,084,859 which was composed of 39% from the State of Wisconsin, 37% from Marathon, Langlade, and Lincoln Counties' appropriations to subsidize operating expenses, 13% from CARES Act and COVID-19 relief funding, and 11% from other sources.

There was a net decrease of $96,586 in the category of county appropriations for 2020.

In response to the Covid-19 pandemic, NCHC received $2,955,365 additional funding to offset a portion of the related costs. Mount View Care Center received $860,660 total relief funding from HHS for SNF distributions, infection control, and from the State of Wisconsin. Pine Crest Nursing Home received $934,463 total relief funding from HHS general distributions, infection control, the State of Wisconsin, and Inclusa targeted relief funding. NCHC also received $1,082,465 of HHS general relief funding and $77,837 of Inclusa targeted relief funding. Identified costs related to Covid-19 in 2020 totaled $3,175,102, which exceeds funding receipts.

Revenue in the other categories remains relatively consistent from 2019 to 2020.

Statements of Revenue, Expenses, and Changes in Net Position (Continued)

Expenses

NCHC's combined expenses for the year ended December 31, 2020, totaled $88,984,329.

Combined salaries accounted for 44% of total expenses in 2020 while fringe benefits accounted for 17% of total expenses in 2020. Salaries and fringe benefits were 60% of total expenses in 2020.

Mount View Care Center salaries and fringe benefits were 73% of total nursing home expenses in 2020. For Pine Crest Nursing Home, salaries and fringe benefits were 66% total nursing home expenses in 2020. For the 51.42/.437 program salaries and fringe benefits were 53% program expenses in 2020.

Factors that impacted overall expenses in 2020 were:

- Overall salaries increased $6,200,971 or 19% from 2019 to 2020. An average of 2% for merit increases was included in the 2020 budget, however due to the uncertainty posed by the pandemic merit increases were not distributed in 2020. The 2020 budget did include an addition of 197 FTEs for $8,676,715. The majority of these are directly related to the addition of Pine Crest Nursing Home while the others are elsewhere in direct care. Overtime and call time increased from 2019 by $482,919 due to several vacant positions and the need for additional staffing to manage COVID-19 related requirements such as employee and resident testing. Consistent with 2019, there were still several open positions at the end of 2020.
- Salary expense due to COVID-19 related absences totaled $334,291 in 2020.
- The overall employee benefit percentage decreased from 47% in 2019 to 38% in 2020. The dollar amount of the decreased benefits is $558,919. The most significant change impacting employee benefits is the decrease in the required GASB 68 and 75 entries of $2,184,633. The entries are noncash items but are required entries. FICA and retirement increased in 2020 compared to 2019 by $975,489 due to increased salaries, while health insurance and unemployment decreased compared to 2019.
- Provider-contracted services decreased in 2020 by $828,162 driven by hiring of psychiatrists to replace contracted locums. Staffing-contracted services increased $1,061,267 in 2020 due to the addition of Pine Crest Nursing Home as well as staffing shortages exacerbated by the COVID-19 pandemic. Information technology agreements increased $211,920, which is due to the increased FTEs in 2020. Drug expense increased $1,436,277. This is due to the addition of Pine Crest Nursing Home and use of more expensive drugs for treatment of severe substance use disorders. There is increased revenue to offset this increase in expense.
- Care at other institutes saw a significant decrease in 2020 compared to 2019 of $1,392,661 due to efforts to treat more individuals at NCHC's facilities and opening of the youth acute care hospital in October 2020.

Statements of Revenue, Expenses, and Changes in Net Position (Continued)

Expenses (Continued)

While the year ended December 31, 2020, was a financially challenging year, there continues to be growth in programs. With the significant addition of psychiatry services, there should be revenue growth related to these services. Expense management continues to be a priority and work continues to be done to alleviate the number of diversions to the state institutes.

Healthcare reform will continue to significantly impact how healthcare is provided and paid for in the future. Government programs will face even greater pressure to reduce reimbursement levels in the future. In addition, labor costs, fringe benefits, and other expenses will likely continue to increase at a faster rate than revenue which places an additional financial burden on Marathon, Langlade, and Lincoln Counties. Finally, each of the sponsoring counties is facing less shared revenue from the State of Wisconsin; thus, it may not be possible for them to increase payments for NCHC's programs in the future.

As a result of the coronavirus (COVID-19) as a pandemic, there are evolving federal and state regulatory requirements and laws that affect NCHC operations. NCHC is incorporating processes to comply with the evolving regulatory requirements and laws. At this time, it is unclear what the prolonged economic impact of COVID-19 will have on NCHC's operations.

This financial report is designed to provide our readers with a general overview of NCHC's finances and to show NCHC's accountability for the funding it receives. If there are questions about this report or if additional financial information is needed, contact the administration office at North Central Health Care, 1100 Lake View Drive, Wausau, Wisconsin 54403.

North Central Community Services Program
d/b/a North Central Health Care
Combined Statement of Net Position
December 31, 2020

Current assets:		
Cash and cash equivalents	$	4,549,152
Accounts receivable:		
Patient - Net		4,659,972
Outpatient WIMCR/CCS		2,118,899
Marathon County		641,408
Net state receivable		1,771,708
Other		445,085
Amounts due from third-party reimbursement programs		65,603
Inventory		429,333
Prepaid and other assets		264,970
Total current assets		14,946,130
Noncurrent assets:		
Investments		11,635,464
Assets limited as to use		1,990,604
Restricted assets - Patient trust funds		105,264
Net pension asset		7,280,177
Nondepreciable capital assets		22,905,351
Depreciable capital assets - Net		30,986,362
Total noncurrent assets		74,903,222
Deferred outflows of resources - Related to pensions and life insurance		18,262,408
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	108,111,760

North Central Community Services Program
d/b/a North Central Health Care

Combined Statement of Net Position (Continued)

December 31, 2020

Current liabilities:		
Current portion of bonds payable liability	$	2,970,000
Current portion of capital lease liability		27,987
Accounts payable - Trade		1,686,643
Accrued liabilities:		
Salaries and retirement		1,881,200
Compensated absences		2,353,882
Health and dental insurance		503,000
Interest		21,838
Other		258,959
Unearned revenue		39,190
Total current liabilities		9,742,699
Noncurrent liabilities:		
Amounts due to Marathon County for property and equipment		28,137,785
Long-term portion of bonds payable liability		6,167,972
Long-term portion of capital lease liability		47,905
OPEB life insurance liability		2,506,809
Patient trust funds		88,178
Total noncurrent liabilities		36,948,649
Total liabilities		46,691,348
Deferred inflows of resources - Related to pensions and life insurance		22,225,906
Net position:		
Net investment in capital assets		16,540,064
Restricted for net pension assets		7,280,177
Unrestricted:		
Board designated for contingency		1,000,000
Board designated for capital assets		990,604
Undesignated		13,383,661
Total net position		39,194,506
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	108,111,760

See accompanying notes to combined financial statements.

North Central Community Services Program
d/b/a North Central Health Care
Combined Statement of Revenue, Expenses, and Changes in Net Position
Year Ended December 31, 2020

Revenue:		
Net patient service revenue	$	62,969,374
Other revenue:		
State grant-in-aid		5,018,984
State match/addendum		2,914,714
Other grants		3,672,320
Counties' appropriations		8,091,867
Departmental and other revenue		2,386,974
Total other revenue		22,084,859
Total revenue		85,054,233
Expenses:		
Salaries		38,862,065
Fringe benefits:		
WRS Retirement - GASB 68		(384,365)
WRS Retirement - GASB 75		773,551
WRS Retirement - Contributions		2,590,466
Other fringe benefits		11,950,187
Supplies and other		30,796,962
Utilities		240,430
Depreciation		3,082,659
Care of patients at other facilities		1,072,374
Total expenses		88,984,329
Operating loss		(3,930,096)
Nonoperating revenue (expense):		
Interest expense		(242,363)
Interest income		276,065
Loss on disposal of capital assets		(56,413)
Total nonoperating expense		(22,711)
Loss before contributed capital		(3,952,807)
Contributions restricted for capital assets		93,156
Contributed capital - Contributions from Marathon County for capital assets		2,329,930
Change in net position		(1,529,721)
Net position at beginning		40,724,227
Net position at end	$	39,194,506

See accompanying notes to combined financial statements.

North Central Community Services Program
d/b/a North Central Health Care
Combined Statement of Cash Flows
Year Ended December 31, 2020

Increase (decrease) in cash and restricted cash:		
Cash flows from operating activities:		
Cash received from patients, third-party reimbursement programs, and other revenue	$	77,311,480
Cash received from Marathon County appropriations		7,002,554
Cash received from other counties' appropriations		1,089,313
Cash paid to employees for services		(38,847,875)
Cash paid to suppliers for goods and services		(46,671,512)
Net cash from operating activities		(116,040)
Cash flows from capital and related financing activities:		
Contributions restricted for capital assets		3,306,418
Contributions from Marathon County for capital assets		2,329,930
Acquisition of capital assets		(6,652,339)
Payment on bonds payable		(360,000)
Payment on capital lease obligation		(27,433)
Interest paid		(274,665)
Net cash from capital and related financing activities		(1,678,089)
Cash flows from investing activities:		
Decrease in investments		2,659,026
Increase in assets limited as to use		(833,332)
Interest received		276,065
Net cash from investing activities		2,101,759
Net change in cash and restricted cash		307,630
Cash and restricted cash at beginning		4,346,786
Cash and restricted cash at end	$	4,654,416

North Central Community Services Program
d/b/a North Central Health Care

Combined Statement of Cash Flows (Continued)

Year Ended December 31, 2020

Reconciliation of operating loss to net cash and restricted cash from operating activities:		
Operating loss	$	(3,930,096)
Adjustments to reconcile operating loss to net cash from operating activities:		
Provision for depreciation		3,082,659
Provision for bad debts		544,090
Depreciation charged to capital contribution		191,472
Changes in operating assets and liabilities:		
Accounts receivable		(59,383)
Amounts receivable from third-party reimbursement programs		(65,603)
Inventory		16,950
Other current assets		229,940
Resident trust funds		22,429
Accounts payable		(92,698)
Accrued liabilities		(374,996)
Amounts payable to third-party reimbursement programs		(70,000)
Unearned revenue		10
Net pension changes		389,186
Total adjustments		3,814,056
Net cash from operating activities	$	(116,040)
Reconciliation of cash and restricted cash to balance sheet:		
Cash	$	4,549,152
Restricted cash - Patient trust funds		105,264
Total cash and restricted cash	$	4,654,416
Supplemental disclosure of cash flows information:		
Contributions restricted for capital assets	$	3,306,418
Contribution of capital from Marathon County		2,329,930
Amounts due to Marathon County for property and equipment		28,137,785

See accompanying notes to combined financial statements.

Note 1: Summary of Significant Accounting Policies

Reporting Entity

North Central Community Services Program d/b/a North Central Health Care (NCHC), is an entity established under a contract between Langlade, Lincoln, and Marathon Counties as a quasi-political subdivision. The County Board of Supervisors from the three counties appoint board members to NCHC. The 14-member Board of Directors is made up of nine members from Marathon County, three members from Lincoln County, and two members from Langlade County.

In May 2020, Langlade, Lincoln, and Marathon Counties signed an agreement to continue sponsorship of NCHC through April 30, 2025, for the purposes of administering a community mental health, alcoholism, and drug abuse program, protective services, protective placement, and nursing home services. Under terms of a separate December 2016 agreement, a Retained County Board Authority Committee (the "Committee") was established to exercise authority retained by the respective County Boards, as provided under sec. 51.42(5) of the Wisconsin Statutes. The May 2020 and December 2016 agreements delineate, among other things, the programmatic and management responsibilities of NCHC and the responsibilities and authorities of the Committee and the Board of Directors.

Annually, the three counties fund an amount equal to expenses in excess of federal and state grants and patient fees as it relates to the respective county's proportionate share of operating costs. Capital facilities are the direct responsibility of each county.

NCHC manages North Central Health Care Facilities (NCHCF), which includes a licensed 16-bed psychiatric hospital providing care and treatment for residents of Langlade, Lincoln, and Marathon Counties affected by mental illness, chemical dependency, or developmental disability to enable them to better their lives. Inpatient, outpatient, transitional living, and day services are provided to meet these needs.

NCHC also manages Mount View Care Center (MVCC), a nursing home on the NCHCF campus licensed as a 200-bed skilled nursing facility for the benefit of Marathon County. NCHC operates 25 of the nursing home beds as a unit for individuals needing specialized short- and long-term ventilator care.

Beginning January 1, 2020, NCHC also manages Pine Crest Nursing Home ("Pine Crest"), a 160-bed skilled nursing facility owned by Lincoln County.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying combined financial statements include the operations of NCHCF (51.42/.437), MVCC, and Pine Crest. All significant intrafund accounts are eliminated.

Method of Accounting

NCHC's financial statements are presented using the flow of economic resources measurement focus, which uses the accrual basis of accounting. NCHC applies all applicable standards issued by the Governmental Accounting Standards Board (GASB).

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during that period. Actual results may differ from these estimates.

Cash Equivalents

NCHC considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments and Assets Limited as to Use

NCHC is authorized by Wisconsin Statute 66.0603 to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of Wisconsin governmental units, time deposits with maturities of less than three years in any financial institution in Wisconsin, bonds of authorized special-purpose districts, any security that matures in less than seven years which has the highest or second highest rating category, the State of Wisconsin Local Government Investment Pool, and other qualifying investment pools. Investments and assets limited as to use, consisting of certificates of deposit with an original maturity of more than three months, are stated at cost, which approximates fair value. Assets limited as to use include assets designated by the Board of Directors for acquisition of capital assets and amounts designated for contingency.

Note 1: Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivables and Credit Policy

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from residents of Marathon, Langlade, and Lincoln Counties, most of whom are insured under third-party payor agreements. NCHC bills third-party payors on each patient's behalf or, if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patient's responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement. NCHC does not have a policy to charge interest on past due accounts.

The carrying amounts of accounts receivable are reduced by allowances that reflect management's best estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient receivables. In addition, management provides for probable uncollectible amounts, primarily from uninsured patients and amounts for which patients are personally responsible, through a charge to operations and a credit to a valuation allowance based on its assessment of historical collection likelihood and the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

Patient accounts receivable are recorded in the accompanying statement of net position net of contractual adjustments and allowance for doubtful accounts.

In evaluating the collectibility of accounts receivable, NCHC analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, NCHC analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), NCHC records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

Note 1: Summary of Significant Accounting Policies (Continued)

Inventory

Inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or net realizable value.

Capital Assets and Depreciation

Capital assets are recorded at cost if purchased, at fair value at date of donation, or net book value if transferred from a related party. Maintenance and repair costs are charged to expense as incurred. Gain or loss on disposition of capital assets is reflected in nonoperating gains or losses. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives range from 10 to 40 years for land improvements, buildings and building improvements, and fixed equipment and from 3 to 15 years for other equipment.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from income or loss before contributed capital. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted expendable net position. Absent explicit donor stipulations about how long these assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are reported in the statement of revenue, expenses, and changes in net position. No impairment loss was recorded in 2020.

Compensated Absences

NCHC has a paid leave time system for all paid time off from work. Paid leave time is available for use as it is earned. Paid leave time is accrued in varying amounts based on job classification and length of service. Employees are paid for accrued paid leave time upon resignation provided they have completed six months of service, have given proper notice, and have not been terminated for misconduct.

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Long-Term Debt Interest Premium

Deferred long-term debt interest premium is amortized over the life of the related debt using the straight-line method. Amortization of long-term debt interest premium is reported in interest expense in the statement of revenue, expenses, and changes in net position.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position of NCHC is classified in three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* must be used for a particular purpose, as specified by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. *Unrestricted net position* is remaining net position that does not meet the definitions above.

When both restricted and unrestricted resources are available for use, it is NCHC's policy to use externally restricted resources first.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for community care, NCHC recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical experience, a significant portion of NCHC's uninsured patients will be unable or unwilling to pay for the services provided. Thus, NCHC records a significant provision for bad debts related to uninsured patients in the period services are provided. This provision is offset by recoveries that are received on prior-year bad debts from patient payments.

Operating Revenue and Expenses

NCHC's statements of revenue, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue includes exchange transactions associated with providing healthcare services, government grants, and county appropriations designated for operations. Operating expenses are all expenses incurred to provide healthcare services.

Operating Deficit Grants

The Supplemental Payment (SP) program, the Certified Public Expenditures program, the Wisconsin Medicaid Cost Reporting (WIMCR) grants, and the Comprehensive Community Services (CCS) program grants are recorded at the estimated realizable amount from the Wisconsin Department of Health Services. These programs provide for the allocation of federal funds to facilities owned and operated by a local government unit, such as a county, city, or village, in an effort to reduce overall operating deficits from the nursing home (SP) and certain hospital outpatient services (WIMCR). Estimated awards are recorded when earned or determinable.

Charity Care

NCHC provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. NCHC maintains records to identify the amount of charges forgone for services and supplies furnished under its charity care policy. Because NCHC does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Note 1: Summary of Significant Accounting Policies (Continued)

Grants and Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Contributions that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Unemployment Compensation

NCHC has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment claims are paid to the State of Wisconsin as incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. NCHC reports deferred outflows of resources related to pensions and life insurance for its proportionate shares of collective deferred outflows of resources related to pensions and life insurance, and NCHC contributions to pension and life insurance plans subsequent to the measurement date of the collective net pension and life insurance liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. NCHC reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions and life insurance.

Accounting Pronouncement Adopted

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for the financial statements prepared using the economic resources measurement focus. As a result, interest cost will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement was adopted for NCHC's year ended December 31, 2020.

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to assist organizations in recognizing the right to use of an asset and its related liability or obligation when there is a contract in place which includes the right to control or direct the use of an identifiable asset. This statement also includes provisions where the majority of leases that have lease terms greater than one year are to be recorded as liabilities on the statement of net position. This statement is effective for NCHC's year ending December 31, 2022.

Subsequent Events

Subsequent events have been evaluated through June 17, 2021, which is the date the financial statements were available to be issued.

Note 2: Pine Crest Nursing Home

Effective January 1, 2020, Lincoln County entered into a management agreement with NCHC for management of Pine Crest which is owned by Lincoln County. Under terms of the management agreement, NCHC assumed operational and management responsibility for Pine Crest, and the majority of Pine Crest employees became employees of NCHC. As a result of this agreement, Pine Crest is reflected in the NCHC combined financial statements as of January 1, 2020.

Note 2: Pine Crest Nursing Home (Continued)

Assets and liabilities related to Pine Crest as of January 1, 2020, which were recorded by NCHC, are as follows:

Current assets:	
Accounts receivable	$ 1,289,621
Inventory	36,439
Prepaid and other assets	35,048
Total current assets	1,361,108
Noncurrent assets:	
Assets limited as to use	22,961
Restricted assets - Patient trust funds	29,718
Nondepreciable capital assets	13,833
Depreciable capital assets - net	11,705,433
Total noncurrent assets	11,771,945
Deferred outflows of resources - Related to pensions and life insurance	3,869,051
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 17,002,104
Current liabilities:	
Long-term portion of bonds payable liability	$ 360,000
Accrued liabilities	484,591
Total current liabilities	844,591
Noncurrent liabilities:	
Long-term portion of bonds payable liability	9,168,499
Net pension and life insurance liability	1,920,649
Patient trust funds	29,718
Total noncurrent liabilities	11,118,866
Total liabilities	11,963,457
Deferred inflows of resources - Related to pensions and life insurance	2,068,361
Total net position	2,970,286
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 17,002,104

Note 3: Reimbursement Arrangement With Third-Party Payors

NCHC has agreements with third-party payors that provide for reimbursement to NCHC at amounts which vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

Medicare

In 2020, approximately 23% of NCHC's patient service revenue was for services provided to patients whose bills are paid in whole or in part by the Medicare program.

Inpatient hospital services rendered to Medicare program beneficiaries are paid based on prospectively determined rates based on a patient classification system. Outpatient hospital services are paid primarily on prospectively determined rates also based on a patient classification system or fixed fee schedules. Nursing home resident care is paid based on a predetermined rate per inpatient day, which varies depending on the patient's level of care and types of services provided.

Medicaid

In 2020, approximately 65% of NCHC's patient service revenue was for services provided to patients whose bills are paid in whole or in part by the Medicaid program. Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates which vary depending on the patient's level of care and types of services provided.

Accounting for Contractual Adjustments

NCHC's hospital is reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCHC's related annual cost reports by the Medicare fiscal intermediary. Estimated provisions to approximate the final expected settlements after review by the intermediary are included in the accompanying financial statements. The cost reports have been audited by the Medicare fiscal intermediary through December 31, 2018.

Compliance

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of these laws and regulations by healthcare providers could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patient services. Management believes NCHC is in substantial compliance with current laws and regulations.

Note 3: Reimbursement Arrangement With Third-Party Payors (Continued)

Compliance (Continued)

Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to healthcare providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. NCHC has not been notified by the RAC of any potential significant reimbursement adjustments.

Note 4: Cash and Cash Equivalents and Investments

Deposits and Investments

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, NCHC's deposits and investments may not be returned to NCHC. Amounts on deposit with depository entities are insured up to $250,000 by the FDIC and up to an additional $400,000 by the State of Wisconsin Public Deposit Guarantee program. NCHC has a policy to collateralize all amounts which exceed the FDIC and State of Wisconsin Public Deposit Guarantee program limits.

Interest Rate and Credit Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, NCHC's investment policy limits its investment portfolio to certificates of deposit, the local government investment pool, and government obligations such as treasury bills and treasury notes. As of December 31, 2020, NCHC's investments and assets limited as to use consisted of cash and cash equivalents totaling $2,500,518, certificates of deposit totaling $10,625,550 maturing in less than one year, and certificates of deposit totaling $500,000 maturing in one to two years.

Concentration of Credit Risk - NCHC's custodial credit risk policy for investments allows for no more than 60% of its investment portfolio in one bank or one issue.

At December 31, 2020, NCHC's bank balances, which include certificates of deposits held as investments totaled $18,813,504. All bank balances of NCHC are insured, guaranteed, or collateralized as of December 31, 2020.

Note 5: Patient Accounts Receivable - Net

Patient accounts receivable consisted of the following at December 31, 2020:

	51.42/.437 Program	Nursing Homes	Total
Patient accounts receivable	$ 4,281,518	$ 2,550,067	$ 6,831,585
Less:			
Allowance for doubtful accounts	389,354	256,238	645,592
Contractual adjustments	1,514,673	11,348	1,526,021
Patient accounts receivable - Net	$ 2,377,491	$ 2,282,481	$ 4,659,972

Note 6: Net Patient Service Revenue

Net patient service revenue consisted of the following:

	2020		
	51.42/.437 Program	Nursing Homes	Total
Gross patient service revenue:			
Medical Assistance	$ 31,323,997	$ 24,654,320	$ 55,978,317
Medicare	13,790,479	6,147,861	19,938,340
Private pay	4,182,648	2,338,332	6,520,980
Insurance and other	2,375,660	1,079,686	3,455,346
Totals	51,672,784	34,220,199	85,892,983
Less:			
Contractual adjustments	18,681,407	3,698,112	22,379,519
Provision for bad debts	414,986	129,104	544,090
Net patient service revenue	$ 32,576,391	$ 30,392,983	$ 62,969,374

Note 7: Charity Care

NCHC provides healthcare services and other financial support through various programs that are designed, among other matters, to enhance the health of the community including the health of low-income patients. Consistent with the mission of NCHC, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources.

Patients who meet certain criteria for community care, generally based on federal poverty guidelines, are provided care based on qualifying criteria as defined in NCHC's charity care policy and from applications completed by patients and their families.

Note 7: Charity Care (Continued)

The estimated cost of providing care to patients under NCHC's community care policy was approximately $3,185,000 in 2020, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charges associated with providing community care.

Note 8: Receivable Restricted for Aquatic Pool

In 2018, a fundraising campaign was conducted to raise funds for a new aquatic pool to be constructed on the NCHC campus. Donations to the aquatic pool capital campaign totaled $3,213,262 and consisted of cash and pledges receivable held by the North Central Health Foundation and cash and pledges receivable held by the Community Foundation of North Central Wisconsin. In 2020, the aquatic pool was completed and put in service.

Note 9: Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	January 1, 2020	Increases	Decreases	December 31, 2020
Nondepreciable capital assets:				
Land	$ 65,133	$ -	$ -	$ 65,133
Construction in progress	6,391,915	30,050,867	(13,602,564)	22,840,218
Total nondepreciable capital assets	6,457,048	30,050,867	(13,602,564)	22,905,351
Depreciable capital assets:				
Land improvements	1,786,418	-	(3,548)	1,782,870
Buildings and building improvements	43,097,056	11,544,130	(35,338)	54,605,848
Fixed equipment	7,775,283	46,431	(42,964)	7,778,750
Other equipment	18,888,396	690,069	(123,384)	19,455,081
Capital lease	130,361	-	-	130,361
Total depreciable capital assets	71,677,514	12,280,630	(205,234)	83,752,910
Less - Accumulated depreciation:				
Land improvements	1,418,419	49,914	(3,549)	1,464,784
Buildings and building improvements	29,069,268	1,171,859	(22,506)	30,218,621
Fixed equipment	4,798,183	930,972	(21,777)	5,707,378
Other equipment	14,325,416	1,093,449	(98,974)	15,319,891
Capital lease	27,937	27,937	-	55,874
Total accumulated depreciation	49,639,223	3,274,131	(146,806)	52,766,548
Total depreciable capital assets - Net	22,038,291	9,006,499	(58,428)	30,986,362
Total capital assets - Net	$ 28,495,339	$ 39,057,366	$ (13,660,992)	$ 53,891,713

Note 9: Capital Assets (Continued)

In 2018, NCHC began planning for a significant master facility project at the Wausau campus. The project, which includes the aquatic pool discussed in Note 8 and a redesign of the Wausau campus, is expected to cost approximately $73.3 million and is expected to be completed in 2022. The project will be financed with proceeds from the aquatic pool capital campaign discussed in Note 8 and general obligation revenue bonds issued by Marathon County. NCHC had commitments related to this master facility plan project totaling $44.7 million at December 31, 2020.

Construction in progress at December 31, 2020, consisted primarily of the master facility plan related costs.

Note 10: Long-Term Debt

Pursuant to a resolution adopted on November 8, 2016, Lincoln County, Wisconsin (the "County") authorized the issuance of $7,000,000 Taxable Note Anticipation Notes ("Series 2016 NANs") to provide interim financing for purposes of paying a portion of the cost of the construction of an addition to Pine Crest, renovation of a portion of the existing Pine Crest nursing home, and acquisition of related equipment. The Series 2016 NANs dated December 1, 2016, matured on March 1, 2017. On February 14, 2017, the County issued $6,950,000 General Obligation Refunding Bonds (the "Bonds") maturing December 1, 2036, and $2,600,000 Note Anticipation Notes (the "Notes") maturing December 1, 2021 (collectively the "Securities"). Proceeds of the Securities were used to refund the Series 2016 NANs at maturity on March 1, 2017, with the remainder available to pay for costs of the construction project.

The Bonds carry interest rates ranging from 2.0% to 3.5%. The Bonds require semiannual interest only payments through June 1, 2018, and semiannual payments of interest and principal (with principal amounts varying from $350,000 on December 1, 2019, to $480,000 on December 1, 2036). The Notes carry an interest rate of 2.09% and require semiannual interest only payments with the balance due on December 1, 2021.

Long-term debt consisted of the following at December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Series 2017 General Obligation Refunding Bonds with interest of 2.78%	$ 6,590,000	$ -	$ 360,000	$ 6,230,000	$ 370,000
Series 2017 Note Anticipation Notes with interest of 2.09%	2,600,000	-	-	2,600,000	2,600,000
Deferred amounts - Premium	338,499	-	30,527	307,972	-
Total	$ 9,528,499	$ -	$ 390,527	$ 9,137,972	$ 2,970,000

Note 10: Long-Term Debt (Continued)

Long-term debt service requirements to maturity are as follows:

	Principal	Interest	Total
2021	$ 2,970,000	$ 262,050	$ 3,232,050
2022	315,000	185,950	500,950
2023	325,000	176,500	501,500
2024	335,000	166,750	501,750
2025	345,000	156,700	501,700
2026-2030	1,875,000	622,250	2,497,250
2031-2035	2,185,000	311,734	2,496,734
2036-2037	480,000	16,800	496,800
Total	$ 8,830,000	$ 1,898,734	$ 10,728,734

Note 11: Obligations Under Capital Leases

Obligations under capital leases consisted of an obligation for copiers, payable in 60 monthly installments of $2,437 including interest, due August 2023.

Future minimum lease payments on the capital leases at December 31, 2020, are as follows:

2021	$ 29,249
2022	29,249
2023	19,499
Total minimum lease payments	77,997
Amount representing interest	2,105
Present value of net minimum lease payments	75,892
Less - Current portion	27,987
Long-term obligations under capital leases	$ 47,905

Equipment under capital leases had a cost and net book value of $130,361 and $47,905, respectively, at December 31, 2020.

Note 12: Net Position

Net position consists of the following:

	51.42/.437 Program					
	Marathon County	Langlade County	Lincoln County	MVCC	Pine Crest	Total
Balance at January 1, 2020	$ 23,369,397	$ 2,418,092	$ 3,298,789	$ 8,667,663	$ 2,970,286	$ 40,724,227
Income (loss) before contributed capital	(2,373,971)	(505,460)	(213,742)	(384,076)	(475,558)	(3,952,807)
Contributed capital	2,423,086	-	-	-	-	2,423,086
Balance at December 31, 2020	$ 23,418,512	$ 1,912,632	$ 3,085,047	$ 8,283,587	$ 2,494,728	$ 39,194,506

In 2020, Marathon County contributed capital to NCHC of $2,329,930 for capital assets.

Note 13: Related-Party Transactions

NCHC 51.42/.437 operations are financed, in part, by Marathon, Langlade, and Lincoln Counties. Contributions for operations are based on NCHC budget amounts. A Joint County Human Services Agreement delineates the methodology for calculating each county's actual contribution and the resulting overpayment or underpayment for that particular year. NCHC also receives contributions from Marathon County and Lincoln County for the nursing home operations.

In 2020, NCHC received $4,921,389, $959,977, and $150,876 from Marathon, Lincoln, and Langlade Counties, respectively, to assist in meeting operating costs and for additions and improvements to capital assets.

Land and buildings, with a cost of $59,087,376 at December 31, 2020, utilized by the 51.42/.437 program and MVCC nursing home are held in title by Marathon County. These capital assets, net of accumulated depreciation, are included in the statement of net position under capital assets - net and in net position invested in capital assets. Depreciation on this property is included in the financial statements of NCHC.

Land, buildings, and equipment with a cost of $20,542,722 at December 31, 2020, utilized by Pine Crest nursing home are held in title by Lincoln County. These capital assets, net of accumulated depreciation, are included in the statement of net position under capital assets - net and in net position invested in capital assets. Depreciation on this property is included in the financial statements of NCHC.

Note 13: Related-Party Transactions (Continued)

At December 31, 2020, NCHC had receivables due from Marathon County of $641,408. At December 31, 2020, NCHC had amounts payable to Lincoln County of $138,309. In addition, at December 31, 2020, NCHC had amounts due to Marathon County totaling $28,137,785 for the master facility plan project discussed in Note 9. Upon completion of the master facility plan project, the amounts due to Marathon County will be converted to an amortization schedule based on terms of revenue bonds issued by Marathon County to finance the master facility plan project.

The City-County Information Technology Commission (the "Commission") is a joint and cooperative agreement between Marathon County, the City of Wausau, and NCHC. The purpose of the commission is to provide for the implementation and operation of a cooperative data and management system and to foster efficiency in the provision of services under the direction of the governing Board of Commissioners. The CCITC is governed by an eight member Board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County Chairman of the Board of Supervisors, County Administrator, and NCHC CEO and Finance Director. The Board of Commissioners has the authority to fix cost sharing charges for members in an amount sufficient to provide the funds required by the budget. Funding for services is recovered through three sources. The City, County, and NCHC split the operating costs not recovered through outside user fees 21%, 41%, and 38%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit for only one owner. In 2020, NCHC paid $1,610,479 to the Commission for services rendered. At December 31, 2020, NCHC had accounts payable due to CCITC totaling $256,662.

Note 14: Provider Relief Funds

During 2020, NCHC received $2,979,000 in grant funding from the U.S. Department of Health and Human Services (HHS) Provider Relief Fund which was established as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Based on the terms and conditions of the grant, NCHC earns the grant by incurring COVID-19 expenses or by incurring lost patient revenues as a result of COVID-19.

NCHC recorded grant revenue for the $2,979,000 HHS Provider Relief Funds based on incurring qualifying expenses through December 31, 2020, that management believes meet the terms and conditions of the HHS Provider Relief Funds program.

Note 15: Employee Retirement Plans - Wisconsin Retirement System

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees), and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Note 15: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Vesting - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with Sec. 40.27 of the Wisconsin Statutes. An increase (decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0 %
2011	(1.2)%	11.0 %
2012	(7.0)%	(7.0)%
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%

Note 15: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee-required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executive and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee-required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $2,449,628 in contributions from the employer.

NCHC has employees in only the general category, which had the following contribution rates as of December 31, 2020:

	Employee	Employer
General (including teachers)	6.75 %	6.75 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2020, NCHC reported an asset of $7,280,177 for its proportionate share of the net pension asset. The net pension asset was measured as of the calendar year that falls within NCHC's fiscal year and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net pension liability was based on NCHC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, NCHC's proportion was .22577999% (a decrease of .00066174% from the prior year).

For the year ended December 31, 2020, NCHC recognized WRS retirement contribution pension expense of $2,206,101.

Note 15: Employee Retirement Plans - Wisconsin Retirement System (Continued)

At December 31, 2020, NCHC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,819,441	$ -
Changes in assumptions	567,318	-
Net differences between projected and actual earnings on pension plan investments	-	14,883,272
Changes in proportion and differences between employer contributions and proportionate share of contributions	88,041	6,915,705
Employer contributions subsequent to the measurement date	2,610,560	10,072
Totals	$ 17,085,360	$ 21,809,049

Deferred outflows of resources, totaling $2,610,560 at December 31, 2020, related to pension resulting from NCHC's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

2020	$ (2,170,535)
2021	(1,625,115)
2022	276,704
2023	(3,815,303)

Note 15: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the year ended December 31, 2020, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2018
Measurement date of net pension liability	December 31, 2019
Actuarial cost method	Entry Age
Asset valuation method	Fair Market Value
Long-term expected rate of return	7.0 %
Discount rate	7.0 %
Salary increases:	
Inflation	3.0 %
Seniority/merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9 %

**No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The assumed annual adjustment is 1.9% based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from January 1, 2015 through December 31, 2017. The Total Pension Liability for December 31, 2019, is based upon a roll-forward of the liability calculated from the December 31, 2018, actuarial valuation.

Note 15: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Long-Term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	As of December 31, 2019		
Asset Allocation Targets and Expected Returns	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
Core fund:			
Global equities	49.0 %	8.0 %	5.1 %
Fixed income	24.5 %	4.9 %	2.1 %
Inflation sensitive assets	15.5 %	4.0 %	1.2 %
Real estate	9.0 %	6.3 %	3.5 %
Private equity/debt	8.0 %	10.6 %	4.0 %
Multi-Asset	4.0 %	6.9 %	4.0 %
Total core fund	110.0 %	7.5 %	4.6 %
Variable fund:			
U.S. equities	70.0 %	7.5 %	4.6 %
International equities	30.0 %	8.2 %	5.3 %
Total variable fund	100.0 %	7.8 %	4.9 %

New England Pension Consultants Long-Term US CPI Forecast: 2.75%

Assets allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

Note 15: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of NCHC's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents NCHC's proportionate share of the net pension liability (asset) calculated using the current discount rate of 7.00 percent, as well as what NCHC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.0 %	$ 18,747,757
Current discount rate	7.0 %	(7,280,177)
1% increase to rate	8.0 %	(26,739,052)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available online at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Payables to the Pension Plan - At December 31, 2020, NCHC reported a payable of $593,829 for the outstanding amount of employer contributions to the pension plan.

Note 16: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found online at http://etf.wi.gov/publications/cafr.htm.

In addition, EFT issued a standalone Retiree Life Insurance Financial Report, which can be found at http://eftonline.wi.gov/EFTGASBPublicWeb/gasb75Local.do.

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with basic coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2020, are as follows:

Coverage Type	Employer Contribution
25% Postretirement coverage	20% of employee contribution

During the year ended December 31, 2020, the LRIF recognized $10,641 in contributions from the employer.

Note 16: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019, are as listed below:

Attained Age	Basic	Supplemental
Under 30	$ 0.05	$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2020, NCHC reported a liability of $2,506,809 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net OPEB liability was based on NCHC's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, NCHC's proportion was 0.58870230%, which was an increase of 0.04718830% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, NCHC recognized OPEB expense of $773,551.

Note 16: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

At December 31, 2020, NCHC reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 112,301
Changes in assumptions	924,773	178,949
Net differences between projected and actual earnings on pension plan investments	68,308	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	175,682	125,607
Employer contributions subsequent to the measurement date	8,285	-
Totals	$ 1,177,048	$ 416,857

Deferred outflows of resources, totaling $8,285 at December 31, 2020, resulting from NCHC's contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	$ (128,605)
2021	(128,605)
2022	(123,507)
2023	(118,254)
2024	(103,492)
2025	(147,670)
2026	(1,773)

Note 16: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2019
Measurement date of net OPEB liability (asset)	December 31, 2019
Actuarial cost method	Entry age normal
20-year tax-exempt municipal bond yield	2.74 %
Long-term expected rate of return	4.3 %
Discount rate	2.9 %
Salary increases:	
Inflation	3.0 %
Seniority/merit	.1 - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019, is based upon a roll-forward of the liability calculated from the January 1, 2019, actuarial valuation.

Note 16: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investment). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return, and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2019

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. government bonds	Barclays Credit	45.00 %	2.12 %
U.S. long credit bonds	Barclays Long Credit	5.00 %	2.90 %
U.S. mortgages	Barclays MBS	50.00 %	1.53 %
Inflation			2.20 %
Long-term expected rate of return			4.25 %

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Note 16: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Single Discount Rate: A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018, to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of NCHC's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents NCHC's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate of 2.87 percent, as well as what NCHC's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
NCHC's proportionate share of the net OPEB liability (asset)	$ 3,461,483	$ 2,506,809	$ 1,780,488

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm.

Note 17: Self-Funded Insurance

NCHC has a self-funded health insurance plan that provides benefits to employees and their dependents. Health costs are expensed as incurred. Health expense is based on claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The health plan has reinsurance to cover catastrophic individual claims over $225,000.

Note 17: Self-Funded Insurance (Continued)

NCHC also has a self-funded dental insurance plan that provides benefits to employees and their dependents. Dental costs are expensed as incurred. Dental expense is based on claims paid, administration fees, and unpaid claims at year-end. The plan covers annual individual claims up to $1,000 and has no reinsurance.

Unpaid health and dental claims liability activity for the year ended December 31 was as follows:

Unpaid claims liability at beginning	$	670,000
Claims expense		7,965,002
Claim payments		(8,132,002)
Unpaid claims liability at end	$	503,000

Note 18: Comprehensive General and Professional Liability Insurance

NCHC's comprehensive general liability insurance covers losses of up to $1,000,000 per claim with $3,000,000 annual aggregate for claims incurred during a policy year regardless of when the claim was filed (occurrence-based coverage). NCHC's professional liability insurance covers losses up to $1,000,000 per claim with $3,000,000 annual aggregate for claims reported during a policy year (claims-made coverage). NCHC also carries an umbrella liability policy of $3,000,000 for claims reported during a policy year (claims-made coverage).

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with NCHC. Although there exists the possibility of claims arising from services provided to patients through December 31, 2020, which have not yet been asserted, NCHC is unable to determine the ultimate cost, if any, of such possible claims and, accordingly, no provision has been made for them. These insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending through January 1, 2022.

Note 19: Concentration of Credit Risk

Financial instruments that potentially subject NCHC to credit risk consist principally of cash deposits in excess of insured limits, investments of surplus operating funds, as discussed in Note 3, and accounts receivable.

Note 19: Concentration of Credit Risk (Continued)

Patient accounts receivable consist of amounts due from patients, their insurers, or governmental agencies. NCHC grants credit to its patients, primarily residents of Langlade, Lincoln, and Marathon Counties, for these services. NCHC is also required to meet the Wisconsin Statutes and Administrative Code under the Uniform Fee and Ability to Pay Provisions. The mix of receivables from patients and third-party payors was as follows at December 31:

Medicare	21 %
Medicaid	50 %
Private pay	16 %
Insurance and other	13 %
Total	100 %

Required Supplementary Information

North Central Community Services Program d/b/a North Central Health Care

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last Ten Fiscal Years (When Available)

	2020	2019	2018	2017	2016	2015
Measurement date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
NCHC's proportion of the net pension liability (asset)	0.22577999 %	0.18695914 %	0.18725416 %	0.19194538 %	0.19245642 %	0.19732891 %
NCHC's proportionate share of the net pension liability (asset)	$ (7,280,177)	$ 6,651,420	$ (5,559,798)	$ 1,582,088	$ 3,127,379	$ (4,846,938)
NCHC's covered-employee payroll during the measurement period	$ 36,980,141	$ 28,622,270	$ 26,535,387	$ 28,545,517	$ 26,567,926	$ 29,908,431
NCHC's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(19.69)%	23.24 %	(20.95)%	5.57 %	11.77 %	(18.01)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.96 %	96.45 %	102.93 %	99.12 %	98.20 %	102.74 %
Schedule of Employer Contributions						
Contractually required contribution for the fiscal year	$ 2,449,628	$ 1,917,568	$ 1,905,598	$ 1,805,306	$ 1,883,195	$ 1,802,066
Contributions in relation to the contractually required contribution	(2,449,628)	(1,917,568)	(1,905,598)	(1,805,306)	(1,883,195)	(1,802,066)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -
NCHC's covered-employee payroll for the fiscal period	$ 38,354,184	$ 31,154,942	$ 28,622,271	$ 26,535,387	$ 28,424,517	$ 26,567,926
Contributions as a percentage of covered-employee payroll	8.71 %	6.15 %	6.66 %	6.80 %	6.63 %	6.78 %

Notes to the Schedules

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. No significant change in assumptions were noted from the prior year.

See Independent Auditor's Report.

North Central Community Services Program d/b/a North Central Health Care

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund

Last Ten Fiscal Years (When Available)

	2020	2019	2018
Measurement date	12/31/2019	12/31/2018	12/31/2017
NCHC's proportion of the net OPEB liability (asset)	0.58870230 %	0.33847600 %	.31394900 %
NCHC's proportionate share of the net OPEB liability (asset)	$ 2,506,809	$ 873,382	$ 944,541
NCHC's covered payroll	$ 21,137,552	$ 14,607,000	$13,202,545
NCHC's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	11.86 %	5.98 %	7.15 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.58 %	48.69 %	44.81 %
Schedule of Employer Contributions			
Contractually required contribution for the fiscal period	$ 8,285	$ 7,618	$ 6,543
Contributions in relation to the contractually required contribution	$ (8,285)	$ (7,618)	$ (6,543)
Contribution deficiency (excess)	$ -	$ -	$ -
NCHC's covered-employee payroll for the fiscal period	$ 21,137,552	$ 14,607,000	$13,507,132
Contributions as a percentage of covered-employee payroll	0.04 %	0.05 %	0.05 %

Notes to the Schedules:

Changes of benefit terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions: Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return, and expected inflation.

See Independent Auditor's Report.

Supplementary Information - Combining Financial Statements

North Central Community Services Program
d/b/a North Central Health Care
Combining Statement of Net Position
December 31, 2020

Assets and Deferred Outflows of Resources	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Eliminations	Total
Current assets:					
Cash and cash equivalents	$ (1,017,121)	$ 4,031,122	$ 1,535,151	$ -	$ 4,549,152
Accounts receivable:					
Patient - Net	2,377,495	1,437,282	845,195	-	4,659,972
Outpatient WIMCR/CCS	2,118,899	-	-	-	2,118,899
Marathon County	641,408	-	-	-	641,408
Net state receivable	1,771,708	-	-	-	1,771,708
Other	445,085	-	-	-	445,085
Amounts due from third-party reimbursement programs	65,603	-	-	-	65,603
Inventory	350,666	40,198	38,469	-	429,333
Prepaids and other assets	128,582	113,703	22,685	-	264,970
Total current assets	6,882,325	5,622,305	2,441,500	-	14,946,130
Noncurrent assets:					
Investments	11,635,464	-	-	-	11,635,464
Assets limited as to use	1,490,604	500,000	-	-	1,990,604
Restricted assets - Patient trust funds	17,828	45,666	41,770	-	105,264
Net pension asset	3,786,326	2,229,321	1,264,530	-	7,280,177
Nondepreciable capital assets	4,485,318	18,406,200	13,833	-	22,905,351
Depreciable capital assets - Net	17,050,015	2,893,944	11,042,403	-	30,986,362
Total noncurrent assets	38,465,555	24,075,131	12,362,536	-	74,903,222
Deferred outflows of resources - Related to pensions and life insurance	9,669,082	5,692,984	2,900,342	-	18,262,408
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 55,016,962	$ 35,390,420	$ 17,704,378	$ -	$ 108,111,760

North Central Community Services Program
d/b/a North Central Health Care

Combining Statement of Net Position (Continued)

December 31, 2020

Liabilities, Deferred Inflows of Resources, and Net Position	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Eliminations	Total
Current liabilities:					
Current portion of bonds payable liability	$ -	$ -	$ 2,970,000	$ -	$ 2,970,000
Current portion of capital lease liability	27,987	-	-	-	27,987
Accounts payable - Trade	1,150,628	256,201	279,814	-	1,686,643
Accrued liabilities:					
Salaries and retirement	989,700	535,013	356,487	-	1,881,200
Compensated absences	1,238,377	669,444	446,061	-	2,353,882
Health and dental insurance	264,628	143,053	95,319	-	503,000
Interest	-	-	21,838	-	21,838
Other	162,588	57,835	38,536	-	258,959
Unearned revenue	39,190	-	-	-	39,190
Total current liabilities	3,873,098	1,661,546	4,208,055	-	9,742,699
Noncurrent liabilities:					
Amounts due to Marathon County for property and equipment	9,731,585	18,406,200	-	-	28,137,785
Long-term portion of bonds payable liability	-	-	6,167,972	-	6,167,972
Long-term portion of capital lease liability	47,905	-	-	-	47,905
OPEB life insurance liability	1,055,871	571,049	879,889	-	2,506,809
Patient trust funds	17,328	45,666	25,184	-	88,178
Total noncurrent liabilities	10,852,689	19,022,915	7,073,045	-	36,948,649
Total liabilities	14,725,787	20,684,461	11,281,100	-	46,691,348
Deferred inflows of resources - Related to pensions and life insurance	11,874,984	6,422,372	3,928,550	-	22,225,906
Net position:					
Net investment in capital assets	11,727,856	2,893,944	1,918,264	-	16,540,064
Restricted for net pension assets	3,786,326	2,229,321	1,264,530	-	7,280,177
Unrestricted:					
Board designated for contingency	500,000	500,000	-	-	1,000,000
Board designated for capital assets	990,604	-	-	-	990,604
Undesignated	11,411,405	2,660,322	(688,066)	-	13,383,661
Total net position	28,416,191	8,283,587	2,494,728	-	39,194,506
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 55,016,962	$ 35,390,420	$ 17,704,378	$ -	$ 108,111,760

See Independent Auditor's Report.

North Central Community Services Program
d/b/a North Central Health Care

Combining Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2020

	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Eliminations	Total
Revenue:					
Net patient service revenue	$ 32,576,391	$ 17,492,534	$ 12,900,449	$ -	$ 62,969,374
Other revenue:					
State grant-in-aid	5,018,984	-	-	-	5,018,984
State match/addendum	2,914,714	-	-	-	2,914,714
Other grants	1,425,030	1,289,627	957,663	-	3,672,320
Counties' appropriations	4,836,036	2,638,016	617,815	-	8,091,867
Departmental and other revenue	1,584,472	708,517	93,985	-	2,386,974
Total other revenue	15,779,236	4,636,160	1,669,463	-	22,084,859
Total revenue	48,355,627	22,128,694	14,569,912	-	85,054,233
Expenses:					
Salaries	20,056,918	11,809,158	6,995,989	-	38,862,065
Fringe benefits:					
WRS Retirement - GASB 68	(197,987)	(111,850)	(74,528)	-	(384,365)
WRS Retirement - GASB 75	398,456	225,103	149,992	-	773,551
WRS Retirement - Contributions	1,334,349	753,826	502,291	-	2,590,466
Other fringe benefits	5,991,175	3,782,350	2,176,662	-	11,950,187
Supplies and other	21,772,643	5,050,975	3,973,344	-	30,796,962
Utilities	59,048	10,693	170,689	-	240,430
Depreciation	1,208,697	968,963	904,999	-	3,082,659
Care of patients at other facilities	1,072,374	-	-	-	1,072,374
Total expenses	51,695,673	22,489,218	14,799,438	-	88,984,329
Operating income (loss)	(3,340,046)	(360,524)	(229,526)	-	(3,930,096)
Nonoperating revenue (expense):					
Interest expense	(910)	(734)	(240,719)	-	(242,363)
Interest income	276,065	-	-	-	276,065
Loss on disposal of capital assets	(28,282)	(22,818)	(5,313)	-	(56,413)
Total nonoperating revenue (expense)	246,873	(23,552)	(246,032)	-	(22,711)
Income (loss) before contributed capital	(3,093,173)	(384,076)	(475,558)	-	(3,952,807)
Contributions restricted for capital assets	93,156	-	-	-	93,156
Contributed capital - Contributions from Marathon County for capital assets	2,329,930	-	-	-	2,329,930
Change in net position	(670,087)	(384,076)	(475,558)	-	(1,529,721)
Net position at beginning	29,086,278	8,667,663	2,970,286	-	40,724,227
Net position at end	$ 28,416,191	$ 8,283,587	$ 2,494,728	$ -	$ 39,194,506

See Independent Auditor's Report.

North Central Community Services Program
d/b/a North Central Health Care

Combining Statement of Cash Flows

Year Ended December 31, 2020

	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Eliminations	Total
Increase (decrease) in cash and restricted cash:					
Cash flows from operating activities:					
Cash received from patients, third-party reimbursement programs, and other revenue	$ 43,002,360	$ 19,912,597	$ 14,396,523	$ -	$ 77,311,480
Cash received from Marathon County appropriations	4,364,538	2,638,016	-	-	7,002,554
Cash received from other counties' appropriations	471,498	-	617,815	-	1,089,313
Cash paid to employees for services	(20,168,871)	(12,682,048)	(5,996,956)	-	(38,847,875)
Cash paid to suppliers for goods and services	(29,732,966)	(10,143,777)	(6,794,769)	-	(46,671,512)
Net cash from operating activities	(2,063,441)	(275,212)	2,222,613	-	(116,040)
Cash flows from capital and related financing activities:					
Contributions restricted for capital assets	3,306,418	-	-	-	3,306,418
Contributions from Marathon County for capital assets	2,329,930	-	-	-	2,329,930
Acquisition of capital assets	(6,533,773)	(53,216)	(65,350)	-	(6,652,339)
Payment on bonds payable	-	-	(360,000)	-	(360,000)
Payment on capital lease obligation	(8,256)	(19,177)	-	-	(27,433)
Interest paid	(910)	(734)	(273,021)	-	(274,665)
Net cash from capital and related financing activities	(906,591)	(73,127)	(698,371)	-	(1,678,089)
Cash flows from investing activities:					
Decrease in investments	2,659,026	-	-	-	2,659,026
Increase (decrease) in assets limited as to use	(856,293)	-	22,961	-	(833,332)
Interest received	276,065	-	-	-	276,065
Net cash from investing activities	2,078,798	-	22,961	-	2,101,759
Net change in cash and restricted cash	(891,234)	(348,339)	1,547,203	-	307,630
Cash and restricted cash at beginning	(108,059)	4,425,127	29,718	-	4,346,786
Cash and restricted cash at end	$ (999,293)	$ 4,076,788	$ 1,576,921	$ -	$ 4,654,416

North Central Community Services Program
d/b/a North Central Health Care

Combining Statement of Cash Flows (Continued)

Year Ended December 31, 2020

	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Eliminations	Total
Reconciliation of operating income (loss) to net cash and restricted cash from operating activities:					
Operating income (loss)	$ (3,340,046)	$ (360,524)	$ (229,526)	$ -	$ (3,930,096)
Adjustments to reconcile operating income (loss) to net cash and restricted cash from operating activities:					
Provision for depreciation	1,734,240	625,352	723,067	-	3,082,659
Provision for bad debts	357,349	62,661	124,080	-	544,090
Depreciation charged to capital contribution	191,472	-	-	-	191,472
Changes in operating assets and liabilities:					
Accounts receivable	(738,987)	359,258	320,346	-	(59,383)
Amounts receivable from third-party reimbursement programs	(65,603)	-	-	-	(65,603)
Inventory	30,472	(11,492)	(2,030)	-	16,950
Other current assets	250,654	(33,077)	12,363	-	229,940
Resident trust funds	26,963	-	(4,534)	-	22,429
Accounts payable	(303,351)	(69,161)	279,814	-	(92,698)
Accrued liabilities	(389,229)	(461,192)	475,425	-	(374,996)
Amounts receivable from third-party reimbursement programs	(70,000)	-	-	-	(70,000)
Unearned revenue	10	-	-	-	10
Net pension changes	277,276	(411,698)	523,608	-	389,186
Total adjustments	1,301,266	60,651	2,452,139	-	3,814,056
Net cash from operating activities	$ (2,038,780)	$ (299,873)	$ 2,222,613	$ -	$ (116,040)
Reconciliation of cash and restricted cash to balance sheet:					
Cash	$ (1,017,121)	$ 4,031,122	$ 1,535,151	$ -	$ 4,549,152
Restricted cash - Patient trust funds	17,828	45,666	41,770	-	$ 105,264
Total cash and restricted cash	(999,293)	4,076,788	1,576,921	-	4,654,416
Supplemental disclosure of cash flows information:					
Contributions restricted for capital assets	$ 3,306,418	$ -	$ -	$ -	$ 3,306,418
Contribution of capital from Marathon County	2,329,930	-	-	-	2,329,930
Amounts due to Marathon County for property and equipment	28,137,785	-	-	-	28,137,785

See Independent Auditor's Report.

WIPFLI

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
North Central Health Care
Wausau, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of North Central Community Services Program d/b/a North Central Health Care, which consist of the statement of net position as of December 31, 2020, and the related statements of revenue, expenses, and changes in net position and cash flows for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise North Central Health Care's financial statements and have issued our report thereon dated June 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Central Health Care's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Central Health Care's internal control. Accordingly, we do not express an opinion on the effectiveness of North Central Health Care's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2020.001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

WIPFLI

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Central Health Care's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Responses to Findings

The North Central Health Care's responses to the findings identified in our audit are described in the accompanying schedule of findings. North Central Health Care's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of North Central Health Care's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Health Care's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

June 17, 2021
Wausau, Wisconsin

North Central Community Services Program
d/b/a North Central Health Care

Schedule of Findings

Year Ended December 31, 2020

Finding 2020.001 Financial Reporting Processes

Condition: Processes were not in place to appropriately reconcile financial statement balances at December 31, 2020. In addition, independent review and approval of manual journal entries did not consistently occur throughout the year, and controls in this area deteriorated with the departure of the former accounting manager. As a result, management was unable to provide an internally prepared trial balance, balance sheet, and statement of revenue, expenses, and changes in net position at the beginning of the audit process. In addition, management recorded material adjustments after the start of the audit process, and there were material adjustments as a result of the audit process.

In addition, NCHC's internal control over financial reporting does not end at the general ledger but extends to the financial statements and notes. As part of our professional services for the year ended December 31, 2020, Wipfli was requested to draft the financial statements and related notes.

Criteria: *Government Auditing Standards* consider the inability to report financial data reliably in accordance with GAAP to be an internal control deficiency.

Cause: The completeness of the financial statement disclosures and the accuracy of the overall financial presentation may be negatively impacted as a result of inadequate financial reporting processes and practices.

Effect: Lack of appropriate processes in place to reconcile financial statement balances is a material weakness in NCHC's internal control environment.

Recommendation: We recommend management develop processes to reconcile financial statement balances throughout the year. This process should include review of reconciliations and review and approval of all manual journal entries by an independent person.

View of responsible: NCHC financial operations and controls proceeded largely unchanged for the majority of the year with the exception of the retirement and replacement of the Chief Financial Officer early in the year. At the end of November, the Accounting Director also resigned from the organization. The issues of balance reconciliation and journal entry review were not present until this time. The Accounting Director role was filled January 2021.

NCHC experienced a loss of over 50 years of cumulative knowledge of a complex organization in a single year coupled with the challenges of the coronavirus pandemic. In addition, the new finance leadership were presented with a steep learning curve at an inopportune time in the annual fiscal cycle. Internal control procedures have been fully reinstated within weeks of the hire of the Accounting Director, and efforts to document and share knowledge of policies and procedures are being enhanced to prevent similar challenges for NCHC in the future.

North Central Health Care
Fund Balance Review
For the Period Ending December 31, 2020

	Marathon	Langlade	Lincoln	Total
Total Operating Expenses, Year-to-Date	62,717,595	4,647,600	21,917,948	89,283,143
General Fund Balance Targets				
Minimum (20% Operating Expenses)	12,543,519	929,520	4,383,590	17,856,629
Maximum (35% Operating Expenses)	21,951,158	1,626,660	7,671,282	31,249,100
Risk Reserve Fund	250,000	250,000	250,000	
Total Fund Balance				
Minimum Target	12,793,519	1,179,520	4,633,590	18,606,629
Maximum Target	22,201,158	1,876,660	7,921,282	31,999,100
Total Net Position at Period End	59,959,510	4,142,139	21,144,797	85,246,446
Fund Balance Above/(Below)				
Minimum Target	47,165,991	2,962,619	16,511,207	66,639,817
Maximum Target	37,758,351	2,265,479	13,223,515	53,247,346
County Percent of Total Net Position	*70.3%*	*4.9%*	*24.8%*	
Share of Invested Cash Reserves	7,123,380	492,099	2,512,069	10,127,549
Days Invested Cash on Hand	*41*	*39*	*42*	*41*
Targeted Days Invested Cash on Hand	*90*	*90*	*90*	*90*
Required Invested Cash to Meet Target	15,464,613	1,145,983	5,404,426	22,015,022
Invested Cash Reserves Above/(Below) Target	(8,341,232)	(653,884)	(2,892,356)	(11,887,473)

North Central Health Care
Review of Services in Marathon County
For the Period Ending December 31, 2020

	Revenue Actual	Expense Actual	Net Income/ (Loss)
Direct Services			
Outpatient Services	1,950,795	4,937,846	(2,987,051)
Community Treatment-Adult	4,001,425	4,256,162	(254,737)
Community Treatment-Youth	5,196,817	5,031,398	165,419
Day Services	1,059,153	1,132,746	(73,594)
Clubhouse	179,463	314,353	(134,889)
Homelessiness Initiative	-	-	-
Hope House Sober Living	5,576	12,631	(7,055)
Riverview Terrace	147,122	115,459	31,663
Demand Transportation	340,170	283,099	57,071
Aquatic Services	630,989	1,039,268	(408,278)
Pharmacy	7,484,363	7,341,975	142,388
	20,995,872	24,464,936	(3,469,064)
Shared Services			
Adult Behavioral Health Hospital	2,873,179	6,005,888	(3,132,710)
Youth Behavioral Health Hospital	267,974	670,548	(402,574)
Residency Program	115,201	306,248	(191,047)
Crisis Services	620,055	2,224,462	(1,604,407)
Adult Crisis Stabilization Facility	813,837	553,920	259,917
Youth Crisis Stabilization Facility	68,443	144,121	(75,678)
Lakeside Recovery MMT	183,014	642,267	(459,253)
Residential	4,322,386	4,054,372	268,014
Adult Protective Services	205,700	624,319	(418,619)
Birth To Three	528,457	513,746	14,712
	9,998,246	15,739,890	(5,741,645)
Total NCHC Programming	30,994,118	40,204,827	(9,210,708)
Base County Allocation	3,558,448		3,558,448
County Appropriation	3,278,248		3,278,248
Excess Revenue/(Expense)	37,830,815	40,204,827	(2,374,012)

North Central Health Care
Review of Services in Lincoln County
For the Period Ending December 31, 2020

	Revenue Actual	Expense Actual	Net Income/ (Loss)
Direct Services			
Outpatient Services	459,827	934,642	(474,815)
Community Treatment-Adult	885,667	635,826	249,841
Community Treatment-Youth	1,785,943	1,761,024	24,919
Lincoln Industries	897,768	1,170,518	(272,750)
	4,029,205	4,502,010	(472,805)
Shared Services			
Adult Behavioral Health Hospital	582,401	1,217,410	(635,009)
Youth Behavioral Health Hospital	54,319	135,922	(81,603)
Residency Program	23,352	62,077	(38,726)
Crisis Services	125,687	450,904	(325,218)
Adult Crisis Stabilization Facility	164,967	112,281	52,686
Youth Crisis Stabilization Facility	13,874	29,214	(15,340)
Lakeside Recovery MMT	37,097	130,189	(93,092)
Residential	23,559	22,098	1,461
Adult Protective Services	41,696	126,551	(84,855)
Birth To Three	86,222	83,822	2,400
	1,153,173	2,370,468	(1,217,295)
Total NCHC Programming	5,182,378	6,872,478	(1,690,100)
Base County Allocation	866,039		866,039
County Appropriation	610,319		610,319
Excess Revenue/(Expense)	6,658,736	6,872,478	(213,742)

North Central Health Care
Review of Services in Langlade County
For the Period Ending December 31, 2020

	Revenue Actual	Expense Actual	Net Income/ (Loss)
Direct Services			
Outpatient Services	368,740	800,720	(431,980)
Community Treatment-Adult	462,889	461,531	1,357
Community Treatment-Youth	1,430,715	1,341,332	89,383
Sober Living	1,001	21,531	(20,530)
Day Services	252,311	299,625	(47,315)
	2,515,655	2,924,740	(409,085)
Shared Services			
Adult Behavioral Health Hospital	427,094	892,767	(465,673)
Youth Behavioral Health Hospital	39,834	99,676	(59,842)
Residency Program	17,124	45,523	(28,399)
Crisis Services	92,170	330,663	(238,493)
Adult Crisis Stabilization Facility	120,976	82,339	38,636
Youth Crisis Stabilization Facility	10,174	21,423	(11,249)
Lakeside Recovery MMT	27,205	95,472	(68,267)
Residential	-	-	-
Adult Protective Services	30,577	92,804	(62,227)
Birth To Three	63,971	62,190	1,781
	829,126	1,722,859	(893,734)
Total NCHC Programming	3,344,781	4,647,600	(1,302,819)
Base County Allocation	594,497		594,497
County Appropriation	202,861		202,861
Excess Revenue/(Expense)	4,142,139	4,647,600	(505,460)

North Central Health Care
Review of Services in Mount View Care Center
For the Period Ending December 31, 2020

	Revenue Actual	Expense Actual	Net Income/ (Loss)
Direct Services			
Post-Acute Care	2,634,091	3,043,747	(409,656)
Long-Term Care	3,933,855	4,937,268	(1,003,413)
Memory Care	8,086,469	8,366,959	(280,490)
Vent Unit	4,148,566	5,015,445	(866,879)
Nursing Home Ancillary	72,005	98,641	(26,636)
Rehab Services	1,753,708	1,050,708	703,000
Total NCHC Programming	20,628,695	22,512,769	(1,884,074)
County Appropriation	1,500,000		1,500,000
Excess Revenue/(Expense)	22,128,695	22,512,769	(384,074)

North Central Health Care
Review of Services in Pine Crest Nursing Home
For the Period Ending December 31, 2020

	Revenue Actual	Expense Actual	Net Income/ (Loss)
Direct Services			
Post-Acute Care	2,298,598	2,182,894	115,703
Long-Term Care	7,291,800	9,292,813	(2,001,013)
Special Care	2,155,993	1,828,160	327,833
Hospice Care	761,218	641,623	119,595
Nursing Home Ancillary	439,108	299,577	139,532
Rehab Services	1,098,528	800,402	298,126
Total NCHC Programming	14,045,246	15,045,470	(1,000,224)
County Appropriation	440,815		440,815
Excess Revenue/(Expense)	14,486,061	15,045,470	(559,409)

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: June 15, 2021
TO: North Central Community Services Program Board Executive Committee
FROM: Jill S. Meschke, Interim Chief Executive Officer
RE: CEO Report – June 2021

The following items are general updates and communications to support the Executive Committee on key activities and/or updates since our last meeting.

COVID-19 Response

As of June 15, we have 12 staff out with symptoms or exposures related to COVID-19. There is currently 1 positive case, and 9 tests pending. We are following CDC guidelines where individuals do not have to quarantine in situations where they have been vaccinated and subsequently exposed to an individual with a known COVID case. There are employees out on leave who did not vaccinate who are still required to quarantine. We continue to require masks of all staff and visitors regardless of their vaccination status.

Currently there are no units at either Mount View or Pine Crest on Enhanced Precautions. Both nursing homes are open for admissions and visitation. Testing will occur next at Mount View on June 28 and June 29 and at Pine Crest July 5 through July 9.

The State did not approve our request to operate our nursing home units as separate and distinct. We would not be able to continue admissions on our rehab units if in outbreak status on another unit, so we will not be proceeding with limiting admissions and staff to only those vaccinated.

CNA Recruitment Efforts

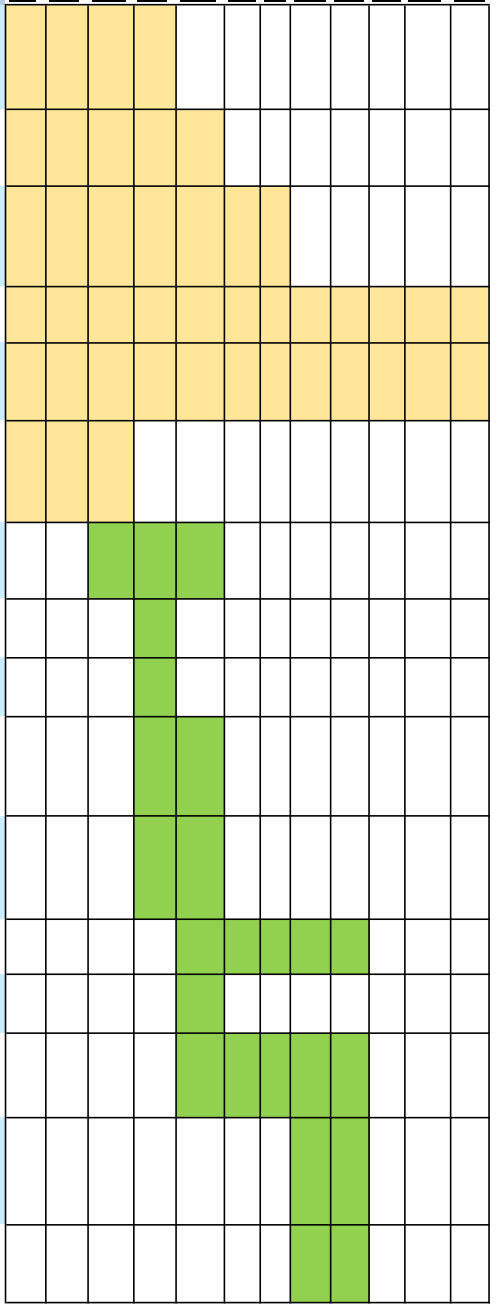
This week NCHC welcomed 36 new hires to orientation. Of these employees, 27 of the positions are related to the wage increases approved by the Board. 20 additional new employees are planned for the June 28 orientation. In speaking with the Director of Nursing at each Mount View and Pine Crest, they are being selective on CNAs offered positions and have a waiting list of interested candidates.

Campus Renovations

The Campus Renovations continue to move forward on schedule. The Nursing Tower is on track for completion July 23. Furniture is anticipated to be in place by the end of August.

There is a high amount of interest by companies looking to bid for the D wing renovation. Demolition is slated to begin June 28. Completion for D Wing is 12 months from start date.

Objective	Accountability	Start Date	Measure(s) of Success	Interim Updates	Status
Establish Facility Use Agreements	Board	Jan-20	Signed Facility Use and/or Lease Agreements with each of the three counties	Legacy agreements remain in place. The main agreement is finalized. Work on the Exhibits remains outstanding but we anticipate completing the task by the end of May.	Open
Prepare Local Plan	Board	Jan-20	Adopt a 3 Year Local Plan at the Annual Board Retreat	The Human Services Research Institute is sending a draft report by the end of the week of May 17th. A presentation to the Board is anticipated in June.	Open
Facilitated Discussion on Diversity and Inclusion	Board	Jul-20	Adopted Diversity, Equity, and Inclusion Plan	An internal employee directed committee is being formed to develop recommendations and a plan to the Board in 2021. We continue to focus on improving the quality of the Dashboard data capture for the DEI monitoring outcomes.	Open
Annual Review of Board Policies	Board	Jan-21	Board reviews and approves all Board Policies by December 31	Ongoing, policies are distributed across the 2021 calendar.	Open
Approve Training Plan for Counties	Board	Jan-21	Conduct quarterly stakeholder meetings with each of the three county partners	Pending.	Open
CEO Appraisal	Executive Committee	Jan-21	Executive Committee reviews appraisal with CEO	The 2020 CEO evaluation process has not been initiated.	Open
Annual Report	Board	Mar-21	Annual Report released and presentations made to County Boards	Initial report production has begun but has been delayed due to recent demands on the Communication and Marketing team.	
Accept the Annual Audit	Board	Apr-21	Acceptance of the annual audit by the NCCSP Board in April	The audit presentation is scheduled for the May Board meeting.	Open
County Fund Balance Reconciliation	Board	Apr-21	Fund balance presentation and Adoption by NCCSP Board	The fund balance statements will be up for consideration at the May Board meeting.	Open
Determine Budget Guidelines and Priorities	Executive Committee	Apr-21	Budget guidelines and priorities of the member Counties are communicated to the Board by June 1st	The Executive Committee and NCCSP Board will discuss these recommendations at their May meetings.	Open
Nomination and Election of Board Officers	Board	Apr-21	The Governance Committee will send a slate of Officers to the Board to be elected at the Annual Meeting in May	This item is slated for the May Board meeting.	Open
Recommend Annual Budget to Counties	Board	May-21	Budget recommendation to the Counties by October 1st		
Annual Review of Board End Statements	Board	May-21	Adoption of End Statements with any modifications by June 1st		
Selection of Independent Certified Public Accounting Firm	Executive Committee	May-21	Engagement Letter approved by Executive Committee by October 1st		
Evaluate NCCSP Board Effectiveness	Board	Aug-21	Conduct annual review of the effectiveness of Board's Policy Governance Model and provide recommendations to the Board		
Review and Approve Policy Governance Manual	Board	Aug-21	Approve Policy Governance manual at the September Board meeting		



Objective	Accountability	Start Date	Measure(s) of Success	Interim Updates	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Review and Approve Board Development and Recruitment Plan	Governance Committee	Aug-21	Board Development and Recruitment Plan reviewed and approved by the NCCSP Board														
Review and Approve Performance Standards	Executive Committee	Sep-21	Adopt Annual Performance Standards														
Approve Annual Quality and Safety Plan	Board	Oct-21	Approve plan in December														
Review CEO Succession Plan	Board	Oct-21	Review and update CEO succession plan														
Review and Approve CEO Compensation Plan	Executive Committee	Nov-21	Approve CEO Compensation Plan for the upcoming year by December														
Approve Utilization Review Plan	Board	Nov-21	Approve plan in December														
Board Development Plan and Calendar	Governance Committee	Nov-21	Approve Board Development Plan and Calendar for the upcoming year at the December meeting														

DEPARTMENT: NORTH CENTRAL HEALTH CARE								FISCAL YEAR: 2021									
PRIMARY OUTCOME GOAL	⇵	TARGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2021 YTD	2020
PEOPLE																	
Vacancy Rate	↘	7-9%	6.1%	6.1%	8.6%	10.1%	6.9%								7.6%	7.8%
Turnover Rate	↘	20-23% (1.7%-1.95%)	2.8%	2.4%	3.3%	2.9%	2.1%								32.5%	N/A
Organization Diversity Composite Index	↗	Monitoring	0.69	0.66	0.67	0.63	0.65								0.66	N/A
SERVICE																	
Patient Experience (Net Promoter Score)	↗	55-61	52.2	73.8	65.6	59.6	60.4								63.1	61.0
QUALITY																	
Hospital Readmission Rate	↘	10-12%	10.8%	14.3%	14.4%	14.4%	9.1%								12.6%	11.8%
Nursing Home Readmission Rate	↘	10-12%	10.5%	17.8%	12.8%	10.3%	12.5%								13.1%	13.5%
Nursing Home Star Rating	↗	★★★★	★★★	★★★	★★★	★★★	★★★								★★★	★★★
Zero Harm - Patients	↘	Monitoring	0.84	1.06	0.84	0.85	1.19								0.96	0.74
Zero Harm - Employees	↘	Monitoring	2.26	2.97	5.94	3.08	3.18								3.49	2.84
COMMUNITY																	
Out of County Placements	↘	230-250	236	140	169	96	143								157	269
Client Diversity Composite Index	↗	Monitoring	0.31	0.46	0.47	0.45	0.43								0.42	N/A
FINANCE																	
Direct Expense/Gross Patient Revenue	↘	64-67%	76.8%	70.2%	70.0%	72.0%	73.8%								72.6%	72.4%
Indirect Expense/Direct Expense	↘	44-47%	41.3%	34.7%	38.6%	36.9%	37.2%								37.7%	39.0%
Net Income	↗	2-3%	-15.7%	0.1%	-6.9%	-5.1%	-7.6%								-6.5%	0.4%

↗ Higher rates are positive
↘ Lower rates are positive

DASHBOARD MEASUREMENT OUTCOME DEFINITIONS AND DETAILS

PEOPLE	
Vacancy Rate	Monthly calculation: total number of vacant FTE at month end divided by the total authorized FTE as of month end. YTD calculation: Average of each monthly vacancy rate.
Turnover Rate	The monthly rate is determined by the number of separations divided by the average number of employees multiplied by 100. The YTD is the sum of the monthly percentages.
Diversity Composite Index	Monthly calculation: A weighted composite of the diversity of NCHC's workforce, management and Board, relative to the demographics of Marathon County. YTD calculation: Weighted average of each month's Diversity Composite Index rate.
SERVICE	
Patient Experience (Net Promoter Score)	Monthly calculation: A weighted average of Net Promoter Score. YTD calculation: Weighted average of each month's Net Promoter Score.
QUALITY	
Hospital Readmission Rate	Percent of patients who are readmitted within 30 days of discharge from the Inpatient Behavioral Health hospital for Mental Health primary diagnosis. *Benchmark: American Health Care Association/National Center for Assistive Living (AHCA/NCAL) Quality Initiative*
Nursing Home Readmission Rate	Number of residents re-hospitalized within 30 days of admission to nursing home / total admissions. *Benchmark: American Health Care Association/Centers for Medicare & Medicaid Services (AHCA/CMS)*
Nursing Home Star Rating	Star rating as determined by CMS Standards for both Pine Crest and MVCC.
Zero Harm Patients	Patient Adverse Event Rate: # of actual harm events that reached patients/number of patient days x1000
Zero Harm Employee	Monthly calculation: # of OSHA reportables in the month x 200,000/payroll hours paid within the month. YTD calculation: # of OSHA reportables YTD x 200,000/payroll hours paid YTD.
COMMUNITY	
Out of County Placement	Number of involuntary days that patients spend in out of county placements who have discharged in month of report.
Diversity, Equity, and Inclusion Access Equity Gap	Identify number of consumers served and index their demographics against the demographics of service area. An access equity gap will be established based on the variability in matching the community to our service population.
FINANCE	
Direct Expense/Gross Patient Revenue	Percentage of total direct expense compared to gross revenue.
Indirect Expense/Direct Revenue	Percentage of total indirect expenses compared to direct expenses.
Net Income	Net earnings after all expenses have been deducted from revenue.

2021 - Primary Dashboard Measure List

↗ Higher rates are positive

↘ Lower rates are positive

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD	2020
North Central Health Care	People	Vacancy Rate	↘	7-9%	6.9%	7.6%	7.8%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.1%	32.5%	N/A
		Organization Diversity Composite Index	↗	Monitoring	0.65	0.66	N/A
	Service	Patient Experience (Net Promoter Score)	↗	55-61	60.4	63.1	61.0
	Quality	Hospital Readmission Rate	↘	10-12%	9.1%	12.6%	11.8%
		Nursing Home Readmission Rate	↘	10-12%	12.5%	13.1%	13.5%
		Nursing Home Star Rating	↗	★★★★	★★★	★★★	★★★
		Zero Harm - Patients	↘	Monitoring	1.19	0.96	0.74
		Zero Harm - Employees	↘	Monitoring	3.18	3.49	2.84
	Community	Out of County Placements	↘	230-250	143	157	269
		Client Diversity Composite Index	↗	Monitoring	0.43	0.42	/
	Finance	Direct Expense/Gross Patient Revenue	↘	64-67%	73.8%	72.6%	72.4%
		Indirect Expense/Direct Expense	↘	44-47%	37.2%	37.7%	39.0%
		Net Income	↗	2-3%	-7.6%	-6.5%	0.4%

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Adult Community Treatment	People	Vacancy Rate	↘	7-9%	6.8%	5.3%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.4%	22.3%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	50.0*	64.0
	Quality	Zero Harm - Patients	↘	Monitoring	0.25	0.21
		% of Treatment Plans Completed within Required Timelines	↗	96-98%	89.5% (51/57)	91.9%
		Employment rate of Individual Placement and Support (IPS) Clients	↗	46-50%	61.4% (43/70)	52.8%
	Community	% of Eligible CCS and CSP Clients Admitted within 60 Days of Referral	↗	60-70%	31.8% (7/22)	35.4%
		Average Days from Referral to Initial Appointment	↘	55-60 days	63.3 days (696/11)	69.4 days
		Hospitalization Rate of Active Patients	↘	Monitoring	4.59%	3.67%
	Finance	Direct Expense/Gross Patient Revenue	↘	86.7-90.2%	77.2%	73.5%
		Net Income	↗	$10,457-$15,686 Per Month	$89,608	$98,913

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Adult Crisis Stabilization CBRF	People	Vacancy Rate	↘	5-7%	6.7%	1.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	39.7%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	40.0*	51.2
	Quality	Zero Harm - Patients	↘	Monitoring	13.39	7.46
		% of Patients who kept their Follow-up Appointment	↗	90-95%	100.0% (1/1)	87.1%
		% of Patients Admitted within 24 hours of Referral	↗	90-95%	100.0% (26/26)	100.00%
	Finance	Direct Expense/Gross Patient Revenue	↘	30.9-32.2%	65.9%	58.3%
		Net Income	↗	$1,747-$2,620 Per Month	($14,986)	($11,887)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Adult Inpatient Psychiatric Hospital	People	Vacancy Rate	↘	7-9%	4.7%	5.6%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.4%	42.3%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	39.6	43.3
	Quality	Zero Harm - Patients	↘	Monitoring	14.93	4.79
		Hospital Readmission Rate	↘	10-12%	10.8%	12.2%
		Average Days for Initial Counseling Appointment Post-Hospital Discharge	↘	8-10 days	21.6 days	24.0 days
		Average Days for Initial Psychiatry Appointment Post-Hospital Discharge	↘	8-10 days	19.3 days	16.3 days
		Average Days since previous Detox Admission	↗	330-360 days	353.7 days	338.8 days
	Community	Out of County Placements	↘	150-170	127	128
	Finance	Direct Expense/Gross Patient Revenue	↘	78.2-81.4%	129.1%	94.4%
		Net Income	↗	$13,382-$20,073 Per Month	($116,546)	($125,663)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Aquatic	People	Vacancy Rate	↘	5-7%	9.1%	5.3%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	9.5%	44.7%
	Service	Patient Experience (Net Promoter Score)	↗	83-87	100.0*	83.6
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	8.70
	Finance	Direct Expense/Gross Patient Revenue	↘	43.8-45.6%	61.2%	69.7%
		Net Income	↗	$2,174-$3,261 Per Month	($11,310)	($15,122)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Clubhouse	People	Vacancy Rate	↘	5-7%	0.0%	0.0%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	0.0%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	86.7*	87.9
	Quality	Average Attendance Per Work Day	↗	20-25	18	18
		% of Members Working 15 or More Hours Per Month	↗	80-85%	25.8% (17/66)	16.3%
	Community	Active Members Per Month	↗	110-120	66	97
	Finance	Direct Expense/Gross Patient Revenue	↘	58.6-61.0%	74.8%	71.8%
		Net Income	↗	$536-$804 Per Month	($3,282)	($2,320)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Crisis and Emergency Services	People	Vacancy Rate	↘	7-9%	3.8%	5.8%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	18.7%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	50.0*	28.6
	Quality	Zero Harm - Patients	↘	Monitoring	19.42	12.33
		% of Crisis Asessments with Documented Linkage and Follow-up within 24 hours	↗	70-75%	63.1%	59.9%
		Avoid Hosptializations (NCHC and Diversions) with a length of stay of less than 72 hours	↘	5-10%	11.1%	2.2%
	Community	Out of County Placements Days	↘	230-250	143	157
		Court Liasion: % of Eligible Individuals with Commitment and Settlement Agreements who are Enrolled in CCS or CSP witihn 60 days	↗	80-85%	50.0% (1/2)	60.0%
	Finance	Direct Expense/Gross Patient Revenue	↘	167.6-174.4%	298.0%	301.0%
		Net Income	↗	$5,370-$8,055 Per Month	($16,310)	($12,669)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Day Services	People	Vacancy Rate	↘	7-9%	3.7%	1.4%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	17.5%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	100.0*	95.8
	Quality	Zero Harm - Patients	↘	Monitoring	0.96	0.73
	Finance	Direct Expense/Gross Patient Revenue	↘	89.3-92.9%	96.2%	107.0%
		Net Income	↗	$5,103-$7,654 Per Month	($29,794)	($54,373)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Group Homes	People	Vacancy Rate	↘	7-9%	10.0%	5.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	3.6%	50.0%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	100.0*	66.7
	Quality	Zero Harm - Patients	↘	Monitoring	1.07	1.80
	Finance	Direct Expense/Gross Patient Revenue	↘	66.3-69.0%	67.2%	73.2%
		Net Income	↗	$2,939-$4,408 Per Month	$40,397	$26,531

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Mount View Care Center	People	Vacancy Rate	↘	7-9%	13.6%	14.4%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.5%	37.1%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	52.9*	58.1
	Quality	Nursing Home Readmission Rate	↘	10-12%	15.4%	9.1%
		Zero Harm - Residents	↘	Monitoring	3.93	2.96
		Nursing Home Quality Star Rating	↗	★★★★	★★★	★★★
	Community	Referral Conversion Rate	↗	N/A	N/A	N/A
	Finance	Direct Expense/Gross Patient Revenue	↘	55.5-57.7%	67.6%	64.1%
		Net Income	↗	$30,636-$45,954 Per Month	($282,863)	($139,647)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Outpatient Services	People	Vacancy Rate	↘	7-9%	0.0%	3.9%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.8%	6.7%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	73.3	59.3
	Quality	Zero Harm - Patients	↘	Monitoring	1.00	1.33
		Average Days for Initial Counseling Appointment Post-Hospital Discharge	↘	8-10 days	18.7 days	21.6 days
		Average Days for Initial Psychiatry Appointment Post-Hospital Discharge	↘	8-10 days	19.0 days	15.6 days
		Day Treatment Program Completion Rate	↗	40-50%	N/A	N/A
		OWI - 5 Year Recividism Rate	↘	13-15%	16.7%	10.9%
	Community	Same Day Cancellation and No-Show Rate	↘	15-18%	24.4%	17.2%
		% of Patients Offered an Appointment within 4 Days of Screening by a Referral Coordinator	↗	20-25%	14.7%	16.6%
		Post-Jail Release Access Rate (Within 4 Days of Release)	↗	20-25%	22.0%	18.5%
		Average Number of Days from Referral to Start of Day Treatment	↘	16-20 days	N/A	N/A
		Hospitalization Rate of Active Patients	↘	Monitoring	1.16%	1.08%
	Finance	Direct Expense/Gross Patient Revenue	↘	93.4-97.2%	111.7%	124.0%
		Net Income	↗	$12,534-$18,802 Per Month	$53,700	$786

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Pine Crest Nursing Home	People	Vacancy Rate	↘	7-9%	2.5%	12.8%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.8%	46.5%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	50.0*	41.2
	Quality	Zero Harm - Residents	↘	Monitoring	1.40	4.01
		Nursing Home Readmission Rate	↘	10-12%	9.1%	17.2%
		Nursing Home Quality Star Rating	↗	★★★★	★★★	★★★
	Community	Referral Conversion Rate	↗	N/A	N/A	N/A
	Finance	Direct Expense/Gross Patient Revenue	↘	57.0-59.3%	63.3%	63.5%
		Net Income	↗	$20,559-$30,839 Per Month	($149,246)	($155,802)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Riverview Terrace (RCAC)	People	Vacancy Rate	↘	7-9%	14.3%	4.9%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	16.7%	40.8%
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	0.00
	Finance	Direct Expense/Gross Patient Revenue	↘	N/A	0.0%	0.0%
		Net Income	↗	$582-$873 Per Month	$4,844	$6,503

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Supported Apartments	People	Vacancy Rate	↘	7-9%	10.0%	7.9%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	12.3%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	100.0*	81.8
	Quality	Zero Harm - Patients	↘	Monitoring	1.28	0.89
	Finance	Direct Expense/Gross Patient Revenue	↘	38.5-41.0%	40.8%	42.2%
		Net Income	↗	$3,364-$5,046 Per Month	($12,589)	($35,041)

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Youth Community Treatment	People	Vacancy Rate	↘	7-9%	5.3%	3.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	22.9%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	100.0*	93.3
	Quality	Zero Harm - Patients	↘	Monitoring	0.08	0.07
		% of Treatment Plans Completed within Required Timelines	↗	96-98%	96.9% (31/32)	96.3%
	Community	% of Eligible CCS and CSP Clients Admitted within 60 Days of Referral	↗	60-70%	0.0% (0/7)	43.1%
		Average Days from Referral to Initial Appointment	↘	55-60 days	81.4 days (407/5)	101.1 days
		Hospitalization Rate of Active Patients	↘	Monitoring	0.00%	0.16%
	Finance	Direct Expense/Gross Patient Revenue	↘	77.2-80.4%	71.4%	69.3%
		Net Income	↗	$14,139-$21,208 Per Month	$68,851	$102,754

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Youth Crisis Stabilization Facility	People	Vacancy Rate	↘	5-7%	N/A	N/A
		Turnover Rate	↘	20-23% (1.7%-1.9%)	N/A	N/A
	Service	Patient Experience (Net Promoter Score)	↗	42-47	N/A	N/A
	Quality	Zero Harm - Patients	↘	Monitoring	N/A	N/A
		% of Patients who kept their Follow-up Outpatient Appointment	↗	90-95%	N/A	N/A
		% of Patients Admitted within 24 hours of Referral	↗	90-95%	N/A	N/A
	Finance	Direct Expense/Gross Patient Revenue	↘	127-130%	N/A	N/A
		Net Income	↗	$1,692-$2,538 Per Month	N/A	N/A

Department	Domain	Outcome Measure	⇵	Target Level	Current Month	Current YTD
Youth Psychiatric Hospital	People	Vacancy Rate	↘	7-9%	10.0%	2.9%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	5.4%	37.0%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	/	75.0
	Quality	Zero Harm - Patients	↘	Monitoring	8.20	9.98
		Hospital Readmission Rate	↘	10-12%	4.0%	13.9%
		Average Days for Initial Counseling Appointment Post-Hospital Discharge	↘	8-10 days	15.7 days	15.8 days
		Average Days for Initial Psychiatry Appointment Post-Hospital Discharge	↘	8-10 days	17.5 days	12.6 days
	Community	Out of County Placements	↘	50-60	16	29
	Finance	Direct Expense/Gross Patient Revenue	↘	61.8-64.4%	97.6%	81.8%
		Net Income	↗	$4,973-$7,459 Per Month	($104,662)	($64,980)

North Central Health Care
Person centered. Outcome focused.

Dashboard Executive Summary

June 2021

Organizational Dashboard Outcomes

People

- **Vacancy Rate**

  The Vacancy Rate target range for 2021 is 7.0-9.0%. For May we met our vacancy target with a rate of 6.9% and a year-to-date average of 7.6%. We anticipate with the recent wage changes that vacancy rate will continue to trend in the right direction as application flow has increased significantly and turnover has slowed down.

- **Turnover**

  Turnover is a new metric for 2021, replacing retention rate. The reason for the change was to be able to benchmark our organization with industry standard metrics. Our target for 2021 is 20-23% annualized. In May, we experienced a rate of 2.1% which was above target at projected annual rate of 32.5%.

- **Organization Diversity Composite Index**

  Organization diversity composite index is a new monitoring metric for 2021 and does not have a target. We experienced a score of 0.65 for May which is calculated as a weighted composite of the diversity of NCHC's workforce, management, and Board, relative to the demographics of Marathon County. An index score of 1.0 indicates that our workforce matches the community demographics, an index score below 1.0 indicates that there is a gap. We are working to develop an overall Diversity and Inclusion strategy for our workforce to improve this index rate.

Service

- **Patient Experience (Net Promotor Score)**

  For 2021, we are measuring patient experience using net promotor score or NPS. Net promotor score is used in the industry to measure and predict customer loyalty based on one survey question, "Likelihood to Recommend." Our target for 2021 is set at 55-61. For the month May, we met our target at 60.4 remaining steady with a YTD score of 63.1 which continues to exceed target. Returns dipped just slightly therefore all programs will continue with their action plans to continue to improve response rate. Programs that are not meeting their NPS target or seeing returns are working on improvements to favorably target this measure.

Quality

- **Hospital Readmission Rate**

  The Readmission Rate is the percentage of patients who are re-hospitalized within 30 days of admission from the inpatient behavioral health hospital for patients with mental illness as primary diagnosis. For the first time this year, May's rate exceeded the target of 10-12% at 9.1%, leading to a YTD rate of 12.6%. Efforts in both hospitals appears to be yielding positive results.

- **Nursing Home Readmission Rate**
  The nursing home readmission rate is based on the number of residents re-hospitalized within 30 days of admission to the nursing home. The combined rate for May between the two facilities was a readmission rate of 12.5% which is slightly above our target of 10 to 12%. Our annual trending rate is 13.1% which is in large part due to a high readmission rate in February.

- **Nursing Home Star Rating**
  We have a target of 4 stars for both buildings using the Nursing Home Star Rating as determined by CMS standards. The current quality star rating for MVCC and Pine Crest is 3 stars. Both facilities are meeting target for short-term stays at 4 stars but under target for long-term at 3 stars. A direct focus on long-term care residents is occurring with top target areas including psychotropic medications, falls, and readmission rate. MVCC did have a strong annual survey which will reflect on quarter 2 updates to the nursing home compare website.

- **Zero Harm – Patient**
  The Zero Harm indicators are a monitoring measure for the organization meaning that we do not set a target, instead we monitor trending data. The Patient Adverse Event Rate is calculated by the number of actual harm events that reached patients/number of patient days x 1,000. For the month of May, we saw this increase slightly to 1.19 from the previous month of 0.85. Falls with injury showed to be the main contributor to this rate. An organizational wide falls program was launched this month including a post fall huddle amongst the many interventions to prevent falls and hopefully lower the occurrence.

- **Zero Harm – Employees**
  Zero Harm remains a monitoring metric with an experience rate of 3.18 for the month of May. Continued efforts remain for reducing employee injury with the most recent events being related to transferring or individuals served. Learning & Development has rolled out an organizational training to direct care workers to improve proper lifting and transferring techniques. Proper ergonomics and safety efforts continue to be a part of our new hire orientation.

Community

- **Out of County Placements**
  For 2021, the target for this measure is 230-250. For the month of May we saw an increase however are far below the target at 143 days. Efforts surrounding diversions are continuing to be effective as this number remains favorable.

- **Consumer Diversity Composite Index**
  The Consumer Diversity Composite Index is a new metric and does not have a target as it is a monitoring metric. We experienced an index of 0.43 for May which is calculated as a weighted composite of the diversity of NCHC's consumers (patients, residents, consumers, and clients, relative to the demographics of Marathon County. A score of 1.0 would mean that the consumers we serve reflect the demographics of our community, a score below 1.0 indicates we have a gap to close to become more diverse.

Finance

- **Direct Expense/Gross Patient Revenue**
  This measure looks at percentage of total direct expense to gross patient revenue which is a productivity/efficiency measure. The 2021 target is 64-67%. This measure for May is 73.8%. This outcome is not within target range. The primary driver for the unfavorable result is gross revenue being under budget further than direct expense which strains how much we capture per each dollar of revenue.

- **Indirect Expense/Direct Expense**
  Indirect Expense/Direct Expense is the percentage of total indirect expenses compared to direct expenses. The 2021 target is 44-47%. The outcome for May is 37.2%, which is favorable to the target. Support areas are below budget expense targets and are helping to alleviate operating losses.

- **Net Income**
  Net Income is the net earnings after all expenses have been deducted from revenue. The target for 2021 is 2-3%. In May, the result is (-7.6%). Net patient revenue unfavorability from budget is driving overall shortfalls from budget.

Program-Specific Dashboard Outcomes - *items not addressed in analysis above.*

The following outcomes reported are measures that were not met target (red) at the program-specific level for the month. The 2021 YTD indicator may be red but if there is no narrative included in this report, that means the most recent month was back at target while the YTD is not. They do not represent all data elements monitored by a given department/program, only the targets that were not met for the month.

Behavioral Health Services Programs

- **Adult Community Treatment:**
  Turnover: The result for May was 2.4% with a monthly target of 1.7%-1.9% to achieve the annual target of 20-23%. The YTD result is 22.3%. There was one voluntary resignation. The YTD continues to exceed the target.

  Patient Experience: The May result was 50.0% and the YTD result is 64.0. For the month of May only two surveys were returned. The focus remains on increasing survey return rates. Case Managers are having more face-to-face contact with clients and encouraging clients to complete the surveys. The survey comments and results are being shared with employees to engage them in the survey process.

  % Of Treatment Plans Completed within Required Timelines: The May result is 89.5% with a target of 96-98% and YTD result of 91.9%. The treatment plans that were not timely shifted to a different team from last month and were related to human error. Managers and Clinical Coordinators continue to monitor and follow-up to identify process issues and/or performance issues.

  % Eligible CCS and CSP clients admitted within 60 days of referral: The percentage for May was 31.8% with a target of 60-70% and a YTD result of 35.4%. A PDSA cycle has been initiated and the current actions being initiated focus on the referral process and ensuring that referrals are closed timely if Referral Coordinator is not able to make contact. Efficiencies in the process are anticipated with the implementation of Cerner.

  Average days from referral to initial appointment: In May the average was 63.3 days with a target of 55-60 days and YTD result is 69.4 days. There has been a slow decrease in the number of days since the beginning of the year, which is showing continual improvement as we implement actions to achieve this outcome. A PDSA cycle has been initiated and the current actions being initiated focus on the referral process and ensuring that referrals are closed timely if Referral Coordinator is not able to make contact. Efficiencies in the process are anticipated with the implementation of Cerner.

- **Adult Crisis Stabilization CBRF:**

  Patient Experience: This measure did not meet target in May, and therefore the team will meet to look at areas of potential improvement. Potential opportunities include reviewing clients' needs regularly to ensure they can express things they are unhappy with. Leadership will work with the program manager and social work to implement this practice.

  Direct Expense/Gross Patient Revenue: This program continues to operate from the expected revenue and budget for increased beds but has had lower-than-expected census even for the 12 beds, and now 8 bed unit. This resulted in a $52,000 deficit in expected revenue for May.

  Net Income: The loss of approximately $15,000 for May is a result of an average census of 7. This will likely continue to be an issue as the target budget numbers were based on a larger unit and census. Leadership and the financial team will work to determine the appropriate budget status for the program modifications resulting from Youth Crisis needing to utilize 8 beds moving forward.

- **Adult Inpatient Psychiatric Hospital:**

  Turnover: The May turnover rate decreased to 2.4%. One employee vacated the position to take one in the city in which she lives. Managers continue to target staff support, role accountability, and teamwork as improvement goals.

  Patient Experience: The patient experience score was 39.6 for May, indicating a need for score improvement. Themes in the scores continue to reflect largely on patients' desire for more groups, and more food/snack options despite modifications made to accommodate additional portions; often patients reference services offered related to food and nicotine with one of the for-profit hospitals in the state. Programming implementation this month should improve scores as more activity and group options are offered for patients.

  Average days for initial counseling appointment post-hospital discharge: This measure was as 21.6 days until outpatient therapy appointment, which appears to be the average over the past months. While this is typical for outpatient clinics, we continue to strive toward quick counseling appointments for individuals recently hospitalized.

  Average days for initial psychiatry appointment post-hospital discharge: This measure was 19.3 days until outpatient psychiatry appointment for May. While this does not meet target, it remains superior to wait times for psychiatry at outside clinics. It is at an appropriate length post-discharge, given medication reviews or changes would not generally be necessary within 2 weeks of hospital discharge.

  Direct Expense/Gross Patient Revenue & Net Income: Net Income for May on the financial statement provided was in the positive $2137. The dashboard Net Income shows a loss of $116,546. Target revenue was $73,000 less than budget expected. Unbudgeted COVID-19 Expenses appear to make up the additional $27,000 in unexpected loss. Diversions expenses look high this month due to receiving two months of billing from Winnebago and Mendota, both recorded in May to remain true to actual.

- **Aquatic Services**

  Vacancy Rate: Aquatics opened a lifeguard position in March to accommodate a growing census and opening to the public. This position was filled initially, and the candidate has chosen to not relocate to the Wausau area, recruitment for the position continues.

  Turnover: One staff member left the organization in May causing the variance to plan. The staff member moved out of area and the position has already been filled.

Net Income: Program was off target with a loss of ($11,310) on a target of $3,364. Revenue is the major factor for the variance with all expenses at or exceeding target. May was an improvement of $10,000 to April and $50,000 to March showing that financials are trending in the right direction for quarter 2.

- **Clubhouse:**

Average Work Order Day Attendance: The May result was 18 and the YTD result is 18. Clubhouse average daily attendance for May was 18 up from 17 members a day attending the program unduplicated. This is up 1 from previous month. May continued to be slow. We continue to provide weekly phone reach out to stay connected with our members and encourage participation. We continue to provide mobile reach out and stay connected with our members.

Percentage of Members Working 15 or more Hours Per Month: The May result was 66 and the YTD result is 97. Clubhouse calculates our active average membership as the total number of unduplicated members attending in a 3-month period. This number is 105. Our monthly membership attendance for May was 66 unduplicated–Our mobile reach-out efforts proved positive as we had 3 mobile reach-out and 7 returning members. We had 5 referrals, 2 were ineligible based on diagnosis, 2 tour, 2 new members, and 13 members went to an inactive status.

Active Members per month: The May result was 25.8% and the YTD result is 16.3%. May we have had 26% of our members working 15 hours or more. This was calculated by taking our monthly attendance of 66 unduplicated and dividing by 17 members for the month of May that attended and are working 15 hours or more. We continue to receive referrals for members that have employment goals and work together with DVR to help secure members employment.

Direct Expense/Gross Patient Revenue: The result for May is 74.8% and YTD result is 71.8%. Expenses are being managed and are under budget. Revenue is lower than target. Actions are in place to increase attendance and active members per month to increase revenue.

Net Income: The result for May is ($3,282) and YTD result is ($2,320). Expenses are being managed and are under budget. Revenue is lower than target. Actions are in place to increase attendance and active members per month to increase revenue.

- **Crisis & Emergency Services**

Percentage of Crisis Assessments with Documented Linkage and follow up within 24 hours: This rate was 63.1% in May, not meeting target. However, the Clinical Coordinator and BHS Acute Care Director tracked this daily throughout May to ensure follow-up call completion by the Crisis team. They were just under 100% in compliance with completing daily follow-up calls, with only two days that had some calls not made until the next morning. In investigating, what appears to be occurring is that in our protocols that the workers try again if they do not reach an individual, and with unpredictable crisis client volume, some calls are being made past the exact 24-hour mark but were in fact made. This will be investigated more thoroughly to determine if modifications need to be made on the data capturing end, or the crisis process end. We have implemented the daily auditing, however, need to modify the process additionally to determine if there is a way to still ensure call completion during high client volume times.

Avoid Hospitalizations (NCHC & Diversions) with a length of stay of less than 72 hours: This measure is begin investigated given it was 0%, until May, to determine how the data was being collected and what has changed. In general, there are cases in which detentions that met criteria for dangerousness are dismissed as a client's compliance and safety increases significantly once the influence of substances alleviates or significant behaviors exhibited during the detention process are not exhibited once hospitalized. More information on the sudden change in reported incidents will be available upon further investigation of the measure reporting.

Court Liaison: % of Eligible Individuals with Commitment and Settlement Agreements who are enrolled in CCS or CSP within 60 days: One out of 2 patients referred for CCS/CSP services was able to be enrolled within the desired 60-day period in May. Factors affecting this measure are often related to client engagement in enrollment post-discharge if not enrolled while still hospitalized. The inpatient treatment team will work with Community Treatment to determine possible ways to improve this measure.

Direct Expense/Gross Patient Revenue: This came in at 298% for May which is below target. Expected revenue was not met, which translates into a $43,000 deficit in the budget. Leadership will work with the financial team to determine contributing factors as this appears to be a pattern with the expected revenues.

Net Income: This was a loss of $16,310 in May. In Operating Expenses, there is a $5300 unbudgeted expense recorded under Miscellaneous Expenses- this will be researched. Also, $507 in COVID-19 expenses was charged. Direct service revenue was $43,562 under projected/budgeted revenue. Leadership will review budgeted and actual revenue patterns to determine if modifications are necessary.

- **Adult Day Services**

Net Income: May experienced a loss of ($29,794) in large part due to continued challenges with attendance. We have seen almost full membership return but rates of participation are down almost 50 percent due to Covid-19 distancing restrictions. We are implementing physical barriers and adjusting procedures to increase the number of members allowed at a time.

- **Group Homes**

Vacancy Rate: Turnover for May was high with low applicant pools. Wage bands have been adjusted and posted externally increasing applicant flow. Several individuals are joining the organization in the month of June which will result in Group Homes hitting vacancy target.

Turnover Rate: Like vacancy rate, high turnover resulted from increased wages throughout our community and low unemployment rates. We have adjusted pay bands and implemented action plans to address staff issues and concerns including monthly staff meetings.

- **MVCC**

Vacancy Rate: The month of May showed a 13.6% vacancy rate with a target range of 7-9%. Although the rate remains above target, it is an improvement from the last two months. Focus remains on ongoing recruitment to fill openings. We saw a huge increase in the applicant pool with the recent approval of CNA wage increases. In May we hired 7 CNAs and 3 more in June. In the last few months, we have also hired 10 hospitality students that will be in the July CNA course that will be held at Pine Crest. These employees will take an FTE once the class is complete. We have reduced our open CNA positions from 19 FTEs to less than 8 FTEs which is the lowest number of open positions we have had in years.

Turnover Rate: The month of May showed a 2.5% turnover rate with a target of 1.7%-1.9%. We had two CNA's leave in May. One was related to retirement and the other CNA found a job closer to home. We lost one occasional nurse because she moved to another city, and we terminated a hospitality assistant that just started due to attendance. We were able to save a few CNAs with the wage increase and had a few CNAs increase their FTE status.

Patient Experience: Our net promotor score in May was just below our 55-61 target at 52.9. Our response rate has improved with almost a 50% survey response rate. The unfavorable comments are related to residents having to share a bathroom, missing laundry, housekeeping and high television levels from other rooms which should all resolve once we move into the new nursing tower. There were also a few comments related to shutting down visitations during an outbreak which we will continue to follow the CDC and CMS guidelines.

Nursing Home Readmission Rate: The month of May showed two hospitalizations within 30 days of admission which brought our rate up to a 15.4% with a target goal of 10-12%. Both hospital visits were the same resident. This is a very sick, medically complicated resident related to past positive COVID and is now on a vent and his labs keep dropping. Both hospitalizations were unavoidable.

Nursing Home Quality Star Rating: Nursing Home Quality Star Rating for Mount View is a 3 Star with a target goal of 4 stars. The biggest opportunity for improvement appears to be in our long term stays and is specific to antipsychotics and activities of daily living. With COVID, we had several residents that were moving less and not leaving their rooms like they used to which triggered change in conditions. With the increased visitations, small group activities and nice weather, we should see this improve as residents are getting out of their room more. The antipsychotic is related to our large population of dementia residents and mental illness.

Net Income: For May, we showed a loss of ($282,863) which was driven by payer mix and census not being at budgeted occupancy. In preparation for our upcoming renovation, we have limited the size of our dementia unit and are currently reviewing referrals to this program on an individual basis. Our limited staffing situation has also contributed to not being able to take admissions on the vent unit. Our biggest deficit in direct expenses is related to our personal expenses and our overage in overtime and call time. We should start to see a significant reduction in our overtime and call time in August once our new CNAs are orientated and trained.

- **Outpatient Services**

Turnover: The result for May was 2.8% with a monthly target of 1.7%-1.9% to achieve the annual target of 20-23%. The YTD result is 6.7%. We had one person retire after 36 years of employment. The YTD result continues to exceed the target.

Average Days for Initial Counseling Appointment Post-Hospital Discharge: The result May 18.7 days with a target of 8-10 days and a YTD result of 21.6 days. The result is improving, and provider caseloads are being reviewed monthly to determine availability for new intakes. Additional intake slots have been added to providers schedule based on availability. Additional opportunities to add hospital discharge blocks are being explored. We have two providers out on FMLA currently which is also negatively impacting access.

Average Days for Initial Psychiatry Appointment Post-Hospital Discharge: The result for May is 19.0 days with a target of 8-10 days and YTD result of 15.6 days. The availability of the new psychiatry provider for Merrill and Antigo has had a positive impact. An additional provider will start seeing patients in June in the Wausau location with the ability to provide bridge appointments following hospital discharge.

OWI 5 Year Recidivism Rate: The result for May was 16.7% with a monthly target of 13-15%. The YTD result is 10.9%. This measure shows great variability from month to month. We will continue to monitor for any patterns that develop. The YTD result is exceeding the target.

Same Day Cancellation and No-Show Rate: The result for May was 24.4% with a monthly target of 15-18%. The YTD result is 17.2%. It is unclear what cause the spike in the month of May. We will continue to follow the no show policy and monitor to determine if a pattern of increased no shows develops.

Percentage of Patients Offered an Appointment within 4 days of Screening by a Referral Coordinator: The result for May 14.7% days with a target of 20-25% and a YTD result of 16.6%. At this time, most of our providers are not accepting new clients due to the size of their caseload and to ensure that we can provide timely follow-up appointments. Caseloads are monitored to ensure inactive clients are discharged. Also, encounter availability is monitored based on individual providers' schedule. Intakes are added as providers have availability.

Direct Expense/Gross Patient Revenue: The result for May is 111.7% and YTD result is 124.0%. Expenses are being managed and are under budget. Revenue is lower than target. This is being addressed by increasing Outpatient encounters. This result has been improving throughout the year.

- **Pine Crest**

Patient Experience: Four survey responses were received during the month with a resulting net promoter score of 50 on a target of 55-61. No significant concerns were identified in the survey findings. Duties of coordinating the mailing and follow-up of the surveys was internally transitioned to a different employee, which may have contributed to the decreased response rate month over month. This has been addressed and improved response rate will be experienced for the month of June.

Nursing Home Quality Star Rating: The quality star rating remained unchanged month over month, being at a 3 star. Long-term quality measures continue to bring this component of our star rating down. Quality assurance work processes that had been established will continue, to address the metrics not meeting appropriate benchmarks as compared to state and national averages. Next star rating update will occur in late July.

Net Income: The program experienced a loss of ($149,246) for the month of May. This can be largely attributed to census below target of 100 due to continued impacts of Covid-19 and limited admissions. Outside of revenue, agency expenses continue to be a challenge and with the recent wage approval interviews have begun to aide in this effort. June projections are looking positive due to staffing expense reduction and increased census.

- **River View Terrace (RCAC):**

Vacancy: Turnover for May was high with low applicant pools. Wage bands have been adjusted and posted externally increasing applicant flow. Several individuals are joining the organization in the month of June which will result in River View Terrace hitting vacancy target.

Turnover: Like vacancy rate, high turnover resulted from increased wages throughout our community and low unemployment rates. We have adjusted pay bands and implemented action plans to address staff issues and concerns including monthly staff meetings.

- **Supported Apartments**

Vacancy: Turnover for May was high with low applicant pools. Wage bands have been adjusted and posted externally increasing applicant flow. Several individuals are joining the organization in the month of June which will result in Supported Apartments hitting vacancy target.

Net Income: May experienced a loss of ($12,589) which was off target but an improvement from April which experienced a loss of ($20,181). Apartment vacancies in Jelinek and Forest/Jackson continue to impact net income with lost revenue. Forest/Jackson is projected to continue to decline while environmental issues are addressed.

- **Youth Community Treatment:**
  % Of Eligible CCS and CSP Clients Admitted within 60 Days of Referral: In May the average was 81.4 days with a target of 55-60 days and YTD result is 101.1 days. A PDSA cycle has been initiated and the current actions being initiated focus on the referral process and ensuring that referrals are closed timely if Referral Coordinator is not able to make contact. Efficiencies in the process are anticipated with the implementation of Cerner.

  Average Days from Referral to Initial Appointment: The percentage for May was 0.0% with a target of 60-70% and a YTD result of 43.1%. A PDSA cycle has been initiated and the current actions being initiated focus on the referral process and ensuring that referrals are closed timely if Referral Coordinator is not able to make contact. Efficiencies in the process are anticipated with the implementation of Cerner.

- **Youth Crisis Stabilization Facility:**
  Opening of this facility is pending approval and site visit from DHS.

- **Youth Psychiatric Hospital:**
  Vacancy: The vacancy rate did not meet target for the first time in May at 10%. This is due to multiple RN positions and a part-time BHT position being vacant. There are now candidates selected and moving into those positions.

  Turnover Rate: The turnover rate did not meet target in May at 5.4% with a YTD calculation of 37%. There has been resignation of Youth Hospital nurses who explain that they had no previous Behavioral Health Experience and have learned that inpatient psychiatric care is not for them. Hiring the initial group of staff happened quickly so that Youth Hospital could open in the established timeframe. This resulted in accelerated hiring decisions and the recognition that candidates for almost all positions had no inpatient psychiatric exposure or experience. As the program continues to develop and positions are vacated, greater care will be taken to seek candidates with some relevant experience.

  Patient Experience: Youth Hospital continues to experience very low survey return volume with no surveys returned in May. Surveys are given to parents of patients who we may see in person only at admission and discharge. Initially, we tried sending them home with parents when they picked up their child at discharge and encouraged them to send the survey back. When this was unsuccessful, our Social Worker began handing the survey to the parent in person at the time of discharge and asking them to complete before they left with their child. Most parents are saying they will complete it later and take it with them but never do. They explain that they do not want to take the time to do this when they are ready to leave the hospital with their child. We have asked parents to come 15 minutes earlier than the planned discharge time so that they can complete the survey, but parents still ask to take it home. The strategy we are going to try starting in June is for the survey to be provided to the parent at admission. Our Social Worker, who has daily phone calls with parents, will remind them of the survey and ask that they bring it back completed when they pick their child up for discharge. The Social Worker will ask for the survey at discharge. If the parent does not have it or says they have not completed it, they will be offered another and encouraged to complete it on site.

  Average Days for Initial Counseling Appointment Post-Hospital Discharge: Target is 8-10 days, and the average length is 15.8 YTD with May being 15.7 days. Before a youth is discharged from the hospital, we ensure that they have a scheduled first-available counseling appointment with either an existing or new provider. We have begun to track additional data related to this measure with the aim of better identifying the barriers to outcome achievement. Since beginning this tracking, we have determined that the length of time to see a NCHC provider is 15.2 days and length for external provider is 10.2 days.

Average Days for Initial Psychiatry Appointment Post-Hospital Discharge: This measure was at 17.5 days in May and 12.6 YTD. There is ongoing effort to increase child psychiatry time at NCHC and this will occur with a new Child Psychiatrist onboarding in July.

Direct Expense to Gross Patient Revenue and Net Income: These measures not meeting target are a direct result of not meeting revenue targets as expenses have been under budget. Youth Hospital needs to maintain a census of 6 kids to generate budgeted revenue. May's average daily census was 3.97. To increase average census further, we are pursuing and two specific actions. We are working towards accepting youth ages 12-17 versus 13-17. Making this change involves working with the credentialing and privileging of medical and psychiatric providers and this effort is underway. A physician able to see youth under 13 has been identified to oversee our medical providers and the contracting process with this external provider is underway. Secondly, we plan to expand our service area to include additional counties so that we can accept youth from other counties when our census is low. An agreement has been developed by Corporation Counsel and is still being finalized.

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: June 17, 2021
TO: North Central Community Services Program Board
FROM: Jill Meschke, Chief Financial Officer
RE: Monthly CFO Report

The following items are general updates and communication to support the Board on key activities and/or updates of financial activity since our last meeting.

1) **Financial Results:**
The financials show a loss for April of ($343,620). In May, NCHC experienced a loss of ($499,752). Year-to-date through May, NCHC has experienced a loss of ($2,137,907) compared to a targeted gain of $276,479 resulting in a negative variance to budget of ($2,414,386).

2) **Revenue Key Points:**
- Overall revenue was below budgeted target by ($697,121) in April and ($1,017,553) in May. Net patient revenue was unfavorable to plan by ($531,870) in April and ($1,001,088) in May. Year-to-date through May, revenue is short of plan by ($4,464,220).
- Mount View Care Center census averaged 130 in April and 123 in May compared to a target of 145. Medicare census is 13 in April and 9 in May compared to a target of 20. Both have begun to rebound in June.
- Pine Crest census averaged 93 in April and 92 in May compared to a target of 100. Medicare census averages 8 in April and 9 in May versus a target of 16.
- The Adult Acute Care Hospital census averaged 10 in April and 11 in May to a budget of 14. The hospital with the Adult Crisis Stabilization Facility have a net revenue shortfall from budget of ($390,746) year-to-date and represent 40 percent of the overall year-to-date net patient revenue unfavorable variance.
- The Youth Acute Care Hospital census averaged 3 in April and 4 in May compared to a target census of 6 resulting in a negative net patient revenue variance of ($191,712) year-to-date.
- The inability to open the Youth Crisis Stabilization Facility contributed ($140,306) to the net patient revenue shortfall from budget.
- Net patient revenue for the Outpatient was short from plan by ($387,548).
- Administrative and bad debt write offs totaled ($7,549) for April and ($55,893) for May.

3) **Expense Key Points:**
   - Overall expenses were favorable to plan $184,515 in April and $549,992 in May.
   - Salaries are $198,407 favorable to budget for April and $206,674 favorable in May. Benefits expenses are favorable to plan by $963,032 year-to-date driven by health insurance favorability of $694,832.
   - Contracted services of providers and staff are favorable to plan by $271,151 year-to-date. This is expected to continue to be favorable as newly hired physicians onboard.
   - Diversion expense is ($393,467) unfavorable to plan year-to-date, but is 17 percent lower than the same period in 2020.

North Central Health Care
Income Statement
For the Period Ending April 30, 2021

	MTD Actual	MTD Budget	$ Variance	% Variance	YTD Actual	YTD Budget	$ Variance	% Variance
Direct Revenues								
Patient Gross Revenues	7,245,819	8,221,008	(975,189)	-11.9%	28,274,116	32,896,115	(4,621,999)	-14.1%
Patient Contractual Adjustments	(2,443,744)	(2,887,063)	443,319	-15.4%	(9,999,655)	(11,548,253)	1,548,598	-13.4%
Net Patient Revenue	4,802,075	5,333,945	(531,870)	-10.0%	18,274,461	21,347,862	(3,073,401)	-14.4%
County Revenue	427,764	427,764	-	0.0%	1,711,056	1,711,056	-	0.0%
Contracted Service Revenue	101,894	102,985	(1,092)	-1.1%	415,893	412,885	3,008	0.7%
Grant Revenues and Contractuals	274,805	333,635	(58,830)	-17.6%	1,118,143	1,334,541	(216,399)	-16.2%
Appropriations	502,687	502,687	-	0.0%	2,010,748	2,010,748	-	0.0%
COVID-19 Relief Funding	-	-	-	0.0%	26,750	-	26,750	0.0%
Other Revenue	469,453	552,481	(83,028)	-15.0%	2,054,438	2,211,426	(156,987)	-7.1%
Total Direct Revenue	6,578,678	7,253,498	(674,820)	-9.3%	25,611,490	29,028,518	(3,417,029)	-11.8%
Indirect Revenues								
County Revenue	170,209	171,802	(1,593)	-0.9%	680,835	687,208	(6,373)	-0.9%
Contracted Service Revenue	2,250	3,000	(750)	-25.0%	9,000	12,000	(3,000)	-25.0%
Grant Revenues and Contractuals	-	-	-	0.0%	31,900	-	31,900	0.0%
Appropriations	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	22,378	37,277	(14,899)	-40.0%	128,442	177,087	(48,645)	-27.5%
Allocated Revenue	-	-	-	0.0%	-	-	-	0.0%
Total Indirect Revenue	189,778	212,079	(22,301)	-10.5%	846,656	876,294	(29,639)	-3.4%
Total Operating Revenue	6,768,456	7,465,577	(697,121)	-9.3%	26,458,145	29,904,813	(3,446,667)	-11.5%
Direct Expenses								
Personnel Expenses	3,029,058	3,330,812	301,755	9.1%	12,832,290	13,467,264	634,975	4.7%
Contracted Services Expenses	1,124,098	904,988	(219,110)	-24.2%	3,350,349	3,577,253	226,905	6.3%
Supplies Expenses	73,824	58,535	(15,290)	-26.1%	257,185	233,889	(23,296)	-10.0%
Drugs Expenses	527,006	493,243	(33,762)	-6.8%	2,066,816	2,157,005	90,189	4.2%
Program Expenses	49,258	72,100	22,842	31.7%	295,888	291,098	(4,790)	-1.6%
Land & Facility Expenses	73,512	70,408	(3,104)	-4.4%	265,633	280,905	15,272	5.4%
Equipment & Vehicle Expenses	44,671	63,092	18,421	29.2%	195,232	277,442	82,210	29.6%
Diversions Expenses	114,194	79,500	(34,694)	-43.6%	466,112	318,000	(148,112)	-46.6%
Other Operating Expenses	184,223	174,184	(10,039)	-5.8%	708,421	700,087	(8,334)	-1.2%
Total Direct Expenses	5,219,844	5,246,862	27,018	0.5%	20,437,924	21,302,944	865,019	4.1%
Indirect Expenses								
Personnel Expenses	1,021,411	1,108,455	87,045	7.9%	4,270,176	4,482,870	212,694	4.7%
Contracted Services Expenses	7,480	3,500	(3,980)	-113.7%	34,097	14,000	(20,097)	-143.6%
Supplies Expenses	77,840	82,503	4,663	5.7%	286,630	315,612	28,982	9.2%
Drugs Expenses	-	-	-	0.0%	1,804	-	(1,804)	0.0%
Program Expenses	38,411	24,133	(14,278)	-59.2%	89,626	92,865	3,239	3.5%
Land & Facility Expenses	350,893	270,298	(80,595)	-29.8%	1,251,078	1,082,694	(168,384)	-15.6%
Equipment & Vehicle Expenses	97,924	85,910	(12,014)	-14.0%	432,772	377,093	(55,679)	-14.8%
Diversions Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	323,569	500,227	176,658	35.3%	1,275,851	2,056,794	780,943	38.0%
Allocated Expense	-	-	-	0.0%	-	-	-	0.0%
Total Indirect Expenses	1,917,529	2,075,026	157,497	7.6%	7,642,034	8,421,927	779,893	9.3%
Total Operating Expenses	7,137,373	7,321,888	184,515	2.5%	28,079,958	29,724,871	1,644,913	5.5%
Metrics								
Indirect Expenses/Direct Expenses	*36.7%*	*39.5%*			*37.4%*	*39.5%*		
Direct Expense/Gross Patient Revenue	*72.0%*	*63.8%*			*72.3%*	*64.8%*		
Non-Operating Income/Expense								
Interest Income/Expense	(1,208)	(30,833)	29,625	-96.1%	(15,690)	(123,333)	107,644	-87.3%
Donations Income	(3,998)	-	(3,998)	0.0%	(10,335)	-	(10,335)	0.0%
Other Non-Operating	(20,091)	-	(20,091)	0.0%	(20,091)	-	(20,091)	0.0%
Total Non-Operating	(25,297)	(30,833)	5,536	-18.0%	(46,116)	(123,333)	77,217	-62.6%
Net Income (Loss)	(343,620)	174,522	(518,142)	-296.9%	(1,575,697)	303,275	(1,878,972)	-619.6%
Net Income	*-5.1%*	*2.3%*			*-6.0%*	*1.0%*		

North Central Health Care
Balance Sheet
For the Period Ending April 30, 2021

	Current YTD	Prior YTD
ASSETS		
Current Assets		
Cash and Cash Equivalents	1,641,818	7,025,059
Accounts Receivable		
Net Patient Receivable	5,277,048	6,152,879
Outpatient WIMCR & CCS	2,880,499	3,495,000
Nursing Home Supplemental Payment	1,001,022	1,505,000
County Appropriations Receivable	539,889	(915,512)
Net State Receivable	330,566	404,752
Other Accounts Receivable	161,612	591,767
Inventory	429,330	409,844
Prepaid Expenses	986,590	1,072,935
Total Current Assets	13,248,375	19,741,724
Noncurrent Assets		
Investments	10,625,550	12,565,000
Contingency Funds	1,000,000	1,000,000
Patient Trust Funds	92,084	50,958
Pool Project Receivable	5,214	1,732,590
Net Pension Assets	7,280,177	-
Nondepreciable Capital Assets	23,281,352	6,568,258
Net Depreciable Capital Assets	29,972,311	9,458,921
Total Noncurrent Assets	72,256,689	31,375,727
Deferred Outflows of Resources (Pensions)	18,262,408	18,283,534
TOTAL ASSETS	103,767,471	69,400,985

	Current YTD	Prior YTD
LIABILITIES		
Current Liabilities		
Current Portion of Capital Lease Liability	27,987	29,249
Trade Accounts Payable	992,850	226,550
Accrued Liabilites		
Salaries and Retirement	2,008,895	1,902,923
Compensated Absences	2,466,775	2,082,157
Health and Dental Insurance	503,000	670,000
Bonds	-	-
Interest Payable	109,188	-
Other Payables and Accruals	729,000	1,628,948
Payable to Reimbursement Programs	100,000	220,000
Unearned Revenue	(2,382,188)	(517,550)
Total Current Liabilities	4,555,505	6,242,277
Noncurrent Liabilities		
Net Pension Liability	2,506,809	7,524,802
Long-Term Portion of Capital Lease Liability	38,643	64,993
Long-Term Projects in Progress	26,182,387	4,580,552
Long-Term Debt and Bond Premiums	9,127,796	-
Patient Trust Funds	57,701	50,958
Total Noncurrent Liabilities	37,913,335	12,221,305
Deferred Inflows of Resources (Pensions)	22,225,906	9,439,717
TOTAL LIABILITIES	64,694,746	27,903,299
NET POSITION		
Net Investment in Capital Assets	53,253,664	16,027,179
Pool Project Restricted Capital Assets	5,214	1,732,590
Unrestricted		
Board Designated for Contingency	1,000,000	1,000,000
Board Designated for Capital Assets	-	1,634,142
Undesignated	(13,610,455)	21,246,207
Net Income / (Loss)	(1,575,697)	(142,432)
TOTAL NET POSITION	39,072,725	41,497,685
TOTAL LIABILITIES AND NET POSITION	103,767,471	69,400,985

North Central Health Care
Statement of Cash Flows
For Month Ending April 30, 2021

Cash, Beginning of Period (March 31, 2021)			1,294,873
Operating Activities			
Net Income (Loss)	(343,620)		
Adjustments to Reconcile Net Income			
Depreciation	324,610		
Interest Expense	19,408		
(Increase) or Decrease in Current Assets			
Inventories	-		
Accounts Receivable	(709,229)		
Prepaid Expenses	114,489		
Increase or (Decrease) in Current Liabilities			
Accounts Payable	231,817		
Accrued Current Liabilities	116,455		
Net Change in Patient Trust Funds	15,902		
Unearned Revenue	820,191		
Net Cash from Operating Activites		590,024	
Investing Activites			
Net Change in Contingency Funds	-		
Purchases of Property and Equipment	(2,309,237)		
Disposal of Assets	-		
Pool Project Receivable	1,727,376		
Net Change in Long-Term Projects in Progress	-		
Net Change in Undesignated Equity	319,489		
Net Cash from Investing Activites		(262,372)	
Financing Activies			
Bonds and Interest	19,294		
Net Change in Purchase/Sale of Investments	-		
Net Cash from Financing Activities		19,294	
Net Increase (Decrease) in Cash During Period			346,946
Cash, End of Period (April 30, 2021)			1,641,818

North Central Health Care
Programs by Service Line
For the Period Ending April 30, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
BEHAVIORAL HEALTH SERVICES								
Adult Behavioral Health Hospital	1,927,462	2,079,241	(151,779)	2,470,456	2,678,908	208,452	(542,994)	56,673
Adult Crisis Stabilization Facility	354,863	489,298	(134,435)	503,395	341,908	(161,487)	(148,532)	(295,922)
Lakeside Recovery MMT	250,777	538,244	(287,468)	54,288	435,566	381,279	196,489	93,811
Youth Behavioral Health Hospital	571,761	707,667	(135,906)	790,899	977,328	186,429	(219,138)	50,523
Youth Crisis Stabilization Facility	114,961	253,260	(138,300)	148,703	330,555	181,852	(33,742)	43,552
Crisis Services	941,406	1,014,133	(72,727)	988,443	1,056,263	67,820	(47,037)	(4,906)
Psychiatry Residency	92,744	151,308	(58,565)	137,687	92,980	(44,707)	(44,944)	(103,272)
	4,253,973	5,233,151	(979,178)	5,093,871	5,913,508	819,638	(839,898)	(159,540)
COMMUNITY SERVICES								
Outpatient Services (Marathon)	924,718	833,706	91,012	1,655,864	913,749	(742,114)	(731,146)	(651,103)
Outpatient Services (Lincoln)	366,445	438,747	(72,301)	284,366	352,765	68,398	82,079	(3,903)
Outpatient Services (Langlade)	848,288	1,191,575	(343,288)	248,990	1,173,788	924,798	599,298	581,510
Community Treatment Adult (Marathon)	1,661,243	1,755,355	(94,112)	1,408,969	1,604,698	195,728	252,274	101,616
Community Treatment Adult (Lincoln)	346,654	343,174	3,480	233,153	267,218	34,065	113,501	37,545
Community Treatment Adult (Langlade)	197,628	224,445	(26,818)	158,445	185,376	26,931	39,183	113
Community Treatment Youth (Marathon)	1,887,192	1,892,298	(5,106)	1,700,328	1,724,486	24,158	186,865	19,053
Community Treatment Youth (Lincoln)	598,919	867,829	(268,910)	466,543	619,810	153,266	132,376	(115,644)
Community Treatment Youth (Langlade)	506,888	585,121	(78,233)	381,209	455,561	74,353	125,679	(3,881)
Community Corner Clubhouse	86,626	99,114	(12,488)	94,946	105,432	10,486	(8,320)	(2,002)
	7,424,601	8,231,365	(806,764)	6,632,813	7,402,882	770,069	791,788	(36,695)
COMMUNITY LIVING								
Adult Day Services (Marathon)	171,602	264,580	(92,978)	178,974	196,024	17,049	(7,372)	(75,928)
Prevocational Services (Marathon)	150,191	176,685	(26,494)	218,270	264,586	46,316	(68,079)	19,822
Lincoln Industries	166,011	423,190	(257,179)	301,585	441,777	140,193	(135,574)	(116,987)
Day Services (Langlade)	78,765	98,415	(19,650)	109,809	103,849	(5,961)	(31,044)	(25,611)
Prevocational Services (Langlade)	-	-	-	-	-	-	-	-
Andrea St Group Home	168,408	172,403	(3,995)	144,414	135,436	(8,978)	23,993	(12,973)
Chadwick Group Home	178,476	211,539	(33,063)	156,086	159,812	3,726	22,390	(29,337)
Bissell Street Group Home	191,172	186,588	4,584	137,971	149,938	11,967	53,201	16,550
Heather Street Group Home	137,662	150,898	(13,236)	144,989	137,357	(7,631)	(7,327)	(20,867)
Jelinek Apartments	224,310	259,026	(34,716)	230,163	234,328	4,165	(5,853)	(30,551)
River View Apartments	222,465	219,031	3,434	206,613	180,405	(26,209)	15,851	(22,775)
Forest Street Apartments	31,569	116,234	(84,666)	149,397	155,655	6,258	(117,828)	(78,407)
Fulton Street Apartments	68,915	83,343	(14,428)	123,702	93,870	(29,832)	(54,787)	(44,260)
Riverview Terrace	118,704	119,535	(830)	119,682	114,268	(5,414)	(978)	(6,244)
Hope House (Sober Living Marathon)	1,926	2,096	(170)	18,355	17,214	(1,141)	(16,429)	(1,311)
Homelessness Initiative	135	-	135	2,248	-	(2,248)	(2,113)	(2,113)
Sober Living (Langlade)	27,112	17,307	9,805	33,785	42,326	8,540	(6,674)	18,345
	1,937,422	2,500,868	(563,447)	2,276,045	2,426,845	150,800	(338,623)	(412,646)
NURSING HOMES								
Mount View Care Center	5,791,557	6,295,539	(503,981)	6,045,762	5,944,240	(101,522)	(254,205)	(605,503)
Pine Crest Nursing Home	3,645,330	3,703,595	(58,265)	3,947,382	4,043,975	96,593	(302,052)	38,328
	9,436,887	9,999,133	(562,246)	9,993,144	9,988,215	4,929	(556,257)	(557,317)
Pharmacy	2,570,245	2,905,332	(335,087)	2,711,797	2,861,681	149,885	(141,552)	(185,203)
OTHER PROGRAMS								
Aquatic Services	323,339	501,937	(178,598)	387,639	407,567	19,927	(64,300)	(158,670)
Birth To Three	150,013	255,643	(105,630)	245,635	255,643	10,008	(95,621)	(95,621)
Adult Protective Services	272,759	268,779	3,980	303,112	332,606	29,494	(30,353)	33,474
Demand Transportation	114,931	159,264	(44,333)	88,188	126,171	37,983	26,743	(6,350)
	861,043	1,185,623	(324,580)	1,024,574	1,121,987	97,412	(163,532)	(227,168)
Total NCHC Service Programs	26,504,261	30,028,146	(3,523,885)	28,079,958	29,724,871	1,644,913	(1,575,697)	(1,878,972)

North Central Health Care
Fund Balance Review
For the Period Ending April 30, 2021

	Marathon	Langlade	Lincoln	Total
Total Operating Expenses, Year-to-Date	20,064,518	1,588,172	6,079,554	27,732,243
General Fund Balance Targets				
Minimum (20% Operating Expenses)	4,012,904	317,634	1,215,911	5,546,449
Maximum (35% Operating Expenses)	7,022,581	555,860	2,127,844	9,706,285
Risk Reserve Fund	250,000	250,000	250,000	
Total Fund Balance				
Minimum Target	4,262,904	567,634	1,465,911	6,296,449
Maximum Target	7,272,581	805,860	2,377,844	10,456,285
Total Net Position at Period End	18,498,874	2,143,035	5,844,195	26,486,104
Fund Balance Above/(Below)				
Minimum Target	14,235,970	1,575,400	4,378,285	20,189,655
Maximum Target	11,226,292	1,337,174	3,466,352	16,029,818
County Percent of Total Net Position	*69.8%*	*8.1%*	*22.1%*	
Share of Invested Cash Reserves	7,073,454	819,437	2,234,658	10,127,549
Days Invested Cash on Hand	*43*	*63*	*45*	*44*
Targeted Days Invested Cash on Hand	*90*	*90*	*90*	*90*
Required Invested Cash to Meet Target	14,842,246	1,174,812	4,497,204	20,514,262
Invested Cash Reserves Above/(Below) Target	(7,768,792)	(355,375)	(2,262,546)	(10,386,713)

North Central Health Care
Review of Services in Marathon County
For the Period Ending April 30, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Outpatient Services	683,374	592,371	91,003	1,655,864	913,749	(742,114)	(972,490)	(651,112)
Community Treatment-Adult	1,634,572	1,728,688	(94,117)	1,408,969	1,604,698	195,728	225,602	101,611
Community Treatment-Youth	1,887,187	1,892,298	(5,111)	1,700,328	1,724,486	24,158	186,859	19,047
Day Services	321,793	441,265	(119,473)	397,244	460,610	63,366	(75,451)	(56,107)
Clubhouse	55,959	68,447	(12,488)	94,946	105,432	10,486	(38,987)	(2,002)
Homelessiness Initiative	135	-	135	2,248	-	(2,248)	(2,113)	(2,113)
Hope House Sober Living	1,926	2,096	(170)	18,355	17,214	(1,141)	(16,429)	(1,311)
Riverview Terrace	118,704	119,535	(831)	119,682	114,268	(5,414)	(978)	(6,245)
Demand Transportation	114,930	159,264	(44,333)	88,188	126,171	37,983	26,742	(6,350)
Aquatic Services	209,218	387,822	(178,605)	387,639	407,567	19,927	(178,422)	(158,677)
Pharmacy	2,570,240	2,905,332	(335,093)	2,711,797	2,861,681	149,885	(141,557)	(185,208)
	7,598,037	8,297,119	(699,082)	8,585,261	8,335,876	(249,385)	(987,224)	(948,467)
Shared Services								
Adult Behavioral Health Hospital	937,435	1,049,774	(112,339)	1,828,137	1,982,392	154,255	(890,702)	41,915
Youth Behavioral Health Hospital	410,761	511,340	(100,579)	585,266	723,223	137,958	(174,505)	37,379
Residency Program	153,239	111,968	41,271	101,889	68,805	(33,083)	51,351	8,188
Crisis Services	195,550	249,379	(53,829)	731,447	781,634	50,187	(535,897)	(3,642)
Adult Crisis Stabilization Facility	262,595	362,081	(99,485)	372,512	253,012	(119,500)	(109,917)	(218,986)
Youth Crisis Stabilization Facility	460	187,413	(186,952)	110,040	244,610	134,570	(109,580)	(52,382)
Lakeside Recovery MMT	39,184	251,910	(212,726)	40,173	322,319	282,146	(989)	69,420
Residential	1,187,875	1,358,910	(171,035)	1,256,219	1,211,020	(45,198)	(68,344)	(216,233)
Adult Protective Services	68,844	65,899	2,945	224,303	246,128	21,825	(155,459)	24,770
Birth To Three	112,072	190,985	(78,914)	183,508	190,985	7,477	(71,437)	(71,437)
	3,368,016	4,339,659	(971,643)	5,433,494	6,024,130	590,636	(2,065,479)	(381,008)
Total NCHC Programming	10,966,053	12,636,778	(1,670,725)	14,018,756	14,360,006	341,250	(3,052,703)	(1,329,475)
Base County Allocation	647,585	647,585	-				647,585	-
County Appropriation	1,093,735	1,093,735	-				1,093,735	-
Excess Revenue/(Expense)	12,707,373	14,378,098	(1,670,725)	14,018,756	14,360,006	341,250	(1,311,383)	(1,329,475)

North Central Health Care
Review of Services in Lincoln County
For the Period Ending April 30, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Outpatient Services	154,898	227,200	(72,303)	284,366	352,765	68,398	(129,469)	(3,904)
Community Treatment-Adult	343,653	340,174	3,479	233,153	267,218	34,065	110,500	37,544
Community Treatment-Youth	598,917	867,829	(268,912)	466,543	619,810	153,266	132,374	(115,645)
Lincoln Industries	166,010	423,190	(257,180)	301,585	441,777	140,193	(135,575)	(116,987)
	1,263,478	1,858,393	(594,915)	1,285,647	1,681,569	395,922	(22,169)	(198,993)
Shared Services								
Adult Behavioral Health Hospital	190,021	212,792	(22,771)	370,568	401,836	31,268	(180,548)	8,496
Youth Behavioral Health Hospital	83,262	103,650	(20,388)	118,635	146,599	27,964	(35,373)	7,577
Residency Program	31,062	22,696	8,366	20,653	13,947	(6,706)	10,409	1,660
Crisis Services	39,639	50,550	(10,911)	148,266	158,439	10,173	(108,628)	(738)
Adult Crisis Stabilization Facility	53,229	73,395	(20,166)	75,509	51,286	(24,223)	(22,280)	(44,389)
Youth Crisis Stabilization Facility	93	37,989	(37,896)	22,305	49,583	27,278	(22,212)	(10,618)
Lakeside Recovery MMT	7,943	51,063	(43,120)	8,143	65,335	57,192	(201)	14,072
Residential	-	-	-	-	-	-	-	-
Adult Protective Services	13,955	13,358	597	45,467	49,891	4,424	(31,512)	5,021
Birth To Three	22,583	38,484	(15,901)	36,977	38,484	1,507	(14,395)	(14,395)
	441,786	603,977	(162,191)	846,525	975,401	128,876	(404,739)	(33,314)
Total NCHC Programming	1,705,264	2,462,370	(757,106)	2,132,172	2,656,970	524,799	(426,908)	(232,307)
Base County Allocation	291,489	291,489	-			-	291,489	-
County Appropriation	200,013	200,013	-			-	200,013	-
Excess Revenue/(Expense)	2,196,765	2,953,871	(757,106)	2,132,172	2,656,970	524,799	64,593	(232,307)

North Central Health Care
Review of Services in Langlade County
For the Period Ending April 30, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Outpatient Services	142,395	485,684	(343,289)	248,990	1,173,788	924,798	(106,595)	(449,884)
Community Treatment-Adult	194,627	221,445	(26,819)	158,445	185,376	26,931	36,182	9,364
Community Treatment-Youth	506,886	585,121	(78,235)	381,209	455,561	74,353	125,678	47,443
Sober Living	20,445	10,640	9,805	33,785	42,326	8,540	(13,341)	(3,536)
Day Services	78,765	98,415	(19,651)	109,809	103,849	(5,961)	(31,045)	(50,695)
	943,118	1,401,306	(458,188)	932,238	1,960,899	1,028,661	10,880	(447,309)
Shared Services								
Adult Behavioral Health Hospital	139,348	156,048	(16,699)	271,750	294,680	22,930	(132,402)	(149,101)
Youth Behavioral Health Hospital	61,059	76,010	(14,951)	86,999	107,506	20,507	(25,940)	(40,891)
Residency Program	22,779	16,644	6,135	15,146	10,228	(4,918)	7,633	13,768
Crisis Services	29,068	37,070	(8,002)	108,729	116,189	7,460	(79,660)	(87,662)
Adult Crisis Stabilization Facility	39,034	53,823	(14,788)	55,373	37,610	(17,764)	(16,339)	(31,127)
Youth Crisis Stabilization Facility	68	27,859	(27,790)	16,357	36,361	20,004	(16,289)	(44,079)
Lakeside Recovery MMT	5,825	37,446	(31,621)	5,972	47,912	41,941	(147)	(31,768)
Residential	35,097	40,151	(5,053)	37,117	35,781	(1,335)	(2,019)	(7,073)
Adult Protective Services	10,234	9,796	438	33,342	36,587	3,244	(23,109)	(22,671)
Birth To Three	15,359	26,174	(10,815)	25,149	26,174	1,025	(9,790)	(20,605)
	357,872	481,019	(123,147)	655,934	749,028	93,094	(298,062)	(421,209)
Total NCHC Programming	1,300,990	1,882,325	(581,336)	1,588,172	2,709,927	1,121,755	(287,182)	(868,518)
Base County Allocation	771,983	771,983	-				771,983	771,983
County Appropriation	70,062	70,062	-				70,062	70,062
Excess Revenue/(Expense)	2,143,035	2,724,370	(581,336)	1,588,172	2,709,927	1,121,755	554,863	(26,473)

North Central Health Care
Review of Services in Mount View Care Center
For the Period Ending April 30, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Post-Acute Care	1,047,118	819,147	227,970	781,400	853,824	72,424	265,718	300,395
Long-Term Care	549,568	1,124,425	(574,857)	1,379,403	1,298,128	(81,275)	(829,835)	(656,132)
Memory Care	2,207,858	1,882,489	325,369	2,195,563	2,018,897	(176,667)	12,295	148,702
Vent Unit	1,240,600	1,281,783	(41,183)	1,322,327	1,421,159	98,832	(81,727)	57,650
Nursing Home Ancillary	8,326	18,964	(10,638)	32,125	11,957	(20,168)	(23,799)	(30,806)
Rehab Services	238,030	668,730	(430,699)	334,944	340,275	5,331	(96,914)	(425,368)
Total NCHC Programming	5,291,501	5,795,539	(504,038)	6,045,762	5,944,240	(101,522)	(754,261)	(605,560)
County Appropriation	500,000	500,000	-				500,000	-
Excess Revenue/(Expense)	5,791,501	6,295,539	(504,038)	6,045,762	5,944,240	(101,522)	(254,261)	(605,560)

North Central Health Care
Review of Services in Pine Crest Nursing Home
For the Period Ending April 30, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Post-Acute Care	413,315	571,619	(158,305)	712,404	897,461	185,056	(299,090)	26,752
Long-Term Care	2,121,784	2,206,701	(84,917)	2,350,722	2,491,080	140,358	(228,937)	55,442
Special Care	485,709	543,491	(57,782)	624,201	653,780	29,579	(138,492)	(28,203)
Nursing Home Ancillary	148,596	-	148,596	9,596	-	(9,596)	139,000	139,000
Rehab Services	331,088	234,845	96,243	250,458	1,654	(248,804)	80,630	(152,562)
Total NCHC Programming	3,500,492	3,556,656	(56,165)	3,947,382	4,043,975	96,593	(446,890)	40,428
County Appropriation	146,938	146,938	-				146,938	-
Excess Revenue/(Expense)	3,647,430	3,703,595	(56,165)	3,947,382	4,043,975	96,593	(299,951)	40,428

North Central Health Care
Report on the Availability of Invested Funds
For the Period Ending April 30, 2021

Bank	Length	Maturity Date	Interest Rate	Amount
BMO Harris	365 Days	5/28/2021	0.15%	500,000
People's State Bank	365 Days	5/29/2021	0.75%	350,000
People's State Bank	365 Days	5/30/2021	0.75%	500,000
PFM Investments	270 Days	6/7/2021	0.25%	248,000
PFM Investments	270 Days	6/7/2021	0.20%	248,000
PFM Investments	365 Days	6/16/2021	0.55%	248,000
PFM Investments	365 Days	6/16/2021	0.50%	248,000
PFM Investments	365 Days	7/8/2021	0.45%	248,000
Abby Bank	730 Days	7/19/2021	2.45%	500,000
People's State Bank	365 Days	8/21/2021	0.45%	500,000
Abby Bank	365 Days	8/29/2021	0.60%	500,000
PFM Investments	270 Days	8/31/2021	0.20%	248,000
BMO Harris	273 Days	10/26/2021	0.15%	500,000
Abby Bank	365 Days	11/1/2021	0.40%	500,000
PFM Investments	365 Days	12/6/2021	0.20%	248,000
CoVantage Credit Union	365 Days	12/9/2021	0.80%	500,000
PFM Investments	365 Days	12/30/2021	0.20%	248,000
PFM Investments	365 Days	12/30/2021	0.30%	248,000
Abby Bank	365 Days	1/6/2022	0.30%	500,000
CoVantage Credit Union	365 Days	1/29/2022	0.50%	299,550
PFM Investments	365 Days	2/18/2022	0.25%	248,000
PFM Investments	365 Days	2/18/2022	0.18%	248,000
CoVantage Credit Union	365 Days	2/19/2022	0.50%	500,000
Abby Bank	546 Days	3/1/2022	0.65%	500,000
CoVantage Credit Union	365 Days	3/3/2022	0.50%	500,000
PFM Investments	365 Days	4/5/2022	0.20%	248,000
Abby Bank	730 Days	2/25/2023	0.40%	500,000
CoVantage Credit Union	730 Days	3/8/2023	0.60%	500,000
Invested Funds				10,625,550
Weighted Average	397 Days		0.53%	

North Central Health Care
Summary of Revenue Write-Offs
For the Period Ending April 30, 2021

	MTD	YTD
Adult Behavioral Health		
Administrative Write-Off	1,172	32,726
Bad Debt	(143)	1,071
Youth Behvioral Health		
Administrative Write-Off	-	1,317
Bad Debt	-	-
Outpatient & Community Treatment		
Administrative Write-Off	2,472	18,759
Bad Debt	139	1,104
Nursing Home Services		
Administrative Write-Off	515	12,580
Bad Debt	5,238	25,498
Pharmacy		
Administrative Write-Off	2	1,491
Bad Debt	-	-
Other Services		
Administrative Write-Off	(1,891)	13,233
Bad Debt	45	189
Grand Total		
Administrative Write-Off	2,269	80,107
Bad Debt	5,280	27,862

North Central Health Care
Income Statement
For the Period Ending May 31, 2021

	MTD Actual	MTD Budget	$ Variance	% Variance	YTD Actual	YTD Budget	$ Variance	% Variance
Direct Revenues								
Patient Gross Revenues	7,038,786	8,428,699	(1,389,913)	-16.5%	35,312,903	41,324,814	(6,011,912)	-14.5%
Patient Contractual Adjustments	(2,565,678)	(2,954,503)	388,825	-13.2%	(12,565,333)	(14,502,757)	1,937,423	-13.4%
Net Patient Revenue	4,473,108	5,474,196	(1,001,088)	-18.3%	22,747,569	26,822,058	(4,074,488)	-15.2%
County Revenue	427,764	427,764	-	0.0%	2,138,821	2,138,821	-	0.0%
Contracted Service Revenue	115,418	102,490	12,927	12.6%	531,311	515,376	15,935	3.1%
Grant Revenues and Contractuals	360,732	334,369	26,363	7.9%	1,478,875	1,668,910	(190,035)	-11.4%
Appropriations	502,687	502,687	-	0.0%	2,513,435	2,513,435	-	0.0%
COVID-19 Relief Funding	-	-	-	0.0%	26,750	-	26,750	0.0%
Other Revenue	499,289	552,481	(53,192)	-9.6%	2,553,728	2,763,907	(210,180)	-7.6%
Total Direct Revenue	6,378,998	7,393,988	(1,014,989)	-13.7%	31,990,488	36,422,506	(4,432,018)	-12.2%
Indirect Revenues								
County Revenue	170,209	171,802	(1,593)	-0.9%	851,043	859,010	(7,966)	-0.9%
Contracted Service Revenue	2,250	3,000	(750)	-25.0%	11,250	15,000	(3,750)	-25.0%
Grant Revenues and Contractuals	-	-	-	0.0%	31,900	-	31,900	0.0%
Appropriations	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	55,927	56,767	(840)	-1.5%	184,368	233,853	(49,485)	-21.2%
Allocated Revenue	-	-	-	0.0%	-	-	-	0.0%
Total Indirect Revenue	229,005	231,569	(2,563)	-1.1%	1,075,661	1,107,863	(32,202)	-2.9%
Total Operating Revenue	6,608,004	7,625,556	(1,017,553)	-13.3%	33,066,149	37,530,369	(4,464,220)	-11.9%
Direct Expenses								
Personnel Expenses	3,244,180	3,595,192	351,012	9.8%	16,076,470	17,062,457	985,987	5.8%
Contracted Services Expenses	772,328	905,972	133,644	14.8%	4,122,676	4,483,225	360,549	8.0%
Supplies Expenses	97,480	57,736	(39,744)	-68.8%	354,665	291,624	(63,040)	-21.6%
Drugs Expenses	495,184	504,040	8,856	1.8%	2,561,999	2,661,044	99,045	3.7%
Program Expenses	48,391	72,200	23,809	33.0%	344,278	363,298	19,019	5.2%
Land & Facility Expenses	67,043	69,708	2,665	3.8%	332,785	350,613	17,828	5.1%
Equipment & Vehicle Expenses	54,929	70,033	15,104	21.6%	250,226	347,476	97,250	28.0%
Diversions Expenses	310,571	79,500	(231,071)	-290.7%	790,967	397,500	(393,467)	-99.0%
Other Operating Expenses	107,597	171,576	63,979	37.3%	788,729	871,662	82,934	9.5%
Total Direct Expenses	5,197,701	5,525,956	328,255	5.9%	25,622,795	26,828,900	1,206,104	4.5%
Indirect Expenses								
Personnel Expenses	1,085,722	1,198,970	113,248	9.4%	5,355,898	5,681,840	325,942	5.7%
Contracted Services Expenses	15,531	3,500	(12,031)	-343.7%	49,628	17,500	(32,128)	-183.6%
Supplies Expenses	65,017	98,040	33,023	33.7%	351,647	413,652	62,005	15.0%
Drugs Expenses	-	-	-	0.0%	1,804	-	(1,804)	0.0%
Program Expenses	29,438	19,728	(9,711)	-49.2%	119,064	112,593	(6,471)	-5.7%
Land & Facility Expenses	432,901	270,298	(162,603)	-60.2%	1,683,979	1,352,992	(330,987)	-24.5%
Equipment & Vehicle Expenses	105,656	85,377	(20,279)	-23.8%	538,428	462,470	(75,958)	-16.4%
Diversions Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	249,227	481,317	232,090	48.2%	1,552,366	2,538,111	985,744	38.8%
Allocated Expense	(48,000)	-	48,000	0.0%	-	-	-	0.0%
Total Indirect Expenses	1,935,492	2,157,230	221,738	10.3%	9,652,814	10,579,157	926,343	8.8%
Total Operating Expenses	7,133,193	7,683,186	549,992	7.2%	35,275,610	37,408,057	2,132,447	5.7%
Metrics								
Indirect Expenses/Direct Expenses	*37.2%*	*39.0%*			*37.7%*	*39.4%*		
Direct Expense/Gross Patient Revenue	*73.8%*	*65.6%*			*72.6%*	*64.9%*		
Non-Operating Income/Expense								
Interest Income/Expense	(9,196)	(30,833)	21,637	-70.2%	(24,886)	(154,167)	129,281	-83.9%
Donations Income	(16,241)	-	(16,241)	0.0%	(26,577)	-	(26,577)	0.0%
Other Non-Operating	-	-	-	0.0%	(20,091)	-	(20,091)	0.0%
Total Non-Operating	(25,438)	(30,833)	5,396	-17.5%	(71,554)	(154,167)	82,613	-53.6%
Net Income (Loss)	(499,752)	(26,796)	(472,956)	1765.0%	(2,137,907)	276,479	(2,414,386)	-873.3%
Net Income	*-7.6%*	*-0.4%*			*-6.5%*	*0.7%*		

North Central Health Care
Balance Sheet
For the Period Ending May 31, 2021

	Current YTD	Prior YTD
ASSETS		
Current Assets		
Cash and Cash Equivalents	2,620,471	5,891,518
Accounts Receivable		
Net Patient Receivable	5,234,952	5,778,712
Outpatient WIMCR & CCS	3,070,899	3,688,750
Nursing Home Supplemental Payment	1,251,278	(268,550)
County Appropriations Receivable	(512,687)	-
Net State Receivable	341,564	460,368
Other Accounts Receivable	210,352	743,798
Inventory	429,330	446,283
Prepaid Expenses	861,822	1,075,348
Total Current Assets	13,507,982	17,816,227
Noncurrent Assets		
Investments	10,625,550	12,065,000
Contingency Funds	1,000,000	1,000,000
Patient Trust Funds	79,782	86,584
Pool Project Receivable	5,214	1,732,590
Net Pension Assets	7,280,177	-
Nondepreciable Capital Assets	23,353,558	6,625,399
Net Depreciable Capital Assets	29,573,674	20,977,024
Total Noncurrent Assets	71,917,955	42,486,597
Deferred Outflows of Resources (Pensions)	18,262,408	22,152,585
TOTAL ASSETS	103,688,345	82,455,409

	Current YTD	Prior YTD
LIABILITIES		
Current Liabilities		
Current Portion of Capital Lease Liability	27,987	29,249
Trade Accounts Payable	444,543	622,705
Accrued Liabilites		
Salaries and Retirement	2,393,879	2,714,178
Compensated Absences	2,515,226	2,845,545
Health and Dental Insurance	503,000	670,000
Bonds	-	360,000
Interest Payable	-	140,801
Other Payables and Accruals	438,106	2,094,830
Payable to Reimbursement Programs	100,000	220,000
Unearned Revenue	(2,063,968)	(306,177)
Total Current Liabilities	4,358,773	9,391,132
Noncurrent Liabilities		
Net Pension Liability	2,506,809	9,445,451
Long-Term Portion of Capital Lease Liability	36,324	62,712
Long-Term Projects in Progress	26,668,687	4,580,552
Long-Term Debt and Bond Premiums	9,125,252	9,155,779
Patient Trust Funds	47,336	56,866
Total Noncurrent Liabilities	38,384,408	23,301,360
Deferred Inflows of Resources (Pensions)	22,225,906	11,508,078
TOTAL LIABILITIES	64,969,086	44,200,570
NET POSITION		
Net Investment in Capital Assets	52,927,232	27,583,144
Pool Project Restricted Capital Assets	5,214	1,732,590
Unrestricted		
Board Designated for Contingency	1,000,000	1,000,000
Board Designated for Capital Assets	-	1,712,558
Undesignated	(13,075,280)	5,811,643
Net Income / (Loss)	(2,137,907)	414,903
TOTAL NET POSITION	38,719,259	38,254,839
TOTAL LIABILITIES AND NET POSITION	103,688,345	82,455,409

North Central Health Care
Statement of Cash Flows
For Month Ending May 31, 2021

Cash, Beginning of Period (April 30, 2021)			1,641,818
Operating Activities			
Net Income (Loss)	(499,752)		
Adjustments to Reconcile Net Income			
Depreciation	400,710		
Interest Expense	19,408		
(Increase) or Decrease in Current Assets			
Inventories	-		
Accounts Receivable	594,277		
Prepaid Expenses	124,768		
Increase or (Decrease) in Current Liabilities			
Accounts Payable	(514,348)		
Accrued Current Liabilities	142,542		
Net Change in Patient Trust Funds	(12,302)		
Unearned Revenue	318,219		
Net Cash from Operating Activites		573,523	
Investing Activites			
Net Change in Contingency Funds	-		
Purchases of Property and Equipment	76,606		
Disposal of Assets	-		
Pool Project Receivable	-		
Net Change in Long-Term Projects in Progress	(88,111)		
Net Change in Undesignated Equity	528,365		
Net Cash from Investing Activites		516,861	
Financing Activies			
Bonds and Interest	(111,731)		
Net Change in Purchase/Sale of Investments	-		
Net Cash from Financing Activities		(111,731)	
Net Increase (Decrease) in Cash During Period			978,653
Cash, End of Period (May 31, 2021)			2,620,471

North Central Health Care
Programs by Service Line
For the Period Ending May 31, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
BEHAVIORAL HEALTH SERVICES								
Adult Behavioral Health Hospital	2,631,130	2,857,567	(226,436)	3,259,294	3,382,561	123,267	(628,164)	(103,169)
Adult Crisis Stabilization Facility	428,230	615,023	(186,793)	487,664	432,789	(54,876)	(59,434)	(241,669)
Lakeside Recovery MMT	57,210	422,402	(365,191)	60,487	440,202	379,715	(3,277)	14,524
Youth Behavioral Health Hospital	694,195	894,512	(200,317)	1,019,096	1,244,315	225,219	(324,901)	24,902
Youth Crisis Stabilization Facility	181,735	317,485	(135,750)	203,241	419,021	215,780	(21,505)	80,030
Crisis Services	1,181,566	1,269,228	(87,663)	1,244,912	1,334,348	89,435	(63,347)	1,773
Psychiatry Residency	115,935	189,140	(73,205)	171,879	116,636	(55,243)	(55,944)	(128,448)
	5,290,002	6,565,357	(1,275,355)	6,446,573	7,369,871	923,298	(1,156,572)	(352,058)
COMMUNITY SERVICES								
Outpatient Services (Marathon)	1,863,308	1,750,747	112,561	2,031,572	1,153,099	(878,473)	(168,264)	(765,912)
Outpatient Services (Lincoln)	453,986	549,396	(95,410)	333,905	452,399	118,494	120,081	23,084
Outpatient Services (Langlade)	349,181	787,476	(438,295)	297,067	1,516,110	1,219,044	52,114	780,749
Community Treatment Adult (Marathon)	2,094,140	2,199,462	(105,322)	1,779,017	2,025,511	246,494	315,123	141,171
Community Treatment Adult (Lincoln)	433,081	430,380	2,701	306,488	337,208	30,720	126,593	33,421
Community Treatment Adult (Langlade)	248,110	281,271	(33,160)	195,260	234,250	38,990	52,850	5,830
Community Treatment Youth (Marathon)	2,322,989	2,364,912	(41,923)	2,115,781	2,170,075	54,295	207,208	12,372
Community Treatment Youth (Lincoln)	740,504	1,086,978	(346,474)	583,751	780,596	196,846	156,753	(149,629)
Community Treatment Youth (Langlade)	647,421	732,731	(85,310)	497,610	573,808	76,197	149,810	(9,113)
Community Corner Clubhouse	108,394	124,285	(15,891)	119,996	133,120	13,124	(11,602)	(2,767)
	9,261,114	10,307,638	(1,046,523)	8,260,447	9,376,177	1,115,730	1,000,667	69,206
COMMUNITY LIVING								
Adult Day Services (Marathon)	229,124	332,551	(103,427)	223,027	246,585	23,559	6,097	(79,868)
Prevocational Services (Marathon)	187,984	221,852	(33,867)	268,656	336,281	67,625	(80,672)	33,758
Lincoln Industries	240,129	530,435	(290,306)	396,284	557,042	160,758	(156,155)	(129,548)
Day Services (Langlade)	98,982	123,585	(24,603)	140,115	130,803	(9,311)	(41,133)	(33,914)
Prevocational Services (Langlade)	-	-	-	-	-	-	-	-
Andrea St Group Home	212,051	216,927	(4,875)	179,504	171,303	(8,201)	32,547	(13,077)
Chadwick Group Home	227,394	266,179	(38,784)	192,862	201,018	8,156	34,532	(30,629)
Bissell Street Group Home	240,622	234,771	5,851	169,768	188,888	19,120	70,854	24,971
Heather Street Group Home	175,922	189,870	(13,947)	181,201	172,669	(8,532)	(5,279)	(22,479)
Jelinek Apartments	285,087	325,891	(40,804)	287,945	295,781	7,836	(2,858)	(32,968)
River View Apartments	281,828	275,565	6,263	255,754	227,356	(28,398)	26,074	(22,135)
Forest Street Apartments	49,748	146,207	(96,459)	182,655	196,471	13,817	(132,907)	(82,642)
Fulton Street Apartments	89,103	104,814	(15,711)	154,618	118,475	(36,143)	(65,515)	(51,854)
Riverview Terrace	148,407	149,406	(999)	117,734	144,192	26,459	30,674	25,460
Hope House (Sober Living Marathon)	2,440	2,625	(185)	25,138	21,291	(3,847)	(22,698)	(4,033)
Homelessness Initiative	10,203	243	9,960	5,242	2,749	(2,493)	4,961	7,468
Sober Living (Langlade)	28,935	21,577	7,358	39,279	53,340	14,061	(10,344)	21,420
	2,507,960	3,142,495	(634,535)	2,819,782	3,064,246	244,464	(311,822)	(390,070)
NURSING HOMES								
Mount View Care Center	7,118,203	7,903,853	(785,650)	7,816,437	7,516,286	(300,150)	(698,234)	(1,085,801)
Pine Crest Nursing Home	4,546,780	4,648,948	(102,168)	5,325,702	5,105,728	(219,974)	(778,922)	(322,142)
	11,664,983	12,552,801	(887,818)	13,142,139	12,622,014	520,125	(1,477,156)	(367,693)
Pharmacy	3,236,324	3,631,527	(395,203)	3,359,500	3,567,747	208,247	(123,176)	(186,955)
OTHER PROGRAMS								
Aquatic Services	416,878	629,617	(212,739)	492,488	509,292	16,804	(75,610)	(195,934)
Birth To Three	245,682	320,287	(74,606)	245,682	320,287	74,605	-	-
Adult Protective Services	337,134	335,982	1,153	374,663	419,132	44,470	(37,528)	45,622
Demand Transportation	157,534	198,832	(41,298)	114,245	159,290	45,045	43,289	3,747
	1,157,228	1,484,718	(327,490)	1,227,077	1,408,001	180,924	(69,849)	(146,566)
Total NCHC Service Programs	33,117,611	37,684,536	(4,566,924)	35,255,519	37,408,057	2,152,538	(2,137,907)	(2,414,386)

North Central Health Care
Fund Balance Review
For the Period Ending May 31, 2021

	Marathon	Langlade	Lincoln	Total
Total Operating Expenses, Year-to-Date	25,258,357	1,990,862	8,006,300	35,255,519
General Fund Balance Targets				
Minimum (20% Operating Expenses)	5,051,671	398,172	1,601,260	7,051,104
Maximum (35% Operating Expenses)	8,840,425	696,802	2,802,205	12,339,432
Risk Reserve Fund	250,000	250,000	250,000	
Total Fund Balance				
Minimum Target	5,301,671	648,172	1,851,260	7,801,104
Maximum Target	9,090,425	946,802	3,052,205	13,089,432
Total Net Position at Period End	23,818,937	1,981,537	7,316,965	33,117,439
Fund Balance Above/(Below)				
Minimum Target	18,517,266	1,333,365	5,465,705	25,316,335
Maximum Target	14,728,512	1,034,736	4,264,760	20,028,008
County Percent of Total Net Position	*71.9%*	*6.0%*	*22.1%*	
Share of Invested Cash Reserves	7,284,001	605,968	2,237,580	10,127,549
Days Invested Cash on Hand	*44*	*46*	*43*	*44*
Targeted Days Invested Cash on Hand	*90*	*90*	*90*	*90*
Required Invested Cash to Meet Target	14,947,411	1,178,154	4,737,975	20,863,540
Invested Cash Reserves Above/(Below) Target	(7,663,410)	(572,186)	(2,500,395)	(10,735,991)

North Central Health Care
Review of Services in Marathon County
For the Period Ending May 31, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Outpatient Services	856,268	743,715	112,552	2,031,572	1,153,099	(878,473)	(1,175,305)	(765,921)
Community Treatment-Adult	2,060,802	2,166,129	(105,327)	1,779,017	2,025,511	246,494	281,785	141,167
Community Treatment-Youth	2,322,984	2,364,912	(41,928)	2,115,781	2,170,075	54,295	207,203	12,366
Day Services	417,107	554,402	(137,295)	491,683	582,867	91,184	(74,576)	(46,111)
Clubhouse	70,061	85,952	(15,892)	119,996	133,120	13,124	(49,935)	(2,768)
Homelessiness Initiative	10,203	243	9,960	5,242	2,749	(2,493)	4,961	7,468
Hope House Sober Living	2,440	2,625	(185)	25,138	21,291	(3,847)	(22,698)	(4,033)
Riverview Terrace	148,407	149,406	(999)	117,734	144,192	26,459	30,673	25,459
Demand Transportation	157,533	198,832	(41,298)	114,245	159,290	45,045	43,289	3,747
Aquatic Services	274,228	486,973	(212,746)	492,488	509,292	16,804	(218,260)	(195,941)
Pharmacy	3,236,319	3,631,527	(395,208)	3,359,500	3,567,747	208,247	(123,181)	(186,961)
	9,556,350	10,384,716	(828,366)	10,652,394	10,469,233	(183,161)	(1,096,044)	(1,011,527)
Shared Services								
Adult Behavioral Health Hospital	1,152,944	1,320,531	(167,586)	2,411,878	2,503,095	91,217	(1,258,933)	(76,369)
Youth Behavioral Health Hospital	498,279	646,522	(148,243)	754,131	920,793	166,662	(255,852)	18,419
Residency Program	219,629	139,963	79,666	127,190	86,311	(40,880)	92,439	38,786
Crisis Services	247,999	312,880	(64,881)	921,235	987,417	66,182	(673,236)	1,301
Adult Crisis Stabilization Facility	316,887	455,117	(138,230)	360,872	320,264	(40,608)	(43,984)	(178,838)
Youth Crisis Stabilization Facility	645	234,939	(234,294)	150,398	310,075	159,677	(149,753)	(74,617)
Lakeside Recovery MMT	42,336	312,577	(270,242)	44,760	325,749	280,989	(2,425)	10,747
Residential	1,516,933	1,709,706	(192,773)	1,558,267	1,526,849	(31,418)	(41,334)	(224,191)
Adult Protective Services	83,232	82,380	852	277,250	310,158	32,908	(194,018)	33,760
Birth To Three	183,543	239,280	(55,736)	183,544	239,280	55,736	(0)	(0)
	4,262,428	5,453,897	(1,191,469)	6,789,526	7,529,992	740,466	(2,527,098)	(451,003)
Total NCHC Programming	13,818,778	15,838,613	(2,019,835)	17,441,920	17,999,224	557,304	(3,623,142)	(1,462,530)
Base County Allocation	1,514,844	1,514,844	-				1,514,844	-
County Appropriation	1,367,169	1,367,169	-				1,367,169	-
Excess Revenue/(Expense)	16,700,791	18,720,626	(2,019,835)	17,441,920	17,999,224	557,304	(741,129)	(1,462,530)

North Central Health Care
Review of Services in Lincoln County
For the Period Ending May 31, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Outpatient Services	189,553	284,963	(95,411)	333,905	452,399	118,494	(144,353)	23,083
Community Treatment-Adult	429,330	426,630	2,700	306,488	337,208	30,720	122,842	33,420
Community Treatment-Youth	740,502	1,086,978	(346,476)	583,751	780,596	196,846	156,752	(149,630)
Lincoln Industries	240,128	530,435	(290,306)	396,284	557,042	160,758	(156,156)	(129,549)
	1,599,514	2,329,007	(729,493)	1,620,428	2,127,245	506,817	(20,914)	(222,676)
Shared Services								
Adult Behavioral Health Hospital	233,705	267,675	(33,970)	488,894	507,384	18,490	(255,189)	(15,480)
Youth Behavioral Health Hospital	101,003	131,052	(30,049)	152,864	186,647	33,783	(51,862)	3,734
Residency Program	44,519	28,371	16,148	25,782	17,495	(8,286)	18,738	7,862
Crisis Services	50,270	63,422	(13,152)	186,737	200,152	13,415	(136,467)	264
Adult Crisis Stabilization Facility	64,234	92,253	(28,020)	73,150	64,918	(8,231)	(8,916)	(36,251)
Youth Crisis Stabilization Facility	131	47,623	(47,492)	30,486	62,853	32,367	(30,355)	(15,125)
Lakeside Recovery MMT	8,582	63,360	(54,779)	9,073	66,030	56,957	(491)	2,179
Residential	-	-	-	-	-	-	-	-
Adult Protective Services	16,871	16,699	173	56,199	62,870	6,670	(39,328)	6,843
Birth To Three	36,984	48,215	(11,231)	36,984	48,215	11,231	(0)	(0)
	556,299	758,670	(202,371)	1,060,170	1,216,566	156,396	(503,871)	(45,975)
Total NCHC Programming	2,155,813	3,087,677	(931,864)	2,680,598	3,343,811	663,213	(524,785)	(268,651)
Base County Allocation	364,361	364,361	-			-	364,361	-
County Appropriation	250,016	250,016	-			-	250,016	-
Excess Revenue/(Expense)	2,770,189	3,702,054	(931,864)	2,680,598	3,343,811	663,213	89,592	(268,651)

North Central Health Care
Review of Services in Langlade County
For the Period Ending May 31, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Outpatient Services	172,178	610,474	(438,296)	297,067	1,516,110	1,219,044	(124,889)	(563,185)
Community Treatment-Adult	244,360	277,521	(33,161)	195,260	234,250	38,990	49,099	15,938
Community Treatment-Youth	647,419	732,731	(85,312)	497,610	573,808	76,197	149,809	64,497
Sober Living	20,602	13,243	7,358	39,279	53,340	14,061	(18,677)	(11,319)
Day Services	98,981	123,585	(24,603)	140,115	130,803	(9,311)	(41,133)	(65,737)
	1,183,540	1,757,554	(574,014)	1,169,331	2,508,312	1,338,981	14,209	(559,805)
Shared Services								
Adult Behavioral Health Hospital	171,384	196,295	(24,912)	358,522	372,082	13,559	(187,139)	(212,050)
Youth Behavioral Health Hospital	74,069	96,105	(22,036)	112,101	136,875	24,774	(38,032)	(60,068)
Residency Program	32,648	20,805	11,842	18,907	12,830	(6,077)	13,741	25,583
Crisis Services	36,865	46,509	(9,644)	136,940	146,778	9,838	(100,076)	(109,720)
Adult Crisis Stabilization Facility	47,105	67,653	(20,548)	53,643	47,607	(6,036)	(6,538)	(27,086)
Youth Crisis Stabilization Facility	96	34,923	(34,827)	22,356	46,092	23,736	(22,261)	(57,088)
Lakeside Recovery MMT	6,293	46,464	(40,171)	6,654	48,422	41,769	(360)	(40,531)
Residential	44,820	50,516	(5,696)	46,041	45,113	(928)	(1,221)	(6,917)
Adult Protective Services	12,372	12,246	127	41,213	46,105	4,892	(28,841)	(28,714)
Birth To Three	25,154	32,792	(7,638)	25,154	32,792	7,638	(0)	(7,638)
	450,804	604,308	(153,504)	821,531	934,696	113,165	(370,727)	(524,230)
Total NCHC Programming	1,634,344	2,361,862	(727,517)	1,990,862	3,443,007	1,452,145	(356,518)	(1,084,035)
Base County Allocation	259,616	259,616	-				259,616	259,616
County Appropriation	87,578	87,578	-				87,578	87,578
Excess Revenue/(Expense)	1,981,537	2,709,055	(727,517)	1,990,862	3,443,007	1,452,145	(9,325)	(736,842)

North Central Health Care
Review of Services in Mount View Care Center
For the Period Ending May 31, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Post-Acute Care	1,243,132	1,028,016	215,116	1,106,378	1,086,299	(20,079)	136,754	195,037
Long-Term Care	800,188	1,410,819	(610,630)	1,810,072	1,639,435	(170,637)	(1,009,883)	(781,267)
Memory Care	2,649,753	2,364,351	285,402	2,770,997	2,553,517	(217,480)	(121,244)	67,922
Vent Unit	1,535,404	1,610,569	(75,165)	1,669,208	1,795,305	126,097	(133,804)	50,932
Nursing Home Ancillary	8,871	23,711	(14,840)	33,299	14,976	(18,323)	(24,428)	(33,163)
Rehab Services	255,798	841,387	(585,589)	426,483	426,754	272	(170,685)	(585,317)
Total NCHC Programming	6,493,146	7,278,853	(785,707)	7,816,437	7,516,286	(300,150)	(1,323,290)	(1,085,857)
County Appropriation	625,000	625,000	-				625,000	-
Excess Revenue/(Expense)	7,118,146	7,903,853	(785,707)	7,816,437	7,516,286	(300,150)	(698,290)	(1,085,857)

North Central Health Care
Review of Services in Pine Crest Nursing Home
For the Period Ending May 31, 2021

	Revenue			Expense			Net Income/	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	(Loss)	From Budget
Direct Services								
Post-Acute Care	488,548	718,576	(230,028)	979,576	1,130,333	150,757	(491,028)	(79,271)
Long-Term Care	2,687,610	2,770,379	(82,768)	3,274,488	3,149,611	(124,877)	(586,877)	(207,645)
Special Care	612,814	683,249	(70,434)	753,957	823,749	69,793	(141,143)	(642)
Nursing Home Ancillary	173,069	-	173,069	10,871	-	(10,871)	162,198	162,198
Rehab Services	401,061	293,073	107,988	306,811	2,035	(304,776)	94,250	(196,788)
Total NCHC Programming	4,363,102	4,465,275	(102,173)	5,325,702	5,105,728	(219,974)	(962,600)	(322,148)
County Appropriation	183,673	183,673	-				183,673	-
Excess Revenue/(Expense)	4,546,775	4,648,948	(102,173)	5,325,702	5,105,728	(219,974)	(778,927)	(322,148)

North Central Health Care
Report on the Availability of Invested Funds
For the Period Ending May 31, 2021

Bank	Length	Maturity Date	Interest Rate	Amount
BMO Harris	365 Days	5/28/2021	0.15%	500,000
People's State Bank	365 Days	5/29/2021	0.75%	350,000
People's State Bank	365 Days	5/30/2021	0.75%	500,000
PFM Investments	270 Days	6/7/2021	0.25%	248,000
PFM Investments	270 Days	6/7/2021	0.20%	248,000
PFM Investments	365 Days	6/16/2021	0.55%	248,000
PFM Investments	365 Days	6/16/2021	0.50%	248,000
PFM Investments	365 Days	7/8/2021	0.45%	248,000
Abby Bank	730 Days	7/19/2021	2.45%	500,000
People's State Bank	365 Days	8/21/2021	0.45%	500,000
Abby Bank	365 Days	8/29/2021	0.60%	500,000
PFM Investments	270 Days	8/31/2021	0.20%	248,000
BMO Harris	273 Days	10/26/2021	0.15%	500,000
Abby Bank	365 Days	11/1/2021	0.40%	500,000
PFM Investments	365 Days	12/6/2021	0.20%	248,000
CoVantage Credit Union	365 Days	12/9/2021	0.80%	500,000
PFM Investments	365 Days	12/30/2021	0.20%	248,000
PFM Investments	365 Days	12/30/2021	0.30%	248,000
Abby Bank	365 Days	1/6/2022	0.30%	500,000
CoVantage Credit Union	365 Days	1/29/2022	0.50%	299,550
PFM Investments	365 Days	2/18/2022	0.25%	248,000
PFM Investments	365 Days	2/18/2022	0.18%	248,000
CoVantage Credit Union	365 Days	2/19/2022	0.50%	500,000
Abby Bank	546 Days	3/1/2022	0.65%	500,000
CoVantage Credit Union	365 Days	3/3/2022	0.50%	500,000
PFM Investments	365 Days	4/5/2022	0.20%	248,000
Abby Bank	730 Days	2/25/2023	0.40%	500,000
CoVantage Credit Union	730 Days	3/8/2023	0.60%	500,000
Invested Funds				10,625,550
Weighted Average	397 Days		0.53%	

North Central Health Care
Summary of Revenue Write-Offs
For the Period Ending May 31, 2021

	MTD	YTD
Adult Behavioral Health		
Administrative Write-Off	15,859	48,585
Bad Debt	126	1,197
Youth Behvioral Health		
Administrative Write-Off	288	1,605
Bad Debt	-	-
Outpatient & Community Treatment		
Administrative Write-Off	3,882	22,641
Bad Debt	330	1,433
Nursing Home Services		
Administrative Write-Off	31,882	44,462
Bad Debt	-	25,498
Pharmacy		
Administrative Write-Off	33	1,524
Bad Debt	-	-
Other Services		
Administrative Write-Off	3,950	17,183
Bad Debt	33	222
Grand Total		
Administrative Write-Off	55,893	136,000
Bad Debt	489	28,351

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: May 21, 2021
TO: North Central Community Services Program Board
FROM: Michael Loy, Chief Executive Officer
RE: City-County Information Technology Agenda Items

There are three agenda items (items 6E, 6F, and 6g) that are slated for action by the NCCSP Board this month.

City-County Information Technology Commission Intergovernmental Agreement

The Intergovernmental Agreement is the base agreement that constitutes the partnership of the City, County, and NCHC in the establishment of the Commission. This is an updated document that makes several clarifications but most significantly, reconstitutes the structure of the Commission and appointment process for the citizen member. Previously, there were two citizen members, this agreement takes that down to one citizen member who must now be appointed by each of the three partners governing board. The legal counsels of each entity and the Commission are supportive of this updated agreement.

City-County Information Technology Commission Operating Agreement

As a requirement of the Intergovernmental Agreement, we have a newly constituted operating agreement. The substantive nature of this agreement is the elements that speak to indemnification, immunity, and insurance protections. The Operating Agreement also identifies and outlines several key policy elements embedded into the structure of CCITC operations. Most importantly to NCHC, this agreement stipulated creation of a new Service Level Agreement and corresponding performance reporting. The legal counsels of each entity and the Commission are supportive of this Operating Agreement.

Appointment of Dr. Chet Strebe to the City-County Information Technology Commission

With the new appointment process, both of our previous citizen members on the CCIT Commission decided to not reapply for appointment. We publicly posted the appointment on the City and County website, and Dr. Chet Strebe is the most qualified citizen member and I recommend his appointment.

5/4/2021

CITY-COUNTY INFORMATION TECHNOLOGY COMMISSION INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT, effective April 6th, 2021, is made between Marathon County, the City of Wausau, and the North Central Health Care governmental units located in the State of Wisconsin, an establishment of a commission in accordance with Wis. Stats., §66.0301 as follows:

ARTICLE I

Name and Office

The name of this commission shall be the City-County Information Technology Commission. The principal office of the commission shall be at 407 Grant Street, Wausau, Wisconsin 54403.

ARTICLE II

Purpose

The purpose of the City-County Information Technology Commission (CCITC) is to provide for the implementation and operation of a cooperative data and management information system at a reasonable cost to foster efficiency in the provision of services under the direction of the governing Board of Commissioners.

ARTICLE III

Definition of Terms

For the purpose of this agreement, the following definitions shall be in effect:

"Commission" means the City-County Information Technology Commission.

"Board" means the Board of Commissioners of the City-County Information Technology Commission.

"Governmental Unit" means any city, village, township, county, school district or other political subdivision as sanctioned by law.

“Partner" means the governmental units which are parties to this agreement.

"Software" means computer programs, forms designs, user manuals and associated documentation.

“Enterprise equipment and systems” means all forms of technology in hardware and software that CCITC uses to provide services such as networking, security, storage, servers, etc to all Partners.

ARTICLE IV

Additional Partners

Section 1: Additional governmental units desiring to be Partners of this Commission shall adopt and execute a copy of this agreement and pay the established dues and charges upon approval of the existing Partners' governing boards.

ARTICLE V

Board of Commissioners

Section 1: The Commission shall be governed by a Board of Commissioners to be known as the City-County Information Technology Commission Board.

Section 2: The City-County Information Technology Commission Board shall consist of seven (7) Commissioners. The Commissioners shall be the persons occupying the following positions:

a. City of Wausau Mayor or Designee.

b. City of Wausau Finance Director.

c. Marathon County Board of Supervisors' Chairman or Designee.

d. Marathon County Administrator or Designee.

e. North Central Health Care Commission CEO or designee

f. North Central Health Care designee. The North Central Health Care CEO will be the designator

g. The seventh Commissioners shall be a appointed by a majority of the other six (6) Commissioners. Once appointed by the CCITC Board, the citizen commissioner shall be confirmed by the Marathon County Board, The city of Wausau Common Council and the

North Central Health Care board.

Section 3: The citizen Board Commissioner may be removed by majority vote of the Marathon County Board of Supervisors, the City of Wausau Common Council, and the North Central Health Care Board.

Section 4: The citizen Commissioner shall serve for a term of two (2) years . Beginning in April 2021, the non-citizen members shall recruit candidates for the citizen position and recommend the candidate for appointment by each of the member entities at least one week before the May CCITC Board meeting. Commissioners may be re-appointed to additional terms.

Section 5: The term of the citizen Commissioners shall end at the time of the May Marathon County Board of Supervisors meeting held in the middle of the term of the chairman of the Marathon County Board of Supervisors.

Section 6: In the event of a need to fill the position mid-term, an interim appointment will be made. If the opening is within 9 months of the end of the term, the CCITC board will appoint an interim commissioner to serve out the remainder of the term.

Section 7: The citizen commissioner shall be paid a per diem for each meeting attended, whether in person or virtual. The per diem amount should be set during the annual budget approval process for CCITC rates. The member would also be eligible for mileage reimbursement.

ARTICLE VI

Powers of the Board of Commissioners

Section 1: Subject to rules promulgated under the Wisconsin Statutes and Marathon County/City of Wausau ordinances and goals established by the City-County Information Technology Commission Board, the Board shall provide for:

a. Continuous planning, development and evaluation of programs and services for all service groups;

b. Establish long-range goals and intermediate range plans, detail priorities and estimate costs;

c. Develop new resources necessary to carry out its purposes;

d. Appoint a Director of the Commission on the basis of recognized and demonstrated interest in and knowledge of information systems, with due regard to training, experience, administrative ability, and general qualifications and fitness for the performance of the duties of the Director;

e. Fix the salaries of personnel employed;

f. Enter into contracts to render to or secure services, including professional consultation services;

g. Perform all functions required by applicable law;

h. To acquire, hold and dispose of property both real and personal as the Board deems necessary, to accumulate and maintain reasonable working capital reserves and invest and reinvest these funds subject to the applicable laws;

i. Shall cause an annual independent audit of the books to be made and shall make a monthly financial accounting, and report to the Partners;

j. The Board may purchase public liability insurance and such other bonds or insurance as it may deem necessary;

k. The Board may adopt such rules and procedures as necessary with regard to its process and actions.

l. Annually review and adopt a charge-back system.

Section 2: The Board may accept gifts, apply for and use grants or loans of money or other property from the state, or any other governmental unit or organization and may enter into agreements required in connection therewith and may hold, use and dispose of such monies or property in accordance with the terms of the gift, grant, loan or agreement.

Section 3: The Board may exercise any other power necessary and incidental to the accomplishment of the general purpose.

ARTICLE VII

Board Procedures

Section 1: The annual meeting of the Board shall be held in April at the time and place designated by the Chairman.

Section 2: The regular meetings of the Board shall be held monthly as scheduled by the Chairman at the previous meeting.

Section 3: Special meetings of the Board shall be called by the Secretary upon request of the Chairman.

Section 4: Notice of regular and special meetings of the Board shall be given at least twenty-four (24) hours before such meeting in a manner which complies with the Wisconsin Open Meeting Law.

Section 5: At all meetings of the Board, the presence of five (5) Commissioners shall constitute a quorum and action shall be taken by majority vote of Commissioners present and constituting a quorum.

Section 6: All parliamentary practice in conducting the business of the meeting not herein specifically provided for shall follow [the most current edition of] Robert's Rules of Order[newly revised].

Section 7: Board Commissioners that may be required to travel to meetings outside of Marathon County shall be reimbursed for expenses subject to obtaining prior approval from the Board. Approval of expenses shall be made by the Board upon review of an itemized statement submitted by the Commissioner.

ARTICLE VIII

Board Committees

Section 1: The Chairman of the Board may appoint such committees as deemed necessary to carry out functions and responsibilities of the Board subject to approval by the Board.

Section 2: The Chairman may appoint as members to such committees persons who are qualified to serve but who are not Commissioners of the Board subject to approval of the Board.

ARTICLE IX

Officers

Section 1: The officers of the Board shall be Chairman, Vice Chairman, Secretary-Treasurer, and shall be elected by the Board at its annual meeting.

Section 2: Nomination for each office of the Board shall be made by the Commissioners of the Board at the annual meeting of the Board.

Section 3: Officers shall be elected by the Commissioners for each office. The nominee receiving the most votes for each office shall be elected.

Section 4: The term of office of each officer shall be one (1) year or until a successor shall be

elected.

Section 5: The Chairman shall preside at all meetings of the Board.

Section 6: The Vice Chairman shall, in the absence or incapacity of the Chairman, perform the duties of the Chairman.

Section 7: The Secretary-Treasurer shall be responsible for the minutes of the Board and shall assure that notices of all meetings of the Board are given, and shall perform all usual duties of the office of Treasurer.

ARTICLE X

Powers and Duties of Director

Section 1: All of the administrative duties of managing, operating, maintaining, and improving the services shall be vested in the Director subject to such delegation of authority as is consistent with Wisconsin Statutes.

Section 2: In consultation and agreement with the Board, the Director shall prepare:

a. An annual plan and budget of all funds necessary for providing services, in which priorities and objectives for the year are established as well as modifications of long-range objectives;

b. Intermediate-range plans and budgets;

c. An annual report of the operations of the services.

Section 3: The Director shall manage the implementation of the plans as approved by the Board.

Section 4: The Director shall make recommendations to the Board for:

a. Personnel and salaries of employees;

b. Changes in services;

c. Contracts.

ARTICLE XI

Financial Matters

Section 1: The fiscal year of the Commission shall be the calendar year.

Section 2: An annual budget for the upcoming year shall be reviewed by the Board in August of each year. A budget shall be approved at the September board meeting and copies shall be mailed to the chief administrative officer of each Member by the Director (or Finance Manager) within two weeks of the approval. Such budget, including charges for services, shall be deemed approved by the Member unless the Member gives notice in writing that it is withdrawing from the Commission within sixty (60) days of adoption of the budget.

Section 3: The Board shall have the authority to fix cost sharing charges for all Partners in an amount sufficient to provide the funds required by the budget. The cost sharing ratio shall be fixed by the Board annually at the budget meeting. An initial capital contribution shall be made to the Commission by new Partners if they will be sharing use of assets previously purchased by other Partners. Said asset purchase rate shall be set by the Board. Any subsequent usage of assets not originally purchased may be charged to the new member at a rate to be determined by the Board.

Section 4: Billings for all charges shall be made in conjunction with the chargeback system as approved by the Board. Any Member whose charges have not been paid within sixty (60) days after the billing shall be in default and shall not be entitled to further voting privileges nor to use any of the Commission facilities and programs until such time as it is no longer in default. In the event that such charges have not been paid within sixty (60) days after such billing, such defaulting Member shall be deemed to have given notice of withdrawal from membership. In the event of a bona fide dispute between the Member and Board as to the amount which is due and payable, the Member shall nevertheless make such payment in order to preserve its status as a Member in good standing, but such payment may be made under protest and without prejudice to its right to dispute the amount of the charge and to pursue any legal remedies available.

Section 5: Excess revenues or unspent appropriations shall be considered by the Board when establishing the chargeback system.

Section 6: Insurance All equipment managed by CCITC shall be identified as owned by CCITC or a member. A report of assets shall be provided to each member annually. CCITC shall maintain insurance on all property owned by CCITC which shall include such items as PCs, laptops, monitors and furniture used by CCITC staff as well as all servers, networking equipment, electronic appliances, software and storage purchased by CCITC and used to support all Partners (also known as enterprise equipment and systems).

Each member is responsible for insuring assets purchased by the member such as Pcs, laptops, networking equipment, servers, printers, telephones, etc.

ARTICLE XII

Dissolution

Section 1: The organization shall be dissolved upon a favorable vote of three-quarters (6/8) of all Commissioners.

Section 2: In the event of dissolution the Board shall determine the measures necessary to effect the dissolution and shall provide for the taking of such measures as promptly as circumstances permit and subject to the provisions of this agreement.

Section 3: Upon dissolution, the remaining assets of the Commission, after payment of all obligations, shall be distributed among the then existing Partners in proportion to the five year average of annual operating contributions, as determined by the Board, provided that computer software prepared for such Partners shall be available to them, subject to such reasonable rules and regulations as the Board shall determine.

Section 4: If, upon dissolution, there is an organization deficit, such deficit shall be charged to and paid by the Partners on the basis of the charge back ratio average over the previous 5 years.

Section 5: In the event of dissolution, the following provisions shall govern the distribution of computer software owned by the organization:

a) All such software shall be an asset of the organization.

b) A Member may use (but may not authorize reuse by others) any software developed during its membership upon (1) paying any unpaid sums due, (2) paying the costs of taking such software, and (3) complying with reasonable rules and regulations of the Board relating to the taking and use of such software, such rules and regulations may include a reasonable time within which such software must be taken by any Member or former Member desiring to do so.

ARTICLE XIII

Duration

This agreement shall continue in effect indefinitely, until terminated in accordance with its terms.

ARTICLE XIV

Amendments

This agreement may be amended at any regular meeting of the Board or at any special meeting called for the purpose of amendment. Such amendment shall require the ratification of the action by the governing Board of each voting Member that is a party to this agreement.

ARTICLE XV

Operating Agreement

CCITC shall maintain an Operating Agreement that is attached as Exhibit A and hereby incorporated into this agreement [by reference]. The Operating Agreement defines details of operations. [as CCITC provides data and management information system services through its computers to its Partners].

IN WITNESS WHEREOF, the undersigned governmental units have caused this agreement to be executed on their behalf in accordance with the adopted resolutions which are attached.

Dated this ____ day of _____, 2020.

WITNESS: MARATHON COUNTY:

_____ By: _____

CITY OF WAUSAU:

_____ By: _____

North Central Health Care:

_____ By: _____

SCHEDULE "A"

AMENDMENT I

At the regularly scheduled meeting held December 3, 1987 Mort McBain moved and William Boos seconded the motion to amend the CCDCC Bylaws by changing Article V, Section 2 (a) from "City of Wausau Mayor" to read "City of Wausau Mayor or Designee"; and Section 2 (c) from "Marathon County Board of Supervisors' Chairman" to read "Marathon County Board of Supervisors' Chairman or Designee". Carried.

AMENDMENT II

At the regularly scheduled meeting held May 27, 1993 Ted Tellekson moved and Carla Manthe seconded the motion to accept the resolutions of the City of Wausau common Council (5/11/93) and the Marathon County Board of Supervisors (5/25/93) to add the following to Article V, Section 2:

e. The Marathon County Finance Director.

and delete the following from Article VIII:

Section 3: The Board shall have a Technical Advisory Committee consisting of seven (7) members. Committee members shall be appointed by the Board of Commissioners. The committee shall consist of one (1) commissioner representing Marathon County; one (1) commissioner representing the City of Wausau; four (4) citizen members; and the Director of the City-County Information Technology Commission.

The Technical Advisory Committee shall have the following duties:

a. Assist in evaluating and/or recommending solutions to data processing proposals, problems, or requests for service.

b. Recommend priorities.

c. Assist in long range planning and goal setting.

d. Exercise additional responsibilities as delegated to it by the Board of Commissioners.

The committee shall be the technical liaison, in an advisory capacity, between the

users and Board of Commissioners. All actions taken by the Technical Advisory Committee shall be advisory and subject to approval of the Board of Commissioners. Carried.

AMENDMENT III

At the regularly scheduled meeting held April 30, 1998 Cyndi Jahnke (Mayor Linda Lawrence's Designee) moved and Bryon Karow seconded the motion to amend the CCDCC Bylaws as follows:

- Article VII, Section 5 - Change the language from the presence of three (3) Commissioners shall constitute a quorum to **A**the presence of four (4) Commissioners shall constitute a quorum

And

- Article XII, Section 1 - Change the language from three-fifths (3/5) to four-sixths (4/6) or two-thirds (2/3).
Carried.

AMENDMENT IV

At the regularly scheduled meeting held October 14, 1999 Mort McBain moved and Maryanne Groat seconded the motion to amend the CCDCC Bylaws by adding Section 6 to Article XI as follows:

- The City of Wausau agrees to provide Insurance for all CCDCC personal property located on City property, on a full replacement cost basis. The CCDCC shall provide a list of all such personal property as required by the Insurance carrier.

Carried.

AMENDMENT V

At the regularly scheduled meeting held December 20, 2001, Mort McBain moved and Maryanne Groat seconded the motion to amend the CCDCC Bylaws as follows:

- Article V, Section 2(d) - Change the language from Marathon County Administrator to read Marathon County Administrator or Deputy County Administrator.

Amendment VI 9/23/08

At the regularly scheduled meeting held June 16, 2008 Kristi Kordus moved and Mort McBain seconded the motion to revise the name from the City-County IT Group (which had been approved at the May meeting) to the City-County Information Technology Commission.

Other recommended amendments:

- change voting from 6 to 8
- change quorum from 4 to 5
- Change the budget date from July to August
- establish the chargeback ratio during each year's annual budget
- new members shall buy into capital assets if they will be sharing their use.
- change dissolution requirement to 6/8
- Change distribution of assets to average of previous 5 years of ratios of the operating budget

Amendment VII. 10/2/08

1. Introduction. The Introduction to the Joint Cooperative Agreement shall be repealed and recreated, as follows:

   THIS AGREEMENT, effective March 1, 2009, is made between Marathon County, the City of Wausau, and the North Central Health Care governmental units located in the State of Wisconsin, an establishment of a commission in accordance with Wis. Stats., §66.0301 as follows:

2. Article V, Board of Comissioners, Section 2. The introduction to be amended to reflect eight (8) Commissioners instead of six (6).

3. Article V, Section 2, shall be amended to remove:

   e. Marathon County Finance Director

4. Article V, Section 2, shall be amended to include the following:

   e. North Central Health Care CEO or designee

   f. North Central Health Care Finance Director

5. Article V, Section 3, shall be amended to include:

   The other two (2) Commissioners shall be citizens of Marathon County and shall be: appointed by a majority vote of the other six (6) Commissioners.

6. Article VII, Section 5, shall be amended to reflect that the presence of five (5) Commissioners shall constitute a quorum.

7. Article X1, Section 2, shall be amended to reflect that the annual budget shall be adopted by the Board in August of each year. Copies of the budget shall be mailed by the first day of September.

8. Article XI, Section 3, is repealed and recreated as follows:

The Board shall have the authority to fix cost sharing charges for all Members in an amount sufficient to provide the funds required by the budget. The cost sharing ratio shall be fixed by the Board annually at the budget meeting. An initial capital contribution shall be made to the Commission by new members if they will be sharing use of assets previously purchased by other members. Said asset purchase rate shall be set by the Board. Any subsequent usage of assets not originally purchased may be charged to the new member at a rate to be determined by the Board.

9. Article XII, Section 1, shall be amended to reflect that a three quarters vote to dissolve the Commission shall be six of eight voting members.

10. Article XII, Section 3, is repealed and recreated to read:

Upon dissolution, the remaining assets of the Commission, after payment of all obligations, shall be distributed among the then existing Members in a proportion equal to the average of the five previous cost sharing ratios as established by the Board.

11. Article XI, Section 4, is repealed and recreated as:

If, upon dissolution, there is an organization deficit, such deficit shall be charged to and paid by the Members on the basis of the cost sharing ratio average over the five previous years.

12. The signature line shall be amended to include a signature by an authorized agent on behalf of North Central Health Care Facilities.

Amendment VIII 7/01/14

At the regularly scheduled meeting held July 1, 2014 Brad Karger moved and Gary Bezucha seconded the motion to amend the CCDCC Bylaws as follows:

- Article V, Section 2- Replace Marathon County Board of Supervisors' Chairman or designee with Marathon County Technology Committee Chairman.

Amendment IX 7/01/14

At the regularly scheduled meeting held July 1, 2014 Brad Karger moved and Brenda Glodowski seconded the motion to amend the CCDCC Bylaws as follows:

- Article VII, Section 5- Remove the requirement that a quorum must contain representatives of the City of Wausau and Marathon County.

Amendment X 4/02/19

At the regularly scheduled meeting held April 2, 2019 John Tubbs moved and Pat Puyleaert seconded the motion to amend the CCDCC Bylaws as follows:

- Article V, Section 2- Replace North Central Health Care Finance Director with North Central Health Care designee. The North Central Health Care CEO will be the designator.

Amendment XII 7/7/2020
At the regularly scheduled meeting held July 7, 2020 The board moved and approved multiple changes to incorporate previous amendments; updated insurance language; budget dates, etc. References to an Operating Agreement were added.
10/6/2020 - proposed new language for appointment of citizen members
12/1/2020 – language approved

Amendment 4/6/2021
Changed to one community member.

Exhibit A

City-County Information Technology Commission Operating Agreement

Last Updated 4/28/2021

As CCITC was created to provide for the implementation and operation of a cooperative data and management information systems at a reasonable cost to foster efficiency in the provision of services under the direction of the governing Board of Commissioners, this Agreement provides for the detail of those operations in the provision of those services:

CCITC serves Marathon County, the City of Wausau, and North Central Health Care (the Partners).

Mutual Hold Harmless/Indemnification

City-County IT Commission hereby agrees to release, indemnify, defend, and hold harmless Marathon County, the City of Wausau and North Central HealthCare (NCHC) , its officials, officers, employees and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney's fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, which is determined to be caused by the negligent or intentional acts or omissions of the Partner's officers, officials, employees, agents or assigns.

Marathon County, the City of Wausau and North Central HealthCare hereby agrees to release, indemnify, defend, and hold harmless the City-County IT Commission, its officials, officers, employees and agents from and against all judgments, damages, penalties, losses, costs, claims, expenses, suits, demands, debts, actions and/or causes of action of any type or nature whatsoever, including actual and reasonable attorney's fees, which may be sustained or to which they may be exposed, directly or indirectly, by reason of personal injury, death, property damage, or other liability, alleged or proven, which is determined to be caused by the negligent or intentional acts or omissions of City-County IT Commission's officers, officials, employees, agents or assigns.

Immunity

Nothing contained in this agreement is intended to be a waiver or estoppel of the rights of the County, NCHC and/or City of Wausau and their insurers to assert their rights to all affirmative defenses, limitations of liability and immunities as specifically set forth in Wisconsin Statutes, including sections 893.80, 895.52 and 345.05, and related statutes.

Insurance

In addition to CCITC, each of the three partners shall carry their own individual liability insurance with a carrier of at least an AM Best A- rating, which shall include, but not be limited to a cyber security liability policy. The premiums and other costs of the individual insurance, including the cyber security liability policy, will be borne individually by each entity. Cyber security liability coverage limits should be at least $2,000,000 in aggregate coverage. In the event of a cyber breach, each of the entities should report the event to their respective insurance provider. It is understood by the parties that every

potential breach has distinct facts with unique cause(s) and any responsibility for damages associated with a breach will be controlled by those facts and subject to the terms, conditions, exclusions, and limitations in any applicable policy of insurance.

The City of Wausau, Marathon County and North Central Health Care are additional insureds under the cyber and other professional liability policies of the City-County IT Commission for wrongful acts, as defined by CCITC's policy, committed by or on behalf of CCITC under the Operating Agreement ("Agreement"), effective on the date of this Agreement.

Sub-Contractors Insurance

CCITC will require all sub-contractors to obtain and maintain insurance coverage consistent with Marathon County's minimum insurance requirements for sub-contractors.

Health Insurance

CCITC shall provide Health Insurance to its employees. In 2020, and for previous years, the City of Wausau has included CCITC as an additional insured under the city's health and dental plans. The total cost of providing the plans has been paid for by CCITC. The employer/employee premium split shall be determined by the CCITC Board. In the event that CCITC is forced to find their own plan the premium split will be determined by its board using a cost/benefit plan analysis.

Property and Asset Coverage

The City of Wausau shall insure the area rented by CCITC, its fixtures and fittings, furniture, and the environmental systems, including the HVAC and fire alarms for the server room.

CCITC shall track, insure, and depreciate technology assets that are purchased to serve all or multiple agencies. These are "enterprise assets".

All assets purchased by CCITC but paid for fully by an agency shall be recorded on the agency's fixed asset system, insured by the agency, and depreciated according to their depreciation schedule.

HR Advising Retainer

CCITC shall contract with County Employee Resources for a fixed rate, approved by the CCITC Board, to provide the following:

1) Advice and policy help with HR practices
2) Assistance managing all types of leave issues including FMLA, PTO, Funeral, etc.
3) Consulting for any potential HR practice lawsuits
4) Recruiting, Interviewing, Onboarding, Performance Management, etc.

Legal Retainer

CCITC shall contract with County Corporation Counsel for a fixed rate, approved by the CCITC Board, for legal services including:

1) Contract negotiations for technology purchases
2) Other legal advice as needed

Risk Management retainer

CCITC shall contract with County Risk Management for a fixed rate, approved by the CCITC Board, for sharing education and consulting advice.

Data Ownership

Each agency is the owner of the data that they enter into their agency or CCITC enterprise systems. CCITC provides access to the information.

Business Associate Agreements ("BAA") and Qualified Service Organization Agreements ("QSO")

CCIT shall confer with legal counsel for each partner agency to determine whether BAA and/or QSO agreements between CCIT and the partner agency are necessary. To the extent that legal counsel for any partner agency determines that execution of a BAA and/or QSO is necessary in order to ensure compliance with applicable federal and state laws, CCIT shall enter into a BAA and/or QSO agreement in format provided or deemed acceptable by the partner agency. Each partner agency will have to make an independent determination of whether the information exchanged between CCIT and the partner agency is subject to applicable HIPAA and 2 CFR Part 2 regulations thus necessitating the execution of such agreements.

Criminal Justice Information Security (CJIS)

CCITC will maintain security for law enforcement data following CJIS guidelines and will coordinate CJIS audit responses relative to IT Security.

Serving Other Governmental Entities

The CCITC shall have as its primary responsibilities to serve the three partners. CCITC may provide services to other similar entities in law enforcement, local government, and community-oriented non-profits so long as these, "external entities" pay the fully loaded cost of providing the service and the services provided to the partners are not significantly impacted. In addition, there should be a public purpose served, such as allowing for a broader base for sharing of enterprise system costs. Any agreements to provide services to external entities must be approved by the CCITC Board in advance.

Finances

Each year CCITC shall review labor usage by each of the agencies and use a three-year rolling average to determine the operating cost split between the agencies.

CCITC shall establish a rate sheet for device support. The rates should reflect an internal rate for the three agencies that own CCITC as well as an external rate that reflects additional overhead costs. The goal of PC support rate is to cover the costs of the PC Technicians. PC Technician time shall not be used in determining the operating split. Other rates should reflect the costs to support the applicable service.

Capital Projects

CCITC shall work with each agency to plan capital projects. CCITC will follow the agency's schedule for submission (typically capital project requests are done in early June for the subsequent year).

Service Level Agreement

CCITC Shall set service level goals and metrics for evaluating goal performance in a Service Level Agreement. Service level metrics shall be reported to the CCITC Board monthly. Changes to the SLA will only need to be approved by the CCITC Board.

Marathon County Citizen Participation Form

Thank you for your interest in becoming involved with Marathon County Boards Committees or Commissions. Placement based, in part, on your responses to the following questions; please provide us with some information to use when considering your appointment by completing the questions below. You are welcome to attach additional information such as your resume or vitae that may further support your appointment. For additional information, visit Marathon County's Web Site at https://www.co.marathon.wi.us/ This form will remain on file for three years. A list of existing Boards, Commissions and Committees (including general information) can also be found on our website. Please consider becoming a part of this important Community Resource Group.

Contact Information

Date

4/16/2021

First Name *

Chet

Last Name *

Strebe

Address: *

6212 Caseyrae Court

City: *

Weston

Zip Code: *

54476

Phone *

(715)203-1201

Email *

cstrebe@hotmail.com

Years as a Marathon County Resident *

25

Occupation/Employer, if applicable

Associate Vice President of Information Technology and Chief Information Officer
Northcentral Technical College

Business Information

Business Name

Address:

City:

Zip Code:

Choose Boards/Commissions and/or Committee *

- [ ] Administrative Review Board
- [ ] Board of Adjustment
- [ ] Central Wisconsin Airport Board
- [ ] Children With Disabilities Board
- [ ] Civil Service Commission
- [ ] Diversity Affairs Commission
- [ ] Environmental Resources Committee (ERC)
- [ ] Highway Safety Commission
- [ ] Metallic Mining Committee
- [ ] North Central Community Services Program Board
- [ ] Park Commission
- [ ] Social Services Board
- [ ] Transportation Coordinating Committee
- [ ] WI Valley Library Service Board of Trustees
- [ ] ADRC-CW Advisory Committee
- [ ] Capital Improvement Committee
- [ ] Central WI Economic Development Board (CWED)
- [x] City-County IT Commission
- [ ] Community Action Program Board
- [ ] Local Emergency Planning Committee
- [ ] Board of Health
- [ ] Land Information Council
- [ ] Metropolitan Planning Commission
- [ ] North Central WI Regional Planning Commission
- [ ] Public Library Board
- [ ] Solid Waste Management Board
- [ ] Veterans Service Commission

Why are you interested in serving on these particular Committees? *

I am passionate about looking for opportunities to use technology to enhance our day to day lives. I am also looking for an opportunity to use my experience to give back to our community.

What qualifications can you bring to these Committees? *

I am attaching my resume which outlines my years of service in IT management.

On what other Committee(s) are you currently serving, if any?

I am a member of Wisconsin's statewide cyber response team, a board member for the Wausau Community Area Network, and an executive team member on the Midwest Higher Education Compact Technology Committee.

Other Community Involvement

References(Please Include 3)

Reference

First Name *

Lori

Last Name *

Weyers

Address:

1229 Evergreen Road

City:

Wausau

Zip Code:

54403

Phone *

(715)803-1060

Relationship to You *

Supervisor

First Name *

Patrick

Last Name *

Puyleart

Address:

7403 Strawflower Circle

City:

Wausau

Zip Code:
54401

Phone *
(715)571-6177

Relationship to You *
Colleague

First Name *
Paul

Last Name *
Henfer

Address:

City:
Wausau

Zip Code:
54401

Phone *
(715)389-6515

Relationship to You *
Colleague

Additional Information

You are welcome to attach additional information such as your resume or vitae that may further support your appointment.

Attachment(s)

Chet A Strebe Resume.docx 24.94KB

250 MB maximum file size

Signature *

Please sign here:

Chet A. Strebe

Weston, WI 54476 • (715) 551-6485 • cstrebe@hotmail.com • LinkedIn

EXECUTIVE INFORMATION TECHNOLOGY MANAGEMENT

Strategic Planning & Implementation / Budget Administration / Instructional Technology Integration

Detail-oriented and conscientious C-level technology executive with 15+ years' experience managing all technology-related decisions and strategic planning. Demonstrate rare paring of in-depth technical understanding with exceptional leadership and communications ability. Passionate advocate of technology integration into the instructional environment and a long track record of producing positive educational outcomes. Talented communicator and trainer committed to effectively facilitating greater understanding of information systems in the classroom. Consistent record of outstanding performance under even the most demanding of circumstances.

Core competencies include:

- Philosophy, Mission, & Vision Setting
- Policy Design & Implementation
- Project & Program Development
- Internal Operational Process Improvement
- Data Security & Risk Management
- Regulatory & Standards Compliance
- Multisite Operations Oversight
- Staff Recruitment & Training
- Teacher Training
- DoD Top Secret SCI Security Clearance

PROFESSIONAL EXPERIENCE

NORTHCENTRAL TECHNICAL COLLEGE, Wausau, WI
ASSOCIATE VICE PRESIDENT/CHIEF INFORMATION OFFICER (6/2001 – Present)

Define scope and lead operation and implementation of all telecommunications and information systems technology in alignment with District's mission. Balance demands of existing strategic plans with executive limitations and ends statements. Spearhead comprehensive planning for distance learning infrastructure, interactive television technologies, college-wide communications, as well as information and administrative systems, both hardware and software.

Selected accomplishments:

- Administer capital and operational budget totaling over $8M and have never exceeded allotment.
- Identified and introduced cutting edge life safety technologies across the college campus.
- Contribute expertise to implementation of technology solutions for new disaster recovery site.
- Lead 30 technical experts on a team comprised of exceptionally talented specialists in network design and implementation, video conferencing, instructional classroom design, Cisco voice system, PeopleSoft development, and cloud applications.
- Secured $2M federal Broadband Technology Opportunities Grant for improvements to Community Area Network Project.

…continued…

ADDITIONAL EXPERIENCE

NORTHCENTRAL TECHNICAL COLLEGE, Wausau, WI
COORDINATOR OF THE EMERGING TECHNOLOGY CENTER (6/1996 – 6/2001)

Headed Emerging Technology center and offered insights to college administration on potential of new and cutting-edge technology along with guidance on effective integration into teaching and learning setting. Provided advice on planning for future adoption and best way forward following introduction. Executed projects for research, design, and launch of educational and information systems on campus. Administered college network and e-mail systems and ensured operation in compliance with policies, procedures, and standards. Developed and offered staff training on all relevant systems

Selected accomplishments:

- Led college-wide video conferencing upgrade program, coordinating installation, systems integration, troubleshooting, and ongoing technical support.
- Took on duties of retiring ITV area head, contributing technical expertise for this department in addition to existing role with Emerging Technology Center.

•• ••• ••

Additional experience with Wisconsin Department of Transportation and the United States Air Force.

EDUCATION & CREDENTIALS

NORTHCENTRAL UNIVERSITY — San Diego, CA
Doctor of Business Administration in Management Information Systems

UNIVERSITY OF WISCONSIN STOUT — Menomonie, WI
Master of Science in Information and Communication Technologies

LAKELAND COLLEGE — Sheboygan, WI
Bachelor of Arts in Computer Science

METROPOLITAN COMMUNITY COLLEGE — Omaha, NE
Associate of Applied Science in Computer Programming

COMMUNITY COLLEGE OF THE AIR FORCE
Associate of Science in Information Systems Technology

Professional Development

Computer/Communication Systems Operations School – Keesler Air Force Base
Supervisors Safety Training Program
Introduction to Project Management

Professional Affiliations

Board Chair for Wausau Community Area Network
Member of Midwestern Higher Education Compact Technologies Executive Committee

Technical Proficiencies

Lotus Notes System Admin – PeopleSoft PeopleTools – HP-UX – Logical Data Design – ArcView II
Microsoft Office Suite – UNIX System V Administration – UNIX Korn Shell Scripting
MsMail Administration – Oracle – Windows Server – Joint Application Development
Office 365 – Microsoft Visio – Microsoft Project – Microsoft Teams – Windows OS
Smartsheet – Google Docs – Ubuntu – Dreamweaver – Genetec Security Center – Perceptive Content

North Central Health Care
Person centered. Outcome focused.

Mission Vision, Values, and End Statements

Mission

Langlade, Lincoln and Marathon Counties partnering together to provide compassionate and high quality care for individuals and families with mental health, recovery and skilled nursing needs.

Vision

Lives Enriched and Fulfilled

Core Values

Dignity: We are dedicated to providing excellent service with acceptance and respect to every individual, every day.

Integrity: We keep our promises and act in a way where doing the right things for the right reasons is standard.

Accountability: We commit to positive outcomes and each other's success.

Partnership: We are successful by building positive relationships in working towards a system of seamless care as a trusted community and county partner.

Continuous Improvement: We embrace change through purpose-driven data, creativity and feedback in pursuit of the advancement of excellence.

End Statements

People

Individuals served by North Central Health Care will have excellent outcomes as a result of a stable, highly qualified and competent staff who take pride in their work and the organization.

North Central Health Care will be an employer of choice with a strong caring culture, fostering a learning environment, providing careers with opportunities for growth and development, and ensuring a best practices focus through a commitment to continuous improvement.

Service

We exceed our Consumer and referral source expectations and satisfaction as a result of our readiness, clarity of communication, and superb ability to follow through.

Quality
North Central Health Care meets or exceeds established regulatory requirements and best practice guidelines. We are a leader in our ability to assess and develop a comprehensive treatment plan, deliver excellent services and measure outcomes in real-time.

Community
Our Community will be able to access our services through a highly responsive seamless integration of services. We have strong affiliations with both public and private partners, proactively collaborating, and developing a continuum of care both prior to and after delivering services, constantly aware of our collective impact on the health of the population we serve.

Financial
We are a financially viable organization providing increasing value by driving efficiency, growth and diversification, being highly adaptable to changing conditions, and futuristic in our perspective.

North Central Health Care

Board Presentation

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Table of Contents

Executive Summary

Summary of Current Operations

- North Central Health Care consists of two senior living campuses containing the following care options:
- Mount View Care Center (MVCC or Mount View):
  - 165-bed skilled nursing, including a 27-bed vent unit
  - 27-beds in reserve until September 1, 2021
  - Wausau, Wisconsin
- Pine Crest Nursing Home:
  - 160-bed skilled nursing, including 20-bed rehabilitation unit and 20-bed special care unit
  - Merrill, Wisconsin

Executive Summary

Observation / Finding	Recommendation
The market areas have more SNF beds than the market requires, and this is expected to worsen through 2026	• There is significant over capacity for skilled nursing in the market areas researched. • Based on current occupancy at the campuses, Mount View and Pine Crest have maintained strong occupancy regardless of the available beds. • The Pine Crest market area shows 2021 estimated bed demand of 231 beds, resulting in 93 excess beds in the Market Area • The Mount View market area shows 2021 estimated bed demand of 365 beds, resulting in 315 excess beds in the Market Area. • The regional market area shows 2021 estimated bed demand of 740 beds, resulting in 394 excess beds in the Market Area.
The market need for skilled nursing is expected to decrease through 2026, however rebound from 2026 - 2036	• Young senior (ages 65-74) population trends are strong through 2026, however during that time period the 85+ population is expected to only increase slightly. • Short-term external factors and demographic trends are also expected to decrease the need for skilled nursing over the next five years.
New SNF Reality	• Utilization of skilled nursing will continue to evolve as we move beyond COVID-19, with respect to home health services as a viable alternative • For many skilled nursing providers, the new reality may result in less occupancy than historical levels

Executive Summary

Observation / Finding	Recommendation
Continue to increase overall 5-Star rating, but decrease staffing to 4-Star level	• At the time of this report, Mount View had an overall STAR rating of 2 and Pine Crest an overall rating of 3. • Survey results have detracted from the 5-Star rating at both skilled nursing faculties. • Both Mount View and Pine Crest maintain a level-5 staffing component in the rating system. • Quality is important to maintain strong referrals, however a staffing decrease would not impair the overall rating • The increase cost is impairing financial health without a corresponding benefit.
Implement Changes to Incorporate a New Operational Model	A post-COVID-19 reality is likely to incorporate: • Overall senior demographic trends are favorable; however, seniors are expected to enter retirement with less saving increasing the need for Medicaid and other government sources • Continued integration with key referral sources • Insight into "value delivered" to discharging hospitals • Fully integrated information systems for resident information • Uniform scheduling processes and staffing management • Productivity measures real time with workflow management techniques • Awareness of performance metrics

Executive Summary

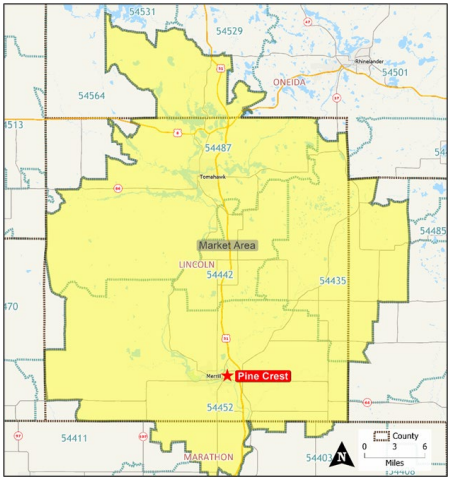
Observation / Finding	Recommendation
Staffing Levels are Higher Than Competitors	• Direct Care at both campuses and Housekeeping costs at Pine Crest is higher than competitors and is hindering financial performance. • As noted previously, both campuses are at a 5-star level staffing, which is not optimal for financial viability.
Employee Benefits are Trending Higher Than Competitors	• Employee benefits (including payroll taxes) are nearly 50% of salaries, as compared to an average of 28% for all Wisconsin skilled nursing providers. • Annually this variance results in millions of dollars in additional cost for these facilities. • Health insurance and Retirement Plan are significantly higher cost than the competition, due to participation in the State of Wisconsin benefits. • Alternatives should be explored to reduce health insurance expense, while maintaining a strong benefit package.
Management of Medicaid Census Will Provide for Improved Financial Results	• Most admissions at the campuses are funded with Medicaid, the least favorable of all payment sources. • Short-term and Medicare admissions are low, as comparted to the regional facilities, but is similar to other county owned nursing homes. • Reducing Medicaid or achieving an optimum level would need to be considered in relation to the size of facility, demographic changes in the market area, alternative care options, and desired financial result.

Summary of Market Research Analysis

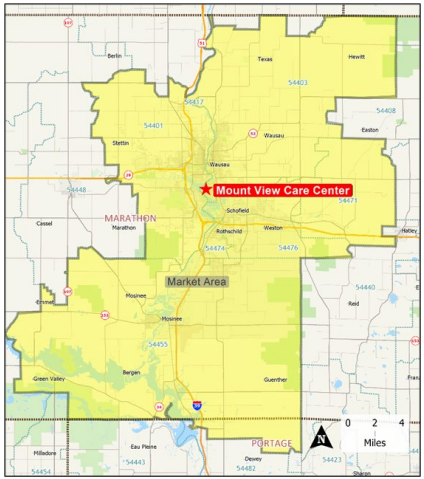
The report utilizes information derived from the Enhanced Demand Analysis for Skilled Nursing contained in the Appendix. This information should be read in conjunction with the full report.

Primary Market Areas

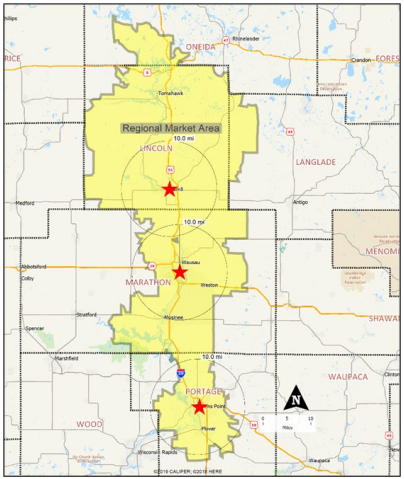
Pine Crest



Mount View



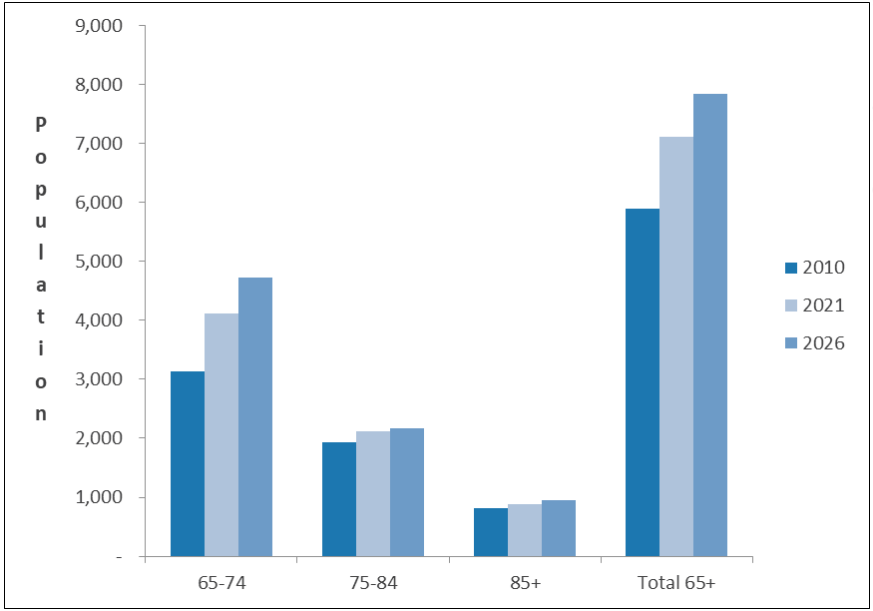
Region



Demographic Analysis – Pine Crest

Population

- In 2021, seniors (persons age 65+) are estimated to total **7,119** persons, an increase of **1,228** persons or **20.8%** from 2010.
- The senior population is projected to increase by **730** people or **10.3%** from 2021 to 2026.
- The largest projected growth is in the 65-to-74 age cohort, which is projected to add **971** people from 2021 to 2026. While this group is not the immediate target for senior living, the growth could indicate future demand.
  Overall, seniors age 75+ are projected to increase by **108** persons, or **3.6%** from 2021 to 2026.

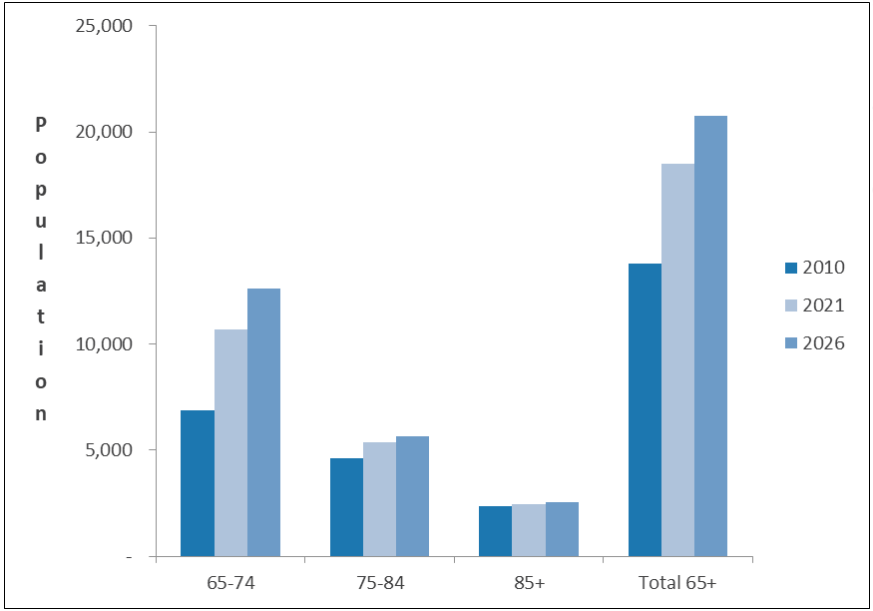


Age Cohorts	Population			% Annual Change	
	2010	2021	2026	2010-2021	2021-2026
65-74	3,141	4,112	4,734	*2.5%*	*2.9%*
75-84	1,939	2,121	2,166	*0.8%*	*0.4%*
85+	811	886	949	*0.8%*	*1.4%*
Total 65+	**5,891**	**7,119**	**7,849**	***1.7%***	***2.0%***

Demographic Analysis – Mount View

Population

- In 2021, seniors (persons age 65+) are estimated to total **18,474** persons, an increase of **4,662** persons or **33.8%** from 2010.
- The senior population is projected to increase by **2,302** people or **12.5%** from 2021 to 2026.
- The largest projected growth is in the 65-to-74 age cohort, which is projected to add **1,948** people from 2021 to 2026. While this group is not the immediate target for senior living, the growth could indicate future demand.
  Overall, seniors age 75+ are projected to increase by **354** persons, or **4.5%** from 2021 to 2026.

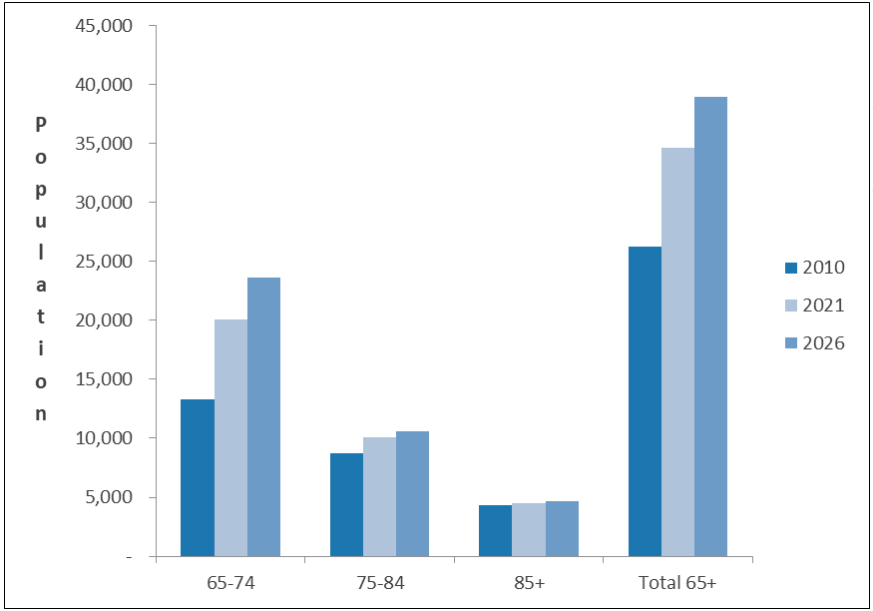


Age Cohorts	Population			% Annual Change	
	2010	2021	2026	2010-2021	2021-2026
65-74	6,857	10,665	12,613	*4.1%*	*3.4%*
75-84	4,590	5,363	5,633	*1.4%*	*1.0%*
85+	2,365	2,446	2,530	*0.3%*	*0.7%*
Total 65+	**13,812**	**18,474**	**20,776**	***2.7%***	***2.4%***

Demographic Analysis – Region

Population

- In 2021, seniors (persons age 65+) are estimated to total **34,649** persons, an increase of **8,371** persons or **31.9%** from 2010.
- The senior population is projected to increase by **4,293** people or **12.4%** from 2021 to 2026.
- The largest projected growth is in the 65-to-74 age cohort, which is projected to add **3,627** people from 2021 to 2026. While this group is not the immediate target for senior living, the growth could indicate future demand.
  Overall, seniors age 75+ are projected to increase by **666** persons, or **4.6%** from 2021 to 2026.



Age Cohorts	Population			% Annual Change	
	2010	2021	2026	2010-2021	2021-2026
65-74	13,271	20,043	23,670	*3.8%*	*3.4%*
75-84	8,699	10,116	10,599	*1.4%*	*0.9%*
85+	4,308	4,490	4,673	*0.4%*	*0.8%*
Total 65+	**26,278**	**34,649**	**38,942**	***2.5%***	***2.4%***

SNF Demand Analysis - Influencers

- In general, demand for aging services, including skilled nursing care, is influenced by five main factors (referred to herein as “demand influencers”):
- Managed Care / ACO / Medicare Advantage Part C referral sources, relationships and preferred provider agreements that often supersede resident choice;
- Environmental factors such as population growth, acute care usage and caregiver availability;
- Lifestyle and consumer choice, such as the substitution of housing and service alternatives for institutional skilled nursing care;
- State and public policy, such as home and community-based service funding; and
- Income and wealth, particularly poverty rates and availability of retirement income.

SNF Demand Analysis - Assumptions

- Baseline demand for 2021 is based upon utilization data from 2019 Medicare cost reports.
- PMA population growth projections indicate annual growth from 2021 to 2026 for seniors age 65-and-over.
- A 10% decrease in short-stay length of stay is estimated from 2021 to 2026, correcting towards the state and national average.
- Hospital utilization is estimated to decrease by 9% from 2021 to 2026, based upon the Wisconsin and national averages.
- These demand projections represent gross demand, including the existing supply.

SNF Demand – Pine Crest

	Pine Crest Market Area						
	Long Stay Days			Short Stay Days			Total
	Long Stay		Market Area	Short Stay (MC) Referring Hospitals		Market Area	
	Medicaid	Other	Total	Medicare	MC Adv	Total	
Baseline Demand 2021	**172**	**18**	**190**	**15**	**26**	**41**	**231**
Impact of Changes in Population (CAGR)	12	1	13	2	3	4	**18**
PMA							
Total - Population Adjusted 2026	184	19	203	17	28	45	**248**
2026 Impact of Environmental Variables							
-9% Changes in Hospital Utilization Rates	(17)	(2)	(19)	(2)	(3)	(4)	**(23)**
-10% Changes in Length of Stay	0	0	0	(2)	(3)	(4)	**(4)**
1% Other Environmental Impacts	0	0	0	(1)	1	0	**0**
Estimated Environmental Impacts	(17)	(2)	(19)	(4)	(4)	(8)	**(27)**
Total Demand 2026	**167**	**17**	**184**	**13**	**24**	**37**	**221**
% Change vs. 2021	**-2.8%**	**-2.8%**	**-2.8%**	**-13.8%**	**-6.9%**	**-9.5%**	**-4.0%**
CAGR	-0.6%	-0.6%	-0.6%	-2.9%	-1.4%	-2.0%	-0.8%

Note: the sum for each category may not equal the total, due to rounding estimates.

Demand In Primary Market Area

- The baseline demand in the Market Area in 2021 is estimated at 231 beds. This represents an average occupancy of 71.2 percent, based on Medicare cost report data.
- Assumptions for changes in population, length of stay, hospital utilization and other environmental impacts are estimated to result in a decrease in demand for nursing beds in the Market Area in 2026 to 221 beds (a decline of 4.0%).
- With a 2021 estimated bed demand of 231 beds, there are 93 excess beds in the Market Area. There are projected to be 103 excess beds in the Market Area by 2026.

SNF Demand – Mount View

	Mount View Care Center Market Area						
	Long Stay Days			Short Stay Days			Total
	Long Stay		Market Area	Short Stay (MC) Referring Hospitals		Market Area	
	Medicaid	Other	Total	Medicare	MC Adv	Total	
Baseline Demand 2021	**193**	**33**	**225**	**57**	**83**	**140**	**365**
Impact of Changes in Population (CAGR) PMA	7	1	8	7	10	17	**25**
Total - Population Adjusted 2026	199	34	233	64	93	157	**390**
2026 Impact of Environmental Variables							
-9% Changes in Hospital Utilization Rates	(19)	(3)	(22)	(6)	(9)	(15)	**(36)**
-10% Changes in Length of Stay	0	0	0	(6)	(8)	(14)	**(14)**
0% Other Environmental Impacts	0	0	0	(2)	2	(0)	**(0)**
Estimated Environmental Impacts	(19)	(3)	(22)	(14)	(15)	(29)	**(51)**
Total Demand 2026	**181**	**31**	**211**	**49**	**79**	**128**	**339**
% Change vs. 2021	**-6.2%**	**-6.2%**	**-6.2%**	**-12.5%**	**-5.3%**	**-8.2%**	**-7.0%**
CAGR	-1.3%	-1.3%	-1.3%	-2.6%	-1.1%	-1.7%	-1.4%

Note: the sum for each category may not equal the total, due to rounding estimates.

Demand In Primary Market Area

- The baseline demand in the Market Area in 2021 is estimated at 365 beds. This represents an average occupancy of 53.7 percent, based on Medicare cost report data.
- Assumptions for changes in population, length of stay, hospital utilization and other environmental impacts are estimated to result in a decrease in demand for nursing beds in the Market Area in 2026 to 339 beds (a decline of 8.2%).
- With a 2021 estimated bed demand of 365 beds, there are 315 excess beds in the Market Area. There are projected to be 341 excess beds in the Market Area by 2026.

SNF Demand – Region

	Market Area						
	Long Stay Days			Short Stay Days			Total
	Long Stay		Market Area	Short Stay (MC) Referring Hospitals		Market Area	
	Medicaid	Other	Total	Medicare	MC Adv	Total	
Baseline Demand 2021	***440***	***66***	***507***	***94***	***139***	***233***	***740***
Impact of Changes in Population (CAGR) PMA	*18*	*3*	*21*	*12*	*17*	*29*	***50***
Total - Population Adjusted 2026	*458*	*69*	*527*	*105*	*157*	*262*	***789***
2026 Impact of Environmental Variables							
-9% Changes in Hospital Utilization Rates	*(43)*	*(6)*	*(49)*	*(10)*	*(15)*	*(24)*	***(73)***
-10% Changes in Length of Stay	*0*	*0*	*0*	*(10)*	*(14)*	*(24)*	***(24)***
0% Other Environmental Impacts	*0*	*0*	*0*	*(4)*	*5*	*1*	***1***
Estimated Environmental Impacts	*(43)*	*(6)*	*(49)*	*(23)*	*(24)*	*(47)*	***(96)***
Total Demand 2026	***416***	***63***	***478***	***82***	***133***	***215***	***693***
% Change vs. 2021	***-5.6%***	***-5.6%***	***-5.6%***	***-12.2%***	***-4.9%***	***-7.8%***	***-6.3%***
CAGR	*-1.1%*	*-1.1%*	*-1.1%*	*-2.6%*	*-1.0%*	*-1.6%*	*-1.3%*

Note: the sum for each category may not equal the total, due to rounding estimates.

Demand In Primary Market Area

- The baseline demand in the Market Area in 2021 is estimated at 740 beds. This represents an average occupancy of 65.2 percent, based on Medicare cost report data.
- Assumptions for changes in population, length of stay, hospital utilization and other environmental impacts are estimated to result in a decrease in demand for nursing beds in the Market Area in 2026 to 693 beds (a decline of 6.3%).
- With a 2021 estimated bed demand of 740 beds, there are 394 excess beds in the Market Area. There are projected to be 441 excess beds in the Market Area by 2026.

Estimated Independent Living Demand

Pine Crest

	Estimated Demand		
	2021	2023	2026
INDEPENDENT SENIOR HOUSING:			
Rents starting at…			
$2,500/Month in 2021 dollars	70	69	67
$3,500/Month in 2021 dollars	33	33	34

Source: CliftonLarsonAllen LLP

Mount View

	Estimated Demand		
	2021	2023	2026
INDEPENDENT SENIOR HOUSING:			
Rents starting at…			
$2,500/Month in 2021 dollars	68	65	61
$3,500/Month in 2021 dollars	No Demand	No Demand	No Demand

Source: CliftonLarsonAllen LLP

Region

	Estimated Demand		
	2021	2023	2026
INDEPENDENT SENIOR HOUSING:			
Rents starting at…			
$2,500/Month in 2021 dollars	263	256	245
$3,500/Month in 2021 dollars	77	77	77

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level.

Estimated RCAC Assisted Living Demand

Pine Crest

	Estimated Demand		
	2021	2023	2026
RCAC ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	47	48	49
$5,000/Month in 2021 dollars	38	38	39

Source: CliftonLarsonAllen LLP

Mount View

	Estimated Demand		
	2021	2023	2026
RCAC ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	54	59	66
$5,000/Month in 2021 dollars	No Demand	5	13

Source: CliftonLarsonAllen LLP

Region

	Estimated Demand		
	2021	2023	2026
RCAC ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	106	113	123
$5,000/Month in 2021 dollars	7	14	24

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level.

Estimated CBRF Assisted Living Demand

Pine Crest

	Estimated Demand		
	2021	2023	2026
CBRF ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	No Demand	No Demand	No Demand
$5,000/Month in 2021 dollars	No Demand	No Demand	No Demand
CBRF MEMORY CARE SENIOR HOUSING:			
Rents starting at…			
$6,500/Month in 2021 dollars	8	9	9

Source: CliftonLarsonAllen LLP

Mount View

	Estimated Demand		
	2021	2023	2026
CBRF ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	No Demand	No Demand	No Demand
$5,000/Month in 2021 dollars	No Demand	No Demand	No Demand
CBRF MEMORY CARE SENIOR HOUSING:			
Rents starting at…			
$6,500/Month in 2021 dollars	74	77	80

Source: CliftonLarsonAllen LLP

Region

	Estimated Demand		
	2021	2023	2026
CBRF ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	No Demand	No Demand	No Demand
$5,000/Month in 2021 dollars	No Demand	No Demand	No Demand
CBRF MEMORY CARE SENIOR HOUSING:			
Rents starting at…			
$6,500/Month in 2021 dollars	64	67	70

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level.

Benchmarking

State of Wisconsin

Benchmarking Approach

- The engagement approach consisted of comparing various financial and operating metrics of the MVCC and Pine Crest to other organizations within the geographic region, the state and other government owned organizations in Wisconsin. The objective of this component of the engagement is to provide insight in the following areas:
  - Operations: including operational performance indicators, staffing practices; wage and benefit package costs; admissions practices; referrals and census management;
  - Support services costs: such as dietary, housekeeping, laundry and maintenance
  - Revenue trends and primary market competition: rate analysis, case mix, documentation adequacy and timeliness; optimization analysis, staff knowledge of methodology and quality indicators
- The following data sources were utilized to benchmark the operations against similar SNFs. Following is a description of these data bases:
  - **CliftonLarsonAllen 34th Nursing Facility Cost Comparison** - This report represents data from over 14,000 nursing facilities, including for-profit and not-for-profit in stand-alone and affiliated type organizations.
  - **CLA Proprietary Medicare Database** - represents data pulled from the CMS database of Medicare cost reports that were filed. The data is specific to the county and primary market and compares the respective facility data to the county/state/CBSA as well as specific information from the Medicaid report.
  - **CLA Proprietary Wisconsin Medicaid Database** - represents data pulled from the Wisconsin DHS database of Medicaid cost reports that were filed for periods ending in calendar year 2019.

Approach – Indicator Formulas

Operating Margin = Net Operating Income (Loss) / Operating Revenue

EBIDA = (Net Income (Loss) or Change in Unrestricted Net Assets + Interest Expense + Depreciation Expense + Amortization Expense) / Total Revenue

Occupancy Percentage = Resident Days / Facility Beds x 365

Payor Mix = Resident Day Mix / Total Resident Days

Days Revenue in Accounts Receivable = Accounts Receivable / (Resident Revenue/365)

Average Age of Plant = Accumulated Depreciation / Depreciation Expense

Capital Spending Ratio = Capital Purchases / Operating Revenues

Net Margin Ratio = Net Income (Loss) or Charge in Unrestricted Net Assets / Total Revenue

Current Ratio = Current Assets / Current Liabilities

Days Cash on Hand = Cash and Cash Equivalents / (Operating Expenses – Depreciation)/365

Wages Per Compensated Hour = Wages / Compensated Hours

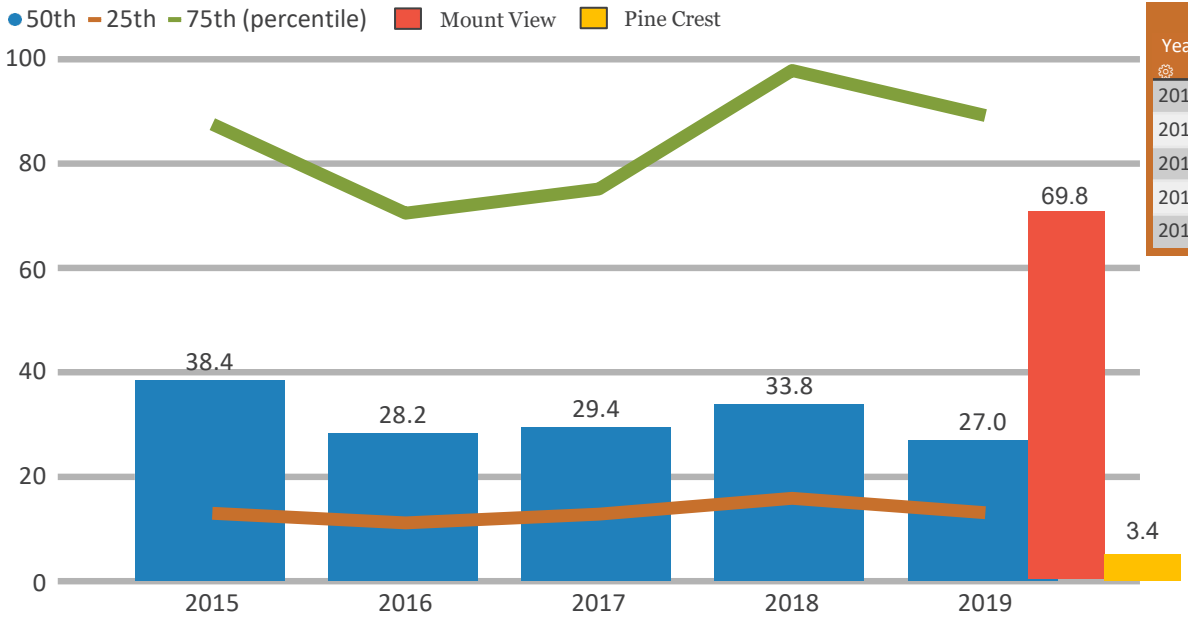
Payroll Taxes and Fringe Benefits = Benefits Mix / Total Salary Expense

Hours Per Resident Day = Compensated Hours / Resident Days

CliftonLarsonAllen 34th Nursing Facility Cost Comparison

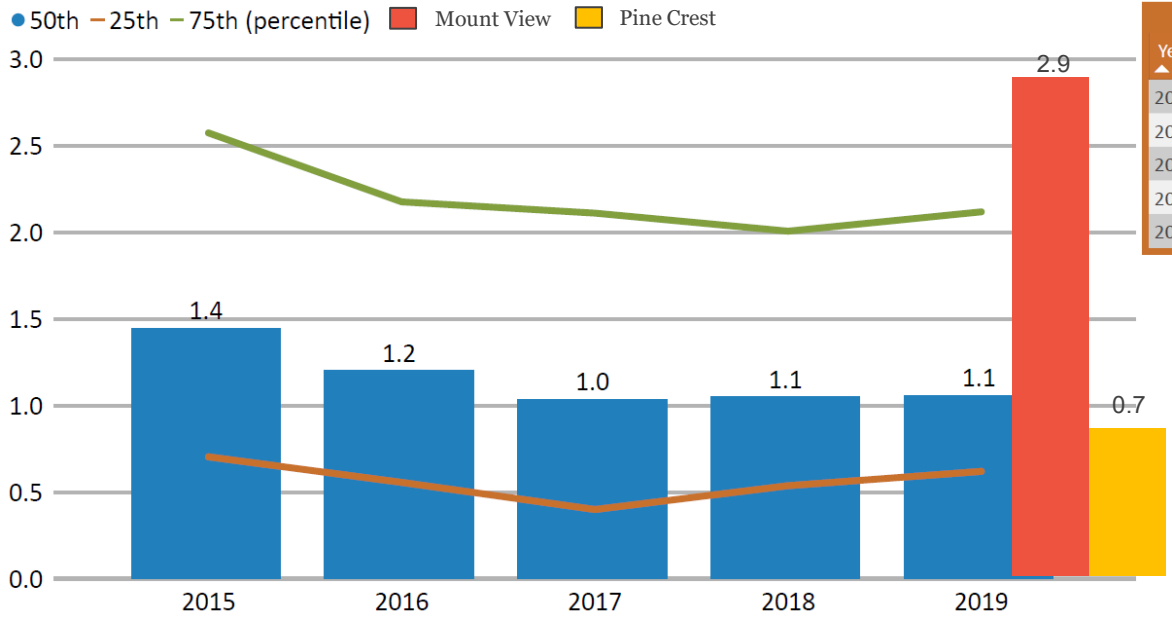
Financial Benchmarking

Days Cash on Hand



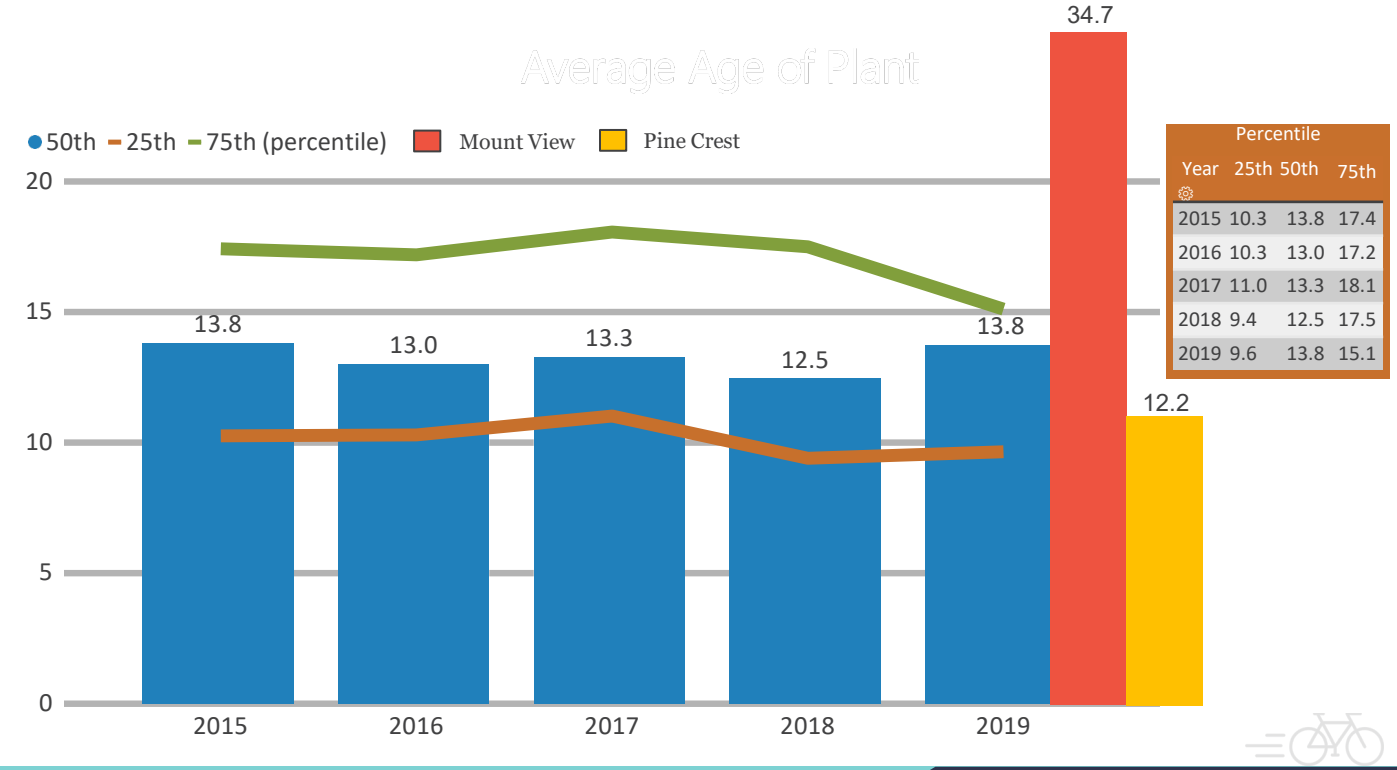
Percentile			
Year	25th	50th	75th
2015	13.0	38.4	87.6
2016	11.1	28.2	70.5
2017	12.8	29.4	75.1
2018	15.9	33.8	97.8
2019	13.1	27.0	89.2

Current Ratio



Percentile			
Year	25th	50th	75th
2015	0.7	1.4	2.6
2016	0.6	1.2	2.2
2017	0.4	1.0	2.1
2018	0.5	1.1	2.0
2019	0.6	1.1	2.1

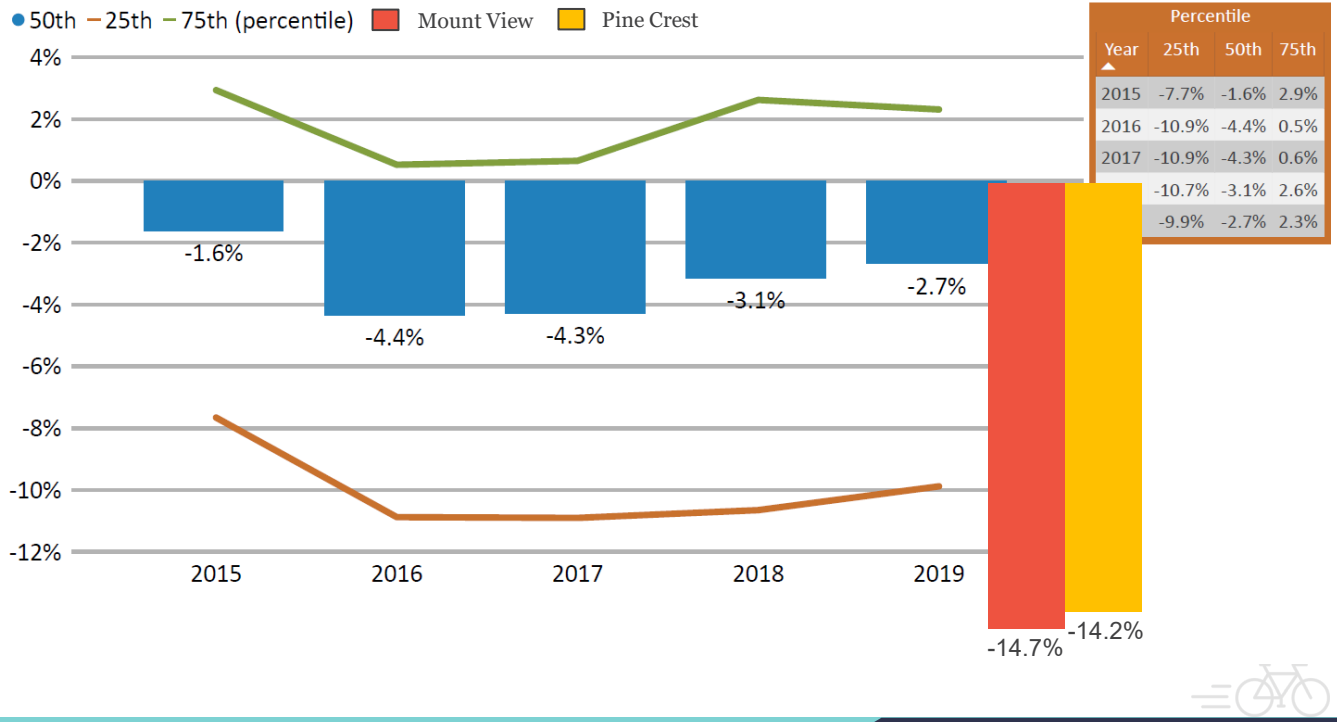
Average Age of Plant



Percentile			
Year	25th	50th	75th
2015	10.3	13.8	17.4
2016	10.3	13.0	17.2
2017	11.0	13.3	18.1
2018	9.4	12.5	17.5
2019	9.6	13.8	15.1

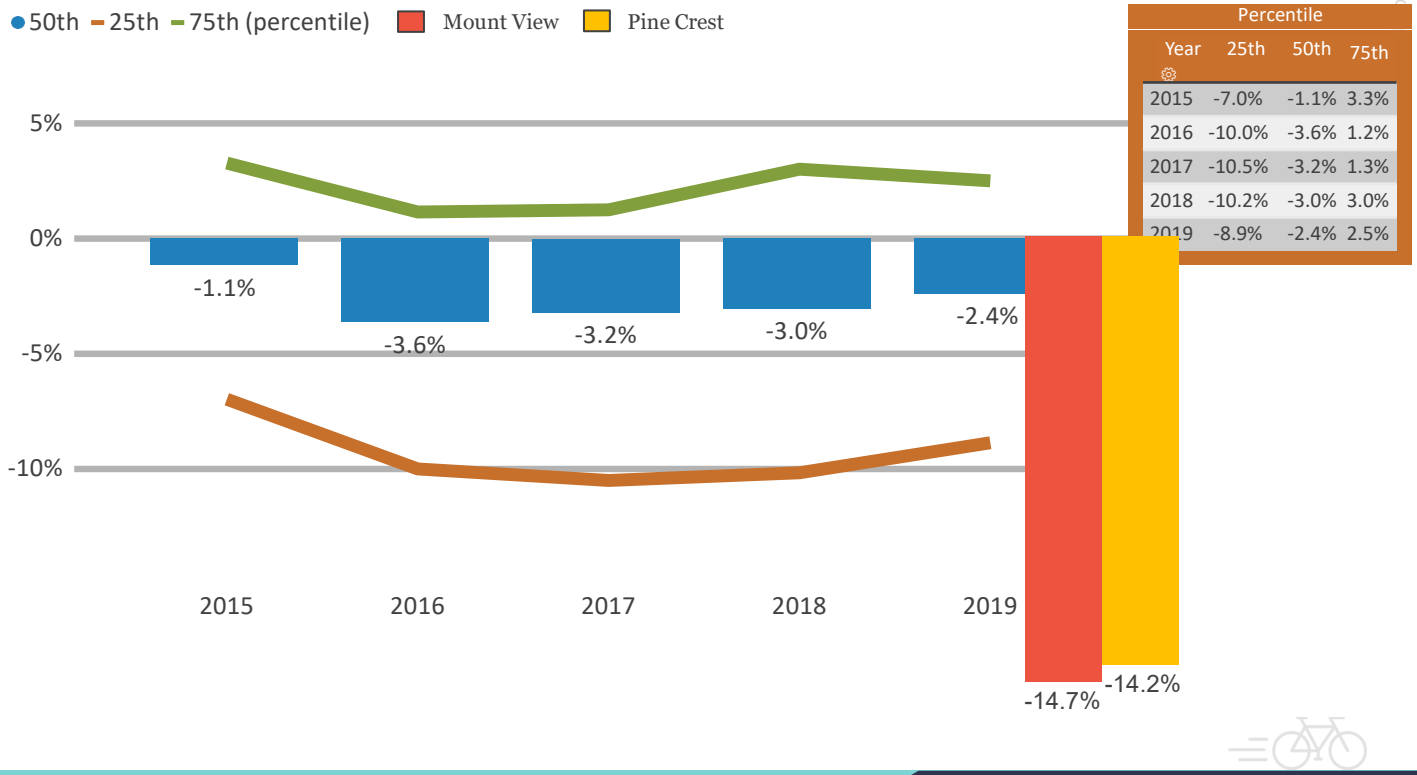
Capital Spending Ratio

Operating Margin



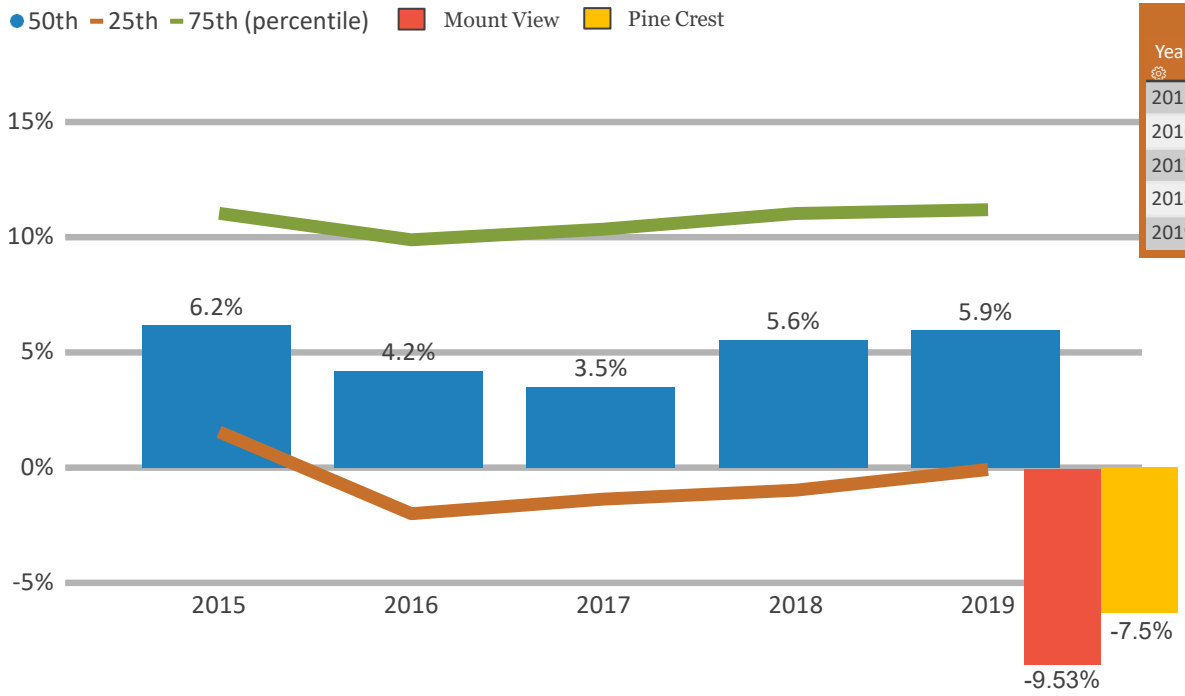
Percentile			
Year	25th	50th	75th
2015	-7.7%	-1.6%	2.9%
2016	-10.9%	-4.4%	0.5%
2017	-10.9%	-4.3%	0.6%
	-10.7%	-3.1%	2.6%
	-9.9%	-2.7%	2.3%

Net Margin Ratio



Percentile			
Year	25th	50th	75th
2015	-7.0%	-1.1%	3.3%
2016	-10.0%	-3.6%	1.2%
2017	-10.5%	-3.2%	1.3%
2018	-10.2%	-3.0%	3.0%
2019	-8.9%	-2.4%	2.5%

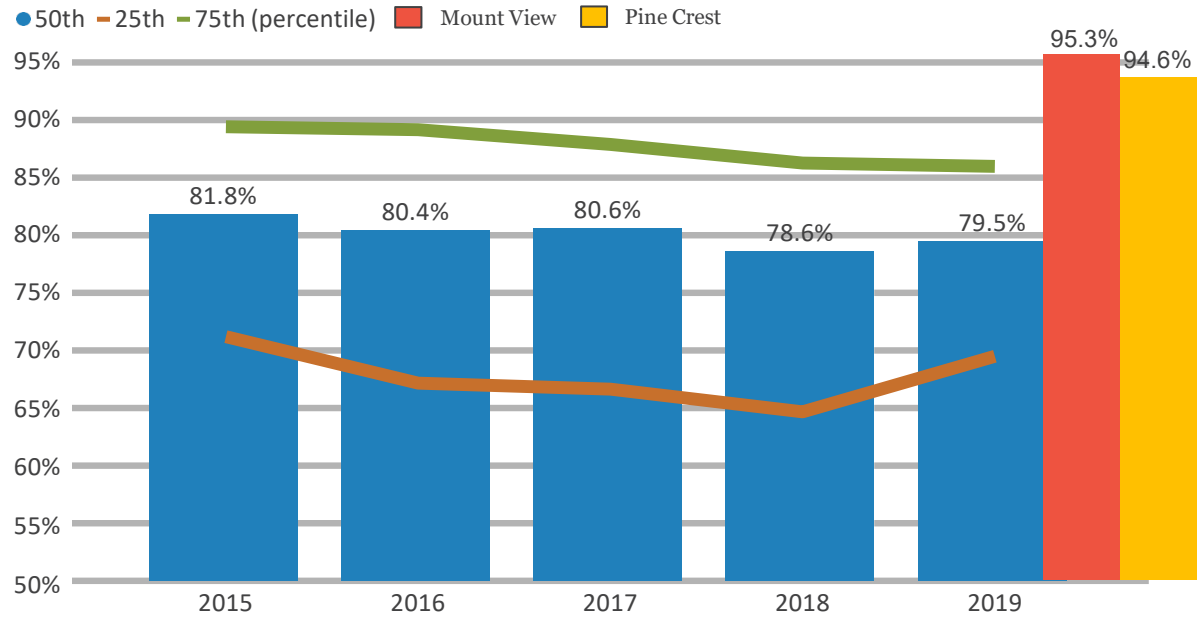
Earnings Before Interest, Depreciation, and Amortization



Percentile			
Year	25th	50th	75th
2015	1.5%	6.2%	11.0%
2016	-2.0%	4.2%	9.9%
2017	-1.4%	3.5%	10.3%
2018	-1.0%	5.6%	11.0%
2019	-0.1%	5.9%	11.2%

Occupancy Percentage

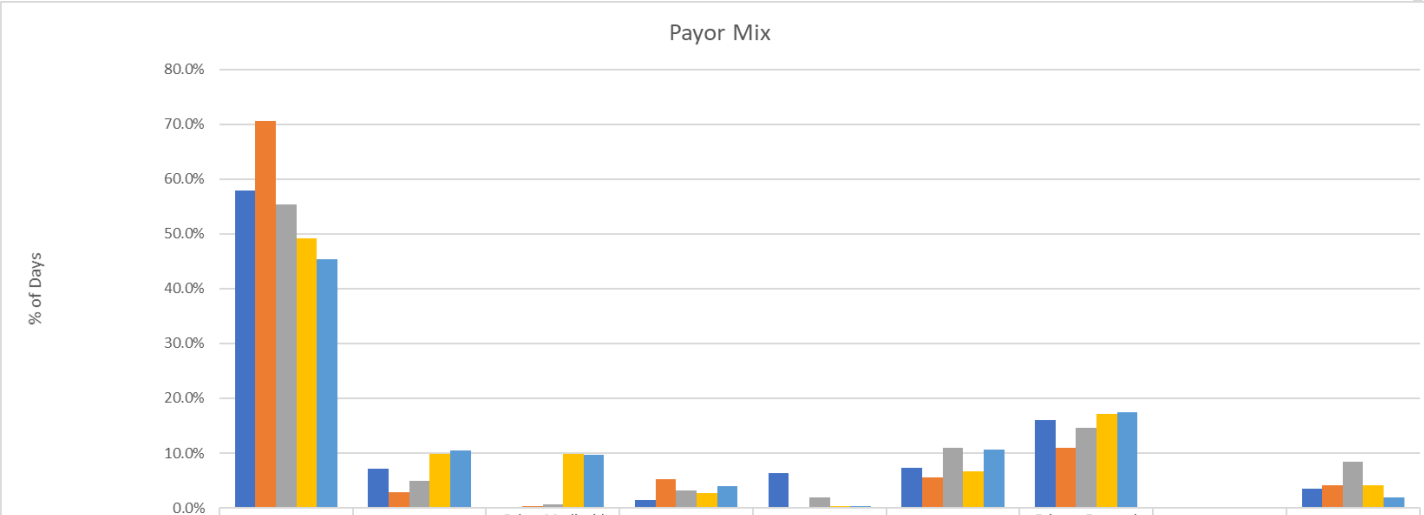
2015	71.2%	81.8%	89.4%
2016	67.2%	80.4%	89.1%
2017	66.6%	80.6%	87.9%
2018	64.7%	78.6%	86.3%
2019	69.5%	79.5%	86.0%



CliftonLarsonAllen 34th Nursing Facility Cost Comparison

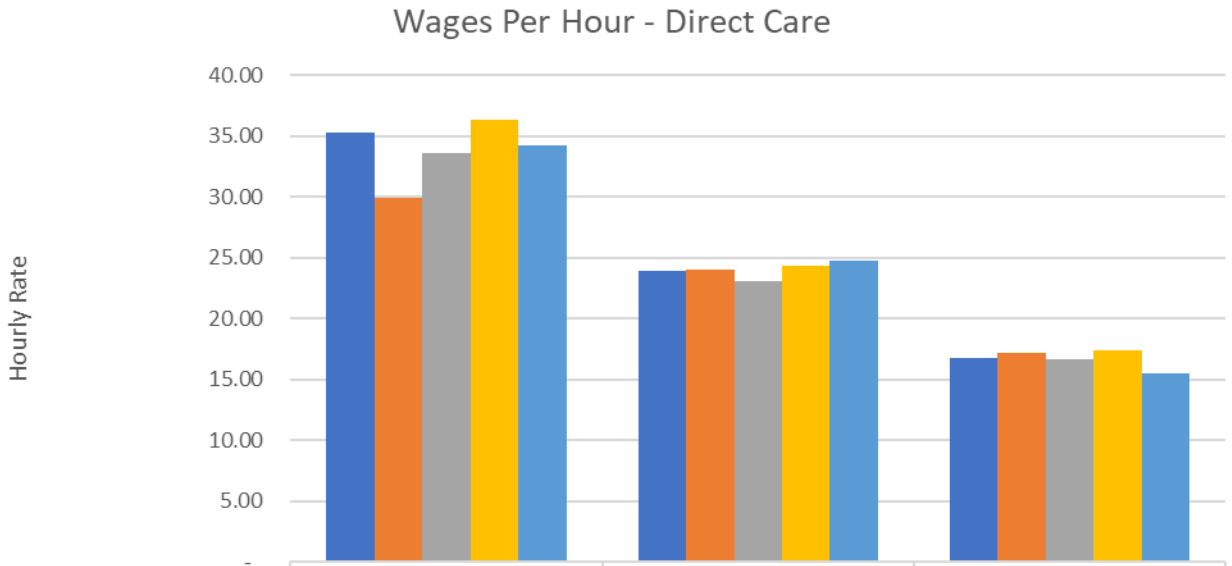
Operational Benchmarking

Median Payor Mix by Percentage



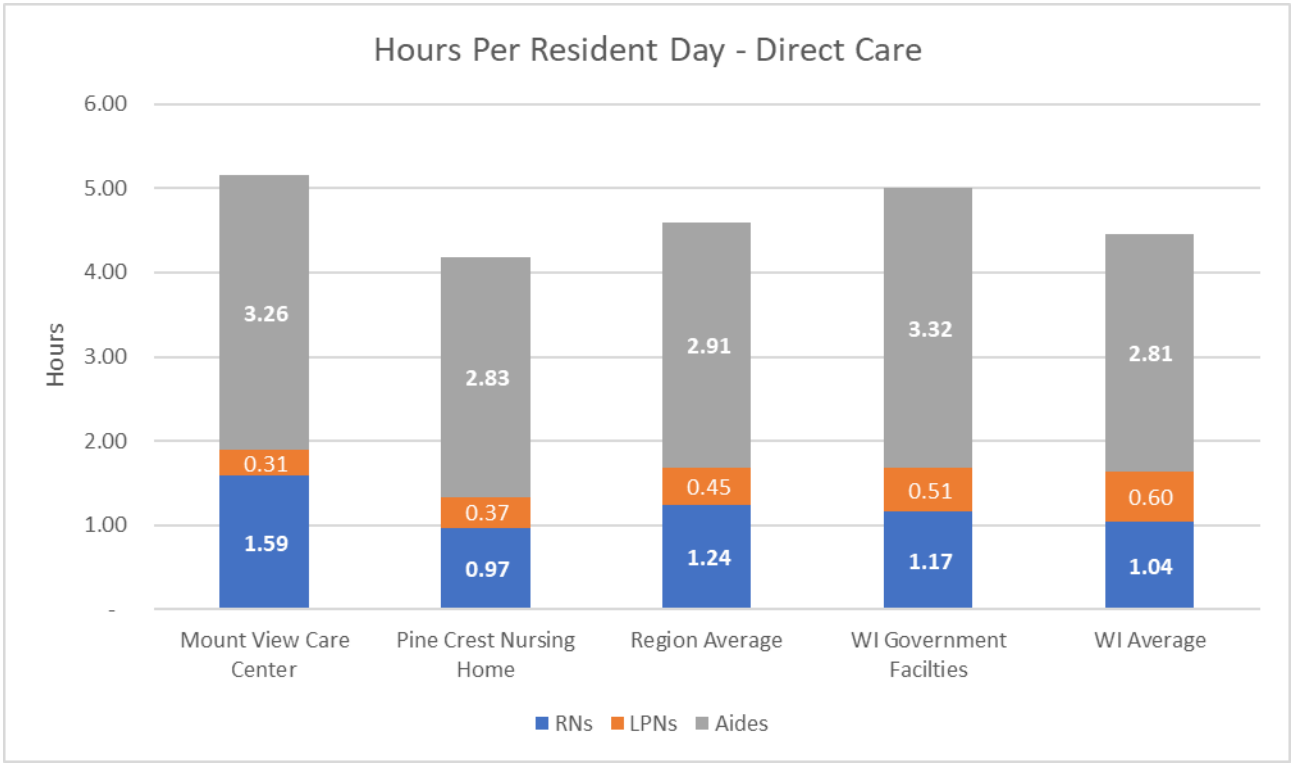
	Medicaid	Family Care	Other Medicaid Managed Care	Hospice	Ventilator	Medicare	Private Pay and Insutance	Bedhold	Other
Mount View Care Center	57.9%	7.1%	0.2%	1.5%	6.4%	7.4%	16.1%	0.0%	3.5%
Pine Crest Nursing Home	70.7%	2.9%	0.3%	5.3%	0.0%	5.6%	11.0%	0.1%	4.2%
Region Average	55.3%	4.9%	0.7%	3.2%	1.9%	10.9%	14.7%	0.1%	8.4%
WI Government Facilties	49.1%	9.8%	9.9%	2.7%	0.3%	6.7%	17.2%	0.2%	4.2%
WI Average	45.4%	10.4%	9.7%	3.9%	0.3%	10.7%	17.5%	0.2%	1.9%

Median Wages per Hour

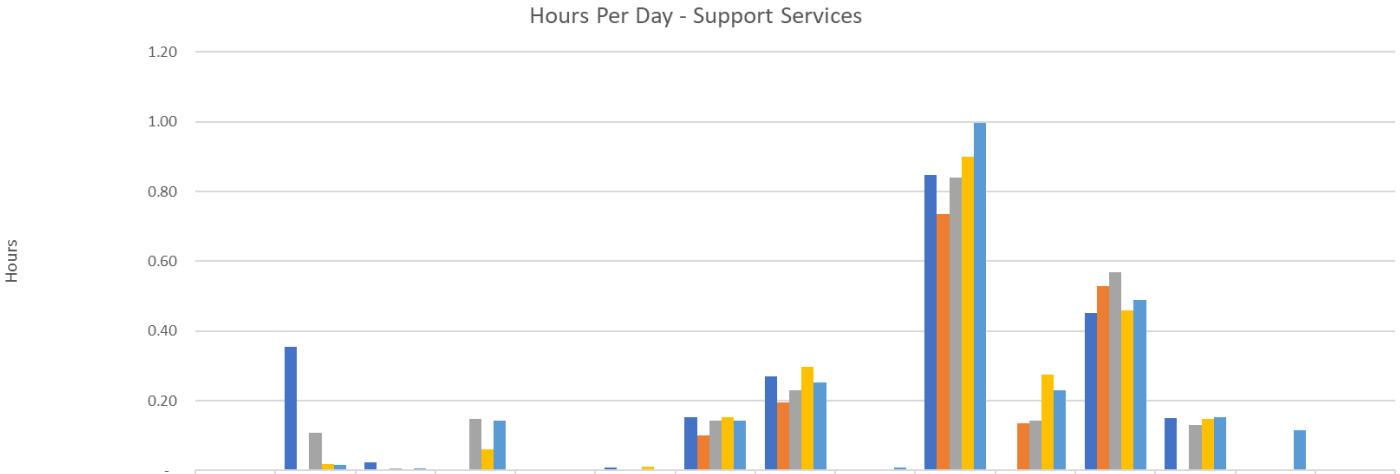


	RNs	LPNs	Aides
Mount View Care Center	35.26	23.90	16.76
Pine Crest Nursing Home	29.96	23.99	17.19
Region Average	33.57	23.09	16.69
WI Government Facilties	36.35	24.31	17.41
WI Average	34.21	24.78	15.53

Nursing Hours per Resident Day

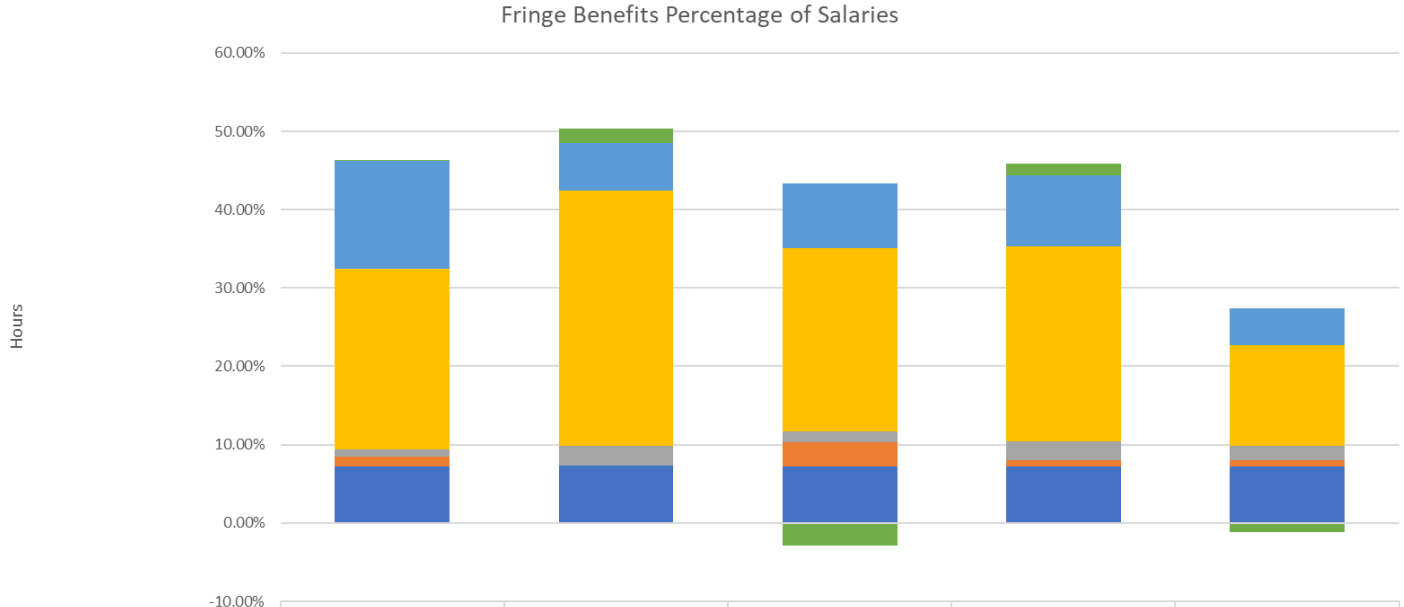


Support Hours per Resident Day



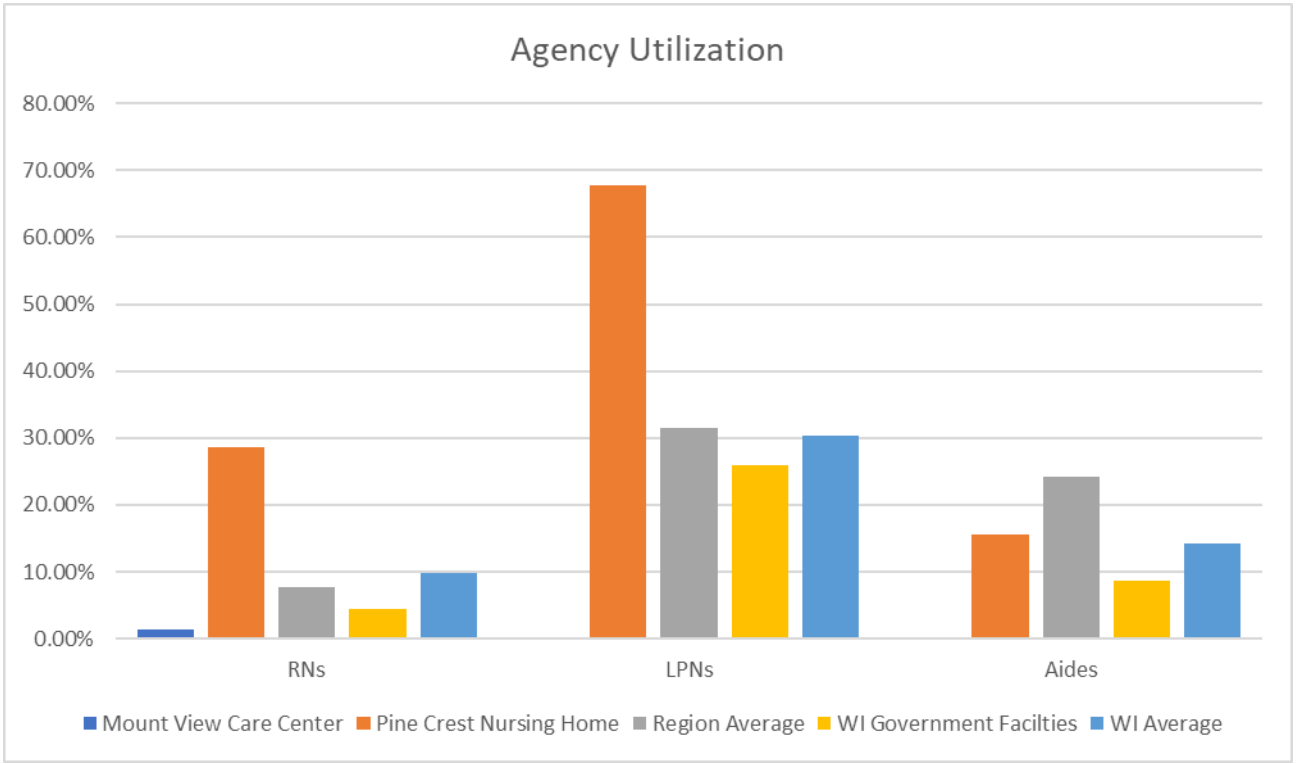
	Laboratory & Radiology	Respitory	Pharmacy	Therapy	Dental	Physician	Social Service	Activities	Religious	Dietary	Plant Ops	Housekeeping	Laundry	Security	Transportation
Mount View Care Center	-	0.35	0.02	-	-	0.01	0.15	0.27	-	0.85	-	0.45	0.15	-	-
Pine Crest Nursing Home	-	-	-	-	-	-	0.10	0.20	-	0.74	0.14	0.53	-	-	-
Region Average	-	0.11	0.01	0.15	-	0.00	0.14	0.23	-	0.84	0.14	0.57	0.13	-	-
WI Government Facilties	-	0.02	0.00	0.06	0.00	0.01	0.15	0.30	0.00	0.90	0.28	0.46	0.15	-	-
WI Average	0.00	0.01	0.01	0.14	0.00	0.00	0.14	0.25	0.01	1.00	0.23	0.49	0.15	0.11	-

Benefits as a Percentage of Salaries



	Mount View Care Center	Pine Crest Nursing Home	Region Average	WI Government Facilties	WI Average
Other	0.09%	1.80%	-2.91%	1.52%	-1.13%
Retirement	13.77%	6.11%	8.19%	9.09%	4.69%
Health, Dental and Vision Insurance	23.06%	32.65%	23.40%	24.82%	12.87%
Workers Compensation	0.90%	2.48%	1.45%	2.44%	1.83%
Unemployment Compensation	1.29%	0.01%	3.01%	0.80%	0.84%
Payroll Taxes	7.19%	7.31%	7.26%	7.20%	7.19%

Nursing Pool Utilization



State of Senior Living

An Environment Ripe for Change

- The COVID pandemic did not create anything new, but it is accelerating and making permanent certain elements that were already evolving.
- Health care providers, consumers of health care, and purchasers of health care services have all been impacted financially.
- The federal government has pumped trillions of dollars into the economy, including for health care, but the level of federal spending that has taken place is not sustainable.
- The cost of health care remains too high, and transitioning of care to lower cost environments, including the home, will continue to gain traction.
- Approximately 1 out of 5 people in America have deferred getting needed care or can't afford to get the care they need.
- Consumerism in health care is at an all time high – health care is generally being viewed just like any other good or service; consumers expect satisfaction at a reasonable price!

An Environment Ripe for Change

- Disruptors entering the market are and will continue to gain traction, especially if they can meet the consumer expectations for cost, access and quality.
- With the rise in unemployment many are losing access to coverage; the disparity in access to care has been magnified.
- The new Administration brings a philosophy of expanding coverage, reducing health disparities, and making health care affordable and accessible for all.
- While the exact form or format to accomplish the Administrations goals remains unknown, what is known is the COVID-19 pandemic appears to have changed the mindset of many in the country, and thus creates a platform for potential success for a new vision.

Senior Care Services Being Revaluated

COVID-19 had a disproportionate impact on residents in long-term care facilities.

~ 25%
Percent of COVID deaths that have occurred in long-term care facilities

<0.5%
Of U.S. population that lives in a long-term care facility.

Some considering a shift of senior care toward home.

Increase in consumer preference to age in place.

Growing stigma of long-term care due to frequent COVID-19 outbreaks.

> 50% ***Family members say they plan to substitute in-home care for facility-based care even after the pandemic.***

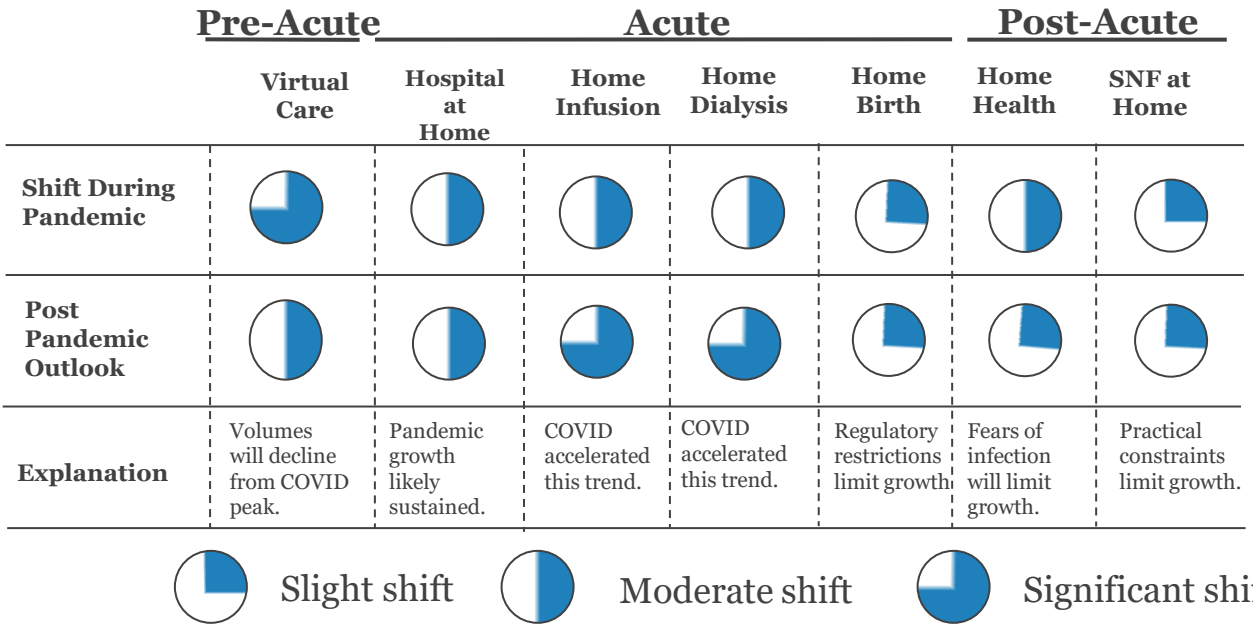
Source: ***"As U.S. Nursing Home Deaths Reach 50,000, States Ease Lockdowns" The Wall Street Journal, June 2020; "Long-Term Care Decision Makers Likely to Choose Home Care in COVID-19 Aftermath":, Home Health Care News June 2020.***

Disruptive New Care Models

- **Hospital without Walls / Hospital at Home**
  - CMS waiver expansion update Nov 2020
    - ➢ Six health systems given CMS waivers including Unity Point, IA
  - Mayo Clinic and Medically Home announce partnership to build national hospital-at-home platform
    - ➢ Pilot sites Eau Claire WI, Gainesville FL
  - Diseases /services now targeted for at-home delivery
    - ➢ CHF, COPD, UTI, Infusion, Respiratory Therapy, Nursing Care, Medications, Labs
- **Rehab-at-Home, SNF-at-Home**
  - UnityPoint SNF-at-Home program started in 2019
  - MHealth Fairview announces AccentCare Fairview partnership: home care and hospice services throughout MN
- **CMS 2021 proposal eliminates inpatient only list by 2024**
  - Lower extremity joint replacements off inpatient only list 2021

Shifting Care to Home Gaining Traction

The impact of COVID-19 has opened new doors to delivering care differently. The long-term impacts will evolve over time, but there is definite increased awareness and acceptance of these models. Reimbursement formulas will play a vital role in growth.

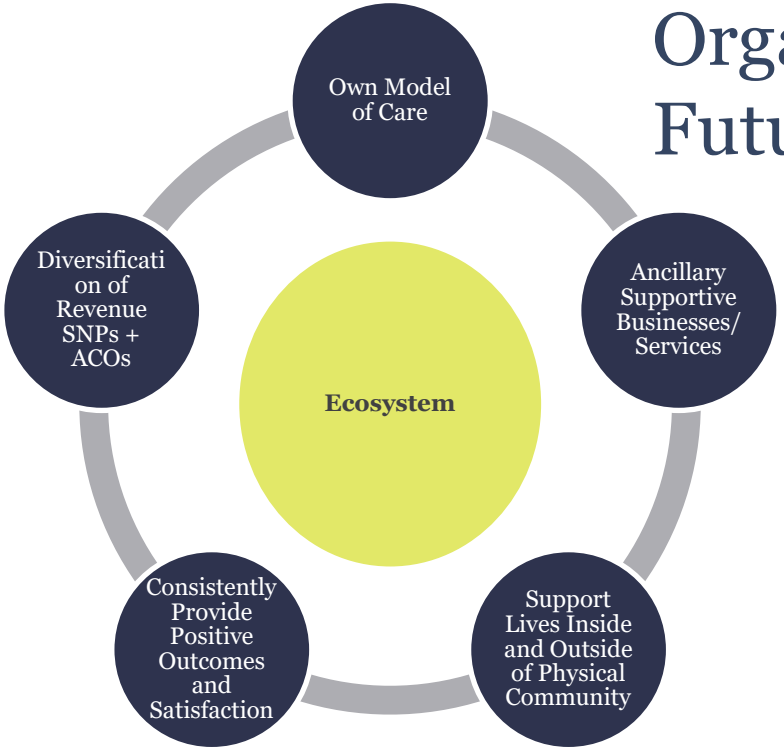


**Source: The Advisory Board "State of the Union 2020; The Resilient Health Care System*

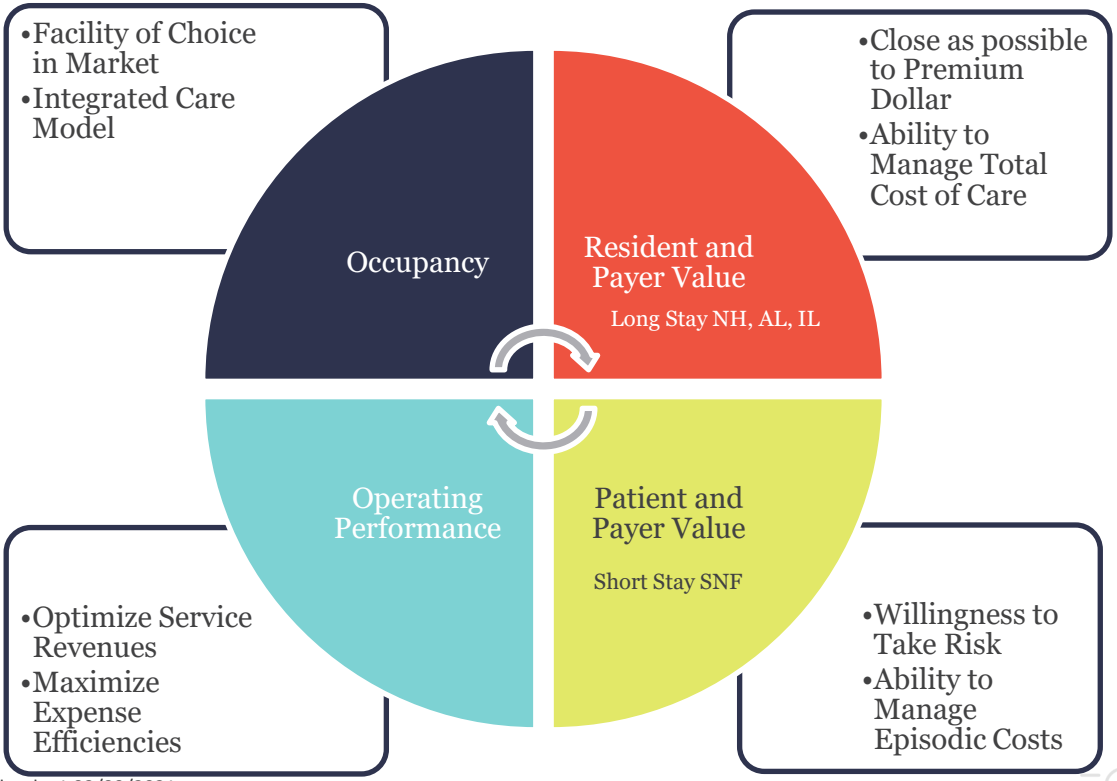
Telehealth Adoption & Regulatory Support

- CMS Telehealth Expansion and Improving Rural Health Rule (Dec 2020)
    - 60 services added to the telehealth list that will continue beyond the COVID Public Health Emergency (PHE) to allow Medicare beneficiaries in a medical facility to receive tele-health services
- Medicare Advantage beneficiaries likely to have expanded access to tele-health options beyond COVID PHE as insurers change payment models
- Convenience for patients, families, providers, and employers created new “consumer expectation”

Senior Living Organization of the Future



Optimizing the Future Senior Living Campus



GRHS Databook v1 02/09/2021

Appendix

Enhanced Demand Analysis for Independent Living, Assisted Living, Memory Care Assisted Living and Skilled Nursing in Lincoln, Marathon and Portage Counties, Wisconsin

Licensure in Wisconsin

In Wisconsin, there are three licensed categories of senior housing that can be considered assisted living (memory care is a subset of this category and is usually a secured area within an assisted living building or a separate component that offers specialized programming and more intensive supervision than standard assisted living developments). Nursing homes are licensed separately. Each of these is described as follows:

- **Residential Care Apartment Complex ("RCAC")** are places where five or more adults reside. Apartments must have a lockable entrance and exit; kitchen, including a stove (or microwave oven); an individual bathroom, sleeping and living area. This living option also provides to persons who reside in the place, not more than 28 hours per week of supportive services, personal assistance, nursing services, or emergency assistance.

- **Community Based Residential Facilities ("CBRF")** are places where five or more adults reside. Services provided include room and board, supervision, support services, and may include up to three hours of nursing care per week. According to the Wisconsin Department of Health and Family Services, "CBRFs can admit people of advanced age, persons with dementia, developmental disabilities, mental health problems, physical disabilities, traumatic brain injury, AIDS, alcohol and other drug abuse, correctional client, pregnant women needing counseling and/or the terminally ill."

- **Adult Family Homes ("AFH")** are for persons seeking a small congregate setting. They house up to four persons. Care guidelines are similar to CBRF's except that they can provide up to seven hours of nursing care per week. Because of the very small size of these facilities, they were not included as comparable for the purposes of this study.

- **Nursing Home ("NH")** are places where five or more persons who are not related to the operator or administrator reside, receive care or treatment and, because of their mental or physical condition, require access to 24-hour nursing services, including limited nursing care, intermediate level nursing care and skilled nursing services. Nursing homes are also referred to as Skilled Nursing Facilities ("SNF") in this report.

Scope of Work

Completed an Enhanced Demand Analysis for market-rate independent living, RCAC assisted living, CBRF assisted living, CBRF memory care assisted living, and skilled nursing in three market areas in Lincoln, Marathon, and Portage Counties in Wisconsin. NCHC operates Mount View Care Center in Wausau, Pine Crest Nursing Home in Merrill, and Portage County Health Center in Stevens Point.

- **Defined PMA's –** The primary market areas ("PMAs" or "Market Areas") use ZIP Code boundaries and are based on admission data provided by management for each community, geographic barriers, transportation patterns, discussion with North Central Health Care ("NCHC") and our knowledge of the draw areas for senior housing.

- **Demographic Analysis –** Examined 65+ senior demographics from U.S. Census Bureau data for 2010, as well as estimates for 2021 and projections through 2026 for each Market Area. (Note that all 2021 and 2026 demographic data is estimated/projected by Environics Analytics, a nationally recognized demographic data services company).

- **Competitive Inventory –** Inventoried independent living, RCAC assisted living ("RCAC AL"), CBRF assisted living ("CBRF AL"), memory care assisted living ("MC"), and skilled nursing ("SNF") in the PMAs.

- **Pending –** Inventoried pending senior living projects in the PMAs.

- **Demand Analysis –** Estimated demand for independent living, RCAC assisted living, CBRF assisted living, memory care assisted living, and skilled nursing beds in the PMAs to 2026.

Impact of COVID-19 Pandemic

The World Health Organization declared the worldwide outbreak of the Coronavirus Disease 2019 ("COVID19") to be a pandemic on March 11, 2020. The Centers for Disease Control and Prevention has confirmed the spread of COVID-19 to the United States, including Wisconsin. Measures to contain the spread of COVID-19 have resulted in a sharp decline of economic activity. In addition to the direct impact to the health care industry, national and global investment and financial markets have experienced substantial volatility, with significant declines attributed to COVID-19 concerns and associated economic impacts of the curtailment of public life. The COVID-19 pandemic is rapidly changing and is likely to have significant impacts on local, national and global economies into the foreseeable future, although the full range of its consequences cannot be predicted at this time.

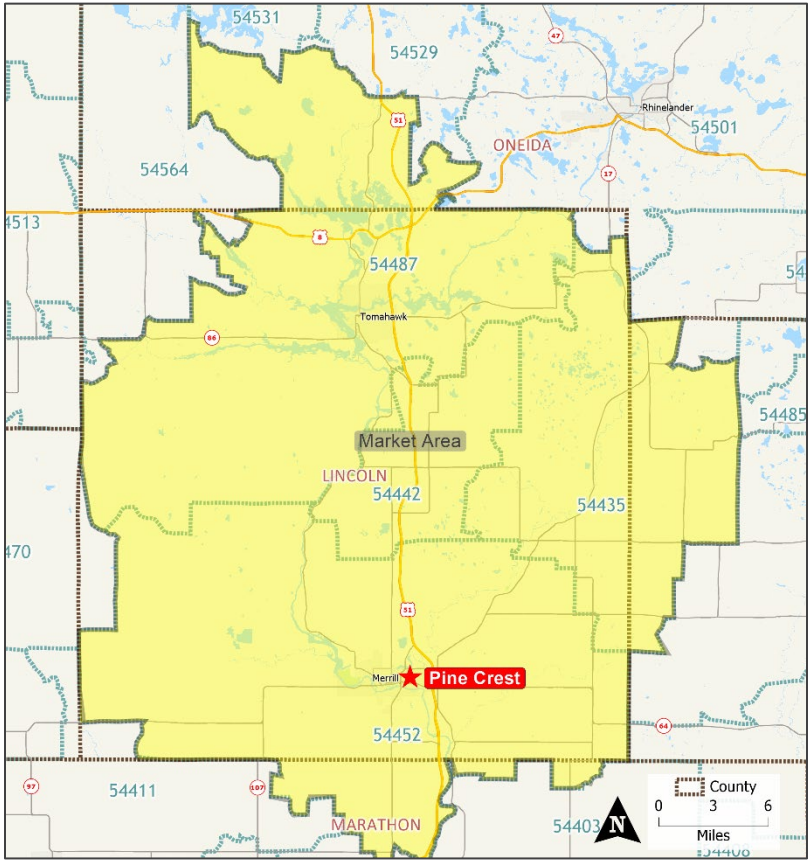
The research for this Enhanced Demand Analysis was conducted in April 2021. Given the uncertainty regarding the COVID-19 outbreak, the full range of its consequences cannot be predicted at this time. The impact of the COVID-19 pandemic could adversely impact the demand for senior living in certain markets, including NCHC's Market Areas. However, given that any new development would not likely not be developed until 2022 or later, such risks should be mitigated relative to today. The on-going impact of COVID-19 should be monitored as you continue planning for development of your project.

Pine Crest

Lincoln County, WI

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

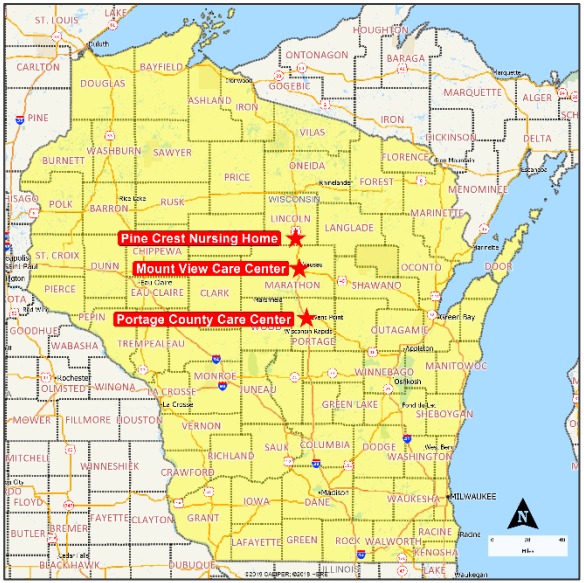
Pine Crest Nursing Home Market Area



Source: Maptitude

ZIP Codes included in the Market Area:

- 54435
- 54442
- 54442
- 54487

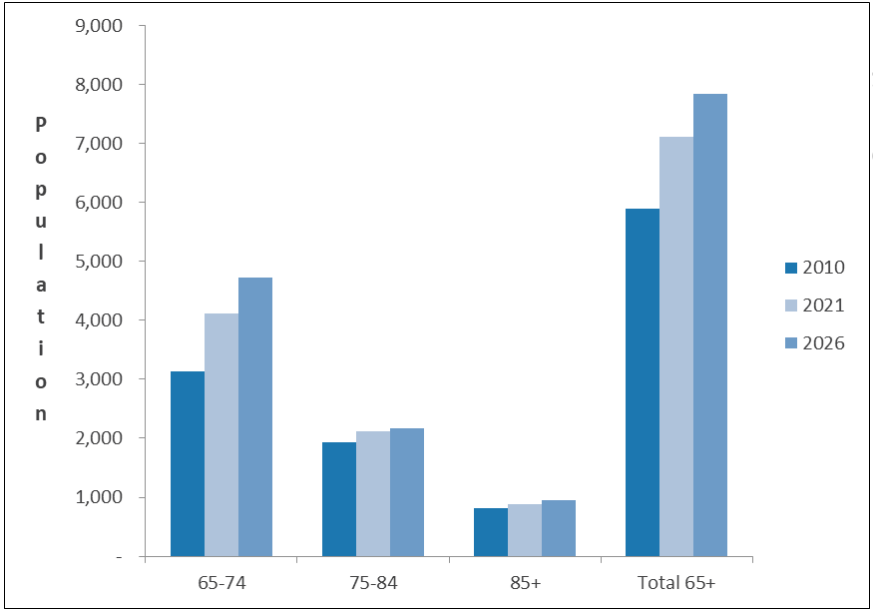


Source: Maptitude

Demographic Analysis – Population

Population

- In 2021, seniors (persons age 65+) are estimated to total **7,119** persons, an increase of **1,228** persons or **20.8%** from 2010.
- The senior population is projected to increase by **730** people or **10.3%** from 2021 to 2026.
- The largest projected growth is in the 65-to-74 age cohort, which is projected to add **971** people from 2021 to 2026. While this group is not the immediate target for senior living, the growth could indicate future demand.
- Overall, seniors age 75+ are projected to increase by **108** persons, or **3.6%** from 2021 to 2026.

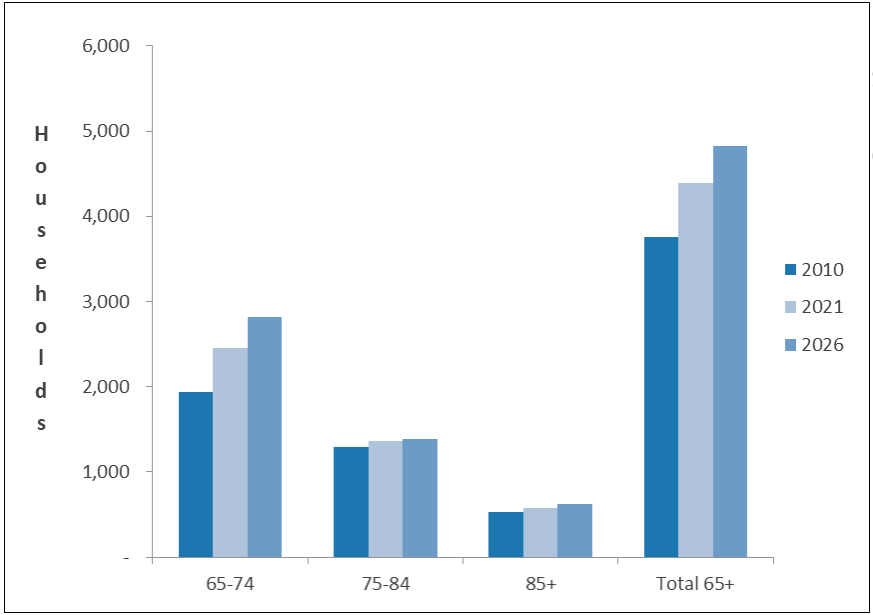


Age Cohorts	Population			% Annual Change	
	2010	2021	2026	2010-2021	2021-2026
65-74	3,141	4,112	4,734	*2.5%*	*2.9%*
75-84	1,939	2,121	2,166	*0.8%*	*0.4%*
85+	811	886	949	*0.8%*	*1.4%*
Total 65+	**5,891**	**7,119**	**7,849**	***1.7%***	***2.0%***

Demographic Analysis - Households

Households

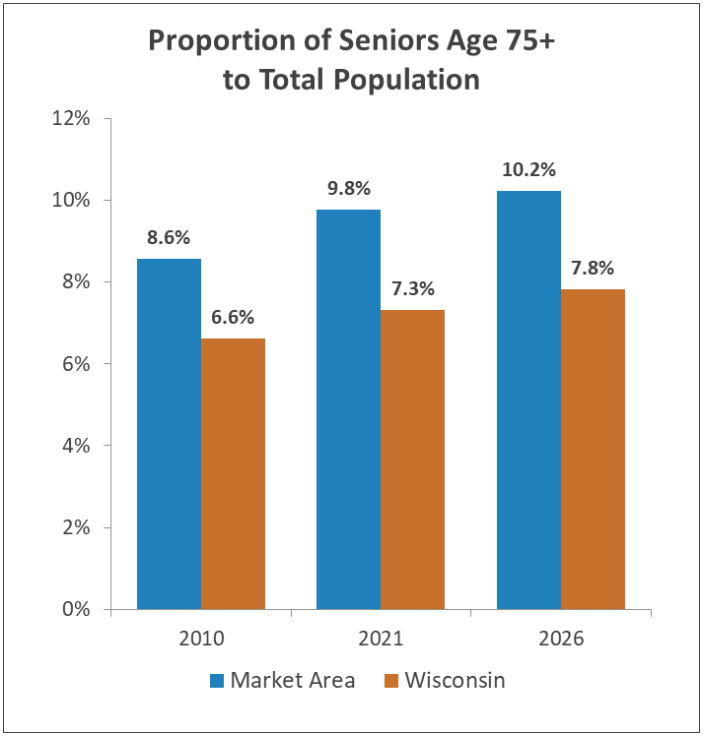
- Senior household trends closely parallel population trends: the 65-74 cohort compromises the most growth from 2021 to 2026.
- In 2021, senior households in the Market Area are estimated to total **4,395**, an increase of **638** households or **17.0%** from 2010.
- Additionally, an overall increase of **426** households or **9.7%** is projected for 2021 to 2026.
- Senior households 75+ are projected to increase by **68** households or **3.5%** from 2021 to 2026.



Age Cohorts	Households			% Annual Change	
	2010	2021	2026	*2010-2021*	*2021-2026*
65-74	1,932	2,456	2,814	*2.2%*	*2.8%*
75-84	1,292	1,367	1,390	*0.5%*	*0.3%*
85+	533	572	617	*0.6%*	*1.5%*
Total 65+	**3,757**	**4,395**	**4,821**	***1.4%***	***1.9%***

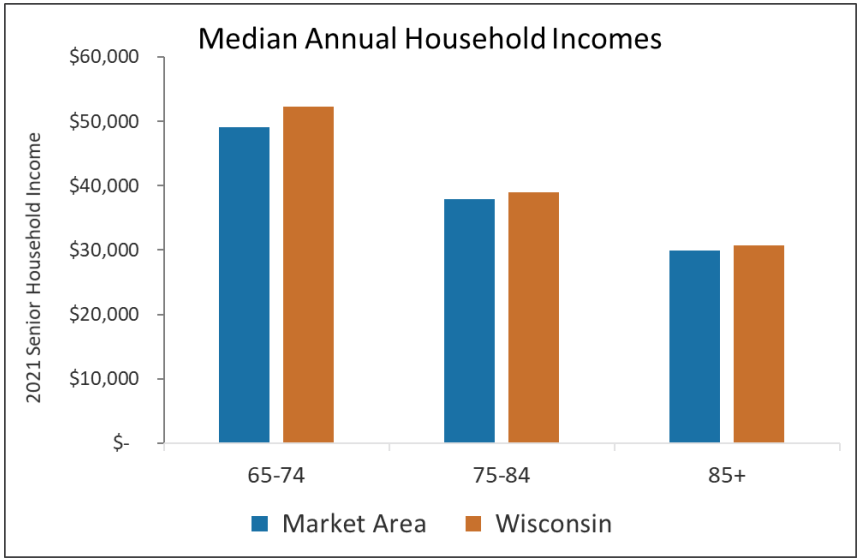
Demographic Analysis – 75+ Proportion

Proportion of Seniors in the Market Area Compared to Overall Population



- An increased proportion of seniors could impact senior living in two ways:
  - **Fewer workers available** – continued workforce challenges.
  - **Fewer caregivers** (adult children) – seniors may turn to formalized care if family is not a viable personal care/assistance option.
- The proportion of seniors age 75+ compared to the overall population in the Market Area is projected to increase from **9.8%** in 2021 to **10.2%** in 2026. Both percentages are significantly higher than the State of Wisconsin overall.
- The overall population of the Market Area (in all age groups) is an estimated **32,141** in 2021 and projected to decrease to **30,470** by 2026, a **5.2%** decrease.

Demographic Analysis – Senior Income



	2021 Median Incomes			2026 Median Incomes		
	65-74	75-84	85+	65-74	75-84	85+
Market Area	$ 49,100	$ 37,947	$ 29,962	$ 54,697	$ 42,118	$ 32,030
Wisconsin	$ 52,287	$ 38,961	$ 30,781	$ 58,318	$ 42,227	$ 32,932

- Senior household incomes indicate what seniors can afford to pay for senior living.
- In the Market Area, senior median household incomes are projected to be slightly lower than they are in Wisconsin overall across all senior age cohorts in 2021 and 2026.
- From 2021 to 2026, household incomes are projected to grow by **11.9%** for seniors age 65+ in the Market Area. For comparison, the projected growth rate among seniors age 65+ in Wisconsin overall is **10.9%** over the five-year period.

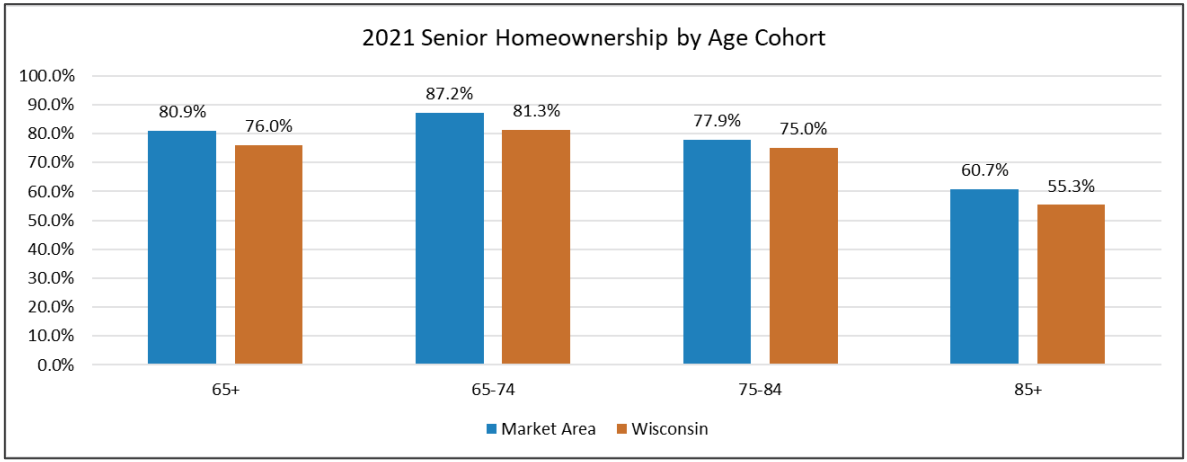
Demographic Analysis – Homeownership

Senior Homeownership – 2021

- The percentage of homeownership in the Market Area indicates the percentage of seniors who could use the proceeds from the sale of a home towards senior living, supplementing their income. The percentage of homeowners has a significant impact on the number of age and income qualified seniors in the unit demand model.

- Among all Market Area senior households, **80.9%** owned their housing in 2021. This ownership rate is higher than the homeownership rate in the State of Wisconsin overall, **76.0%.**

- As shown on the chart below, home ownership declines with age, as older seniors are more likely to move to senior living.



Competitive Summary – RCAC AL

The table is a summary of RCAC assisted living units in the Market Area. The number of units are used later in the report for estimating demand in the Market Area.

Competitive RCAC Assisted Living Units	No. of Beds	Occupancy
abiliT Senior Living	20	*

Source: Phone interviews and other research conducted in April 2021.
* Unable to obtain occupancy data from this facility.

Competitive Summary – CBRF AL/MC

The table is a summary of CBRF assisted living and memory care assisted living units in the Market Area. The number of units are used later in the report for estimating demand in the Market Area.

	CBRF Assisted Living		Memory Care			
Competitive CBRF Assisted Living & Memory Care Units	**No. of Beds**	**Occupancy**	**No. of Beds**	**Occupancy**	**Total CBRF AL & MC Beds**	**Overall Occupancy**
abiliT Senior Living	0	N/A	22	*	22	*
Bell Tower Residence	69	81.2%	21	71.4%	90	78.9%
Country Terrace - Tomahawk	33	60.6%	0	N/A	33	60.6%
Woodland Court	30	96.7%	0	N/A	30	96.7%
Total [(1)]	**132**	**79.5%**	**43**	**71.4%**	**175**	**78.4%**

Source: Phone interviews and other research conducted in April 2021.
* Unable to obtain occupancy data from this facility.
(1) Occupancy totals do not include abiliT Senior Living, which was unwilling to disclose information.

Pending Projects

CLA contacted staff at planning departments in the Market Area to determine if any new senior housing was being proposed in the Market Area. At the time of research, no projects were identified.

Demand Assumptions – IL

- All seniors 75-and-over are considered the market for independent living.
- Rents tested were $2,500, and $3,500 for independent living.
- 50% of annual income allotted for independent living.
- For homeowners who have and are able to draw on the equity of their home, the rent amounts were reduced by the expected investment proceeds from the sale of the home based on the following assumptions:
    - Seniors' homes are worth 90% of homes in general (due to deferred maintenance and dated décor).
    - Seniors will obtain 94% of the sale proceeds after selling costs.
    - The net proceeds will be invested at a return of 3%.
    - An allowance of 20% for taxes was subtracted from the investment return.
    - Assuming the above and a median home value of $164,848, seniors would have $279 of monthly income available to pay rent.
- Gross market penetration rate of 10% was applied to the age/income qualified market for independent living.
- The overall range is typically 10% to 30%. This is determined subjectively based upon the amount and type of existing product in the Market Area.
- 20% of residents will move from outside of the Market Area.

Estimated IL Demand

The following table shows the demand for independent living in 2021, 2023, and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
INDEPENDENT SENIOR HOUSING:			
Rents starting at…			
$2,500/Month in 2021 dollars	70	69	67
$3,500/Month in 2021 dollars	33	33	34

Source: CliftonLarsonAllen LLP

The estimated demand shown in the table is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level.

Demand Assumptions – RCAC AL

- Activity of daily living ("ADL") needs were applied to the age/income qualified base for RCAC, 5.7% for ages 65-74 (1-2 ADL needs), 22.2% for ages 75-84 (1-2 ADL needs) and 31.8% for ages 85+ (1-2 ADL needs).
- RCAC monthly service fees were tested at $4,000, and $5,000 per month with 80% of annual income allotted to pay for RCAC assisted living services.
- For homeowners who are able to draw on the equity of their home, an annual income of $25,000, and $30,000 was used, respectively, for the different rent levels.
- Gross market penetration of 15% was used, based on the number of RCAC units in the Market Area.
- 20% allowance for residents outside the Market Area.

Estimated RCAC AL Demand

The following table shows the demand for RCAC assisted living in 2021, 2023, and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
RCAC ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	47	48	49
$5,000/Month in 2021 dollars	38	38	39

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables in net of existing units and those under construction; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level. Demand for assisted living and memory care assisted living overlaps.

Demand Assumptions – CBRF AL/MC

- ADL needs were applied to the age/income qualified base for CBRF, 5.2% for ages 65-74 (3+ ADL needs), 8.7% for ages 75-84 (3+ ADL needs) and 17.6% for ages 85+ (3+ ADL needs).

- CBRF monthly service fees were tested at $4,000, and $5,000 for assisted living and $6,500 per month for CBRF memory care assisted living. Each service fee was tested with 80% of annual income allotted for CBRF assisted living and 90% to memory care assisted living.

- For homeowners who are able to draw on the equity of their home, an annual income of $25,000, $30,000 and $35,000 was used, respectively, for the different monthly service fee levels.

- Incidence of dementia was applied to the age/income qualified base of residents living alone for memory care 3.2% for ages 65-74, 17.6% for ages 75-84 and 32.8% for ages 85+.

- Gross market penetration of 40% was used for CBRF assisted living, and 20% was used for memory care assisted living. Both percentages are based upon the number of existing beds and the CBRF specific ADL need percentages included in the qualified population pool.

- 20% of residents will move from outside of the Market Area.

Estimated CBRF AL/MC Demand

The following table shows the demand for CBRF assisted living and memory care assisted living units in 2021, 2023 and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
CBRF ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	No Demand	No Demand	No Demand
$5,000/Month in 2021 dollars	No Demand	No Demand	No Demand
CBRF MEMORY CARE SENIOR HOUSING:			
Rents starting at…			
$6,500/Month in 2021 dollars	8	9	9

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level. Demand for CBRF assisted living and memory care assisted living overlaps.

Competitive Summary - SNF

The table below and shows a summary of the skilled nursing facilities in the Market Area.

SNFs in the Market Area	Profit or Nonprofit	Year Opened	# of beds in Service	Current Occ.	Average Daily Rate	5 Star Quality Rating (1)
Pine Crest Nursing Home 2100 E Sixth St Merrill, WI North Central Health Care/Lincoln County	Government	1953-2017	160	64.4%	$287	3
Riverview Health Services 428 N 6th St Tomahawk, WI North Shore Healthcare	Profit	1967	61	47.5%	$283	5
Tomahawk Health Services 720 E Kings Rd Tomahawk, WI North Shore Healthcare	Profit	1968	83	41.0%	$280	3
TOTAL/OCCUPANCY			304	54.6%		

Source: Wisconsin Department of Health Services, CMS.gov, phone interviews, and internet research completed in April 2021.

Notes:

(1) From www.cms.gov, April 2021.

SNF Demand Analysis - Influencers

In general, demand for aging services, including skilled nursing care, is influenced by five main factors (referred to herein as “demand influencers”):

- Managed Care / ACO / Medicare Advantage Part C referral sources, relationships and preferred provider agreements that often supersede resident choice;
- Environmental factors such as population growth, acute care usage and caregiver availability;
- Lifestyle and consumer choice, such as the substitution of housing and service alternatives for institutional skilled nursing care;
- State and public policy, such as home and community-based service funding; and
- Income and wealth, particularly poverty rates and availability of retirement income.

SNF Demand Analysis - Assumptions

- Baseline demand for 2021 is based upon utilization data from 2019 Medicare cost reports.
- PMA population growth projections indicate 2.0% annual growth from 2021 to 2026 for seniors age 65-and-over.
- A 10% decrease in short-stay length of stay is estimated from 2021 to 2026, correcting towards the state and national average.
- Hospital utilization is estimated to decrease by 9% from 2021 to 2026, based upon the Wisconsin and national averages.
- These demand projections represent gross demand, including the existing supply.

SNF Demand Analysis - Estimates

The following table shows demand for short stay and long stay beds in the Market Area.

	Pine Crest Market Area						
	Long Stay Days			Short Stay Days			Total
	Long Stay		Market Area	Short Stay (MC) Referring Hospitals		Market Area	
	Medicaid	Other	Total	Medicare	MC Adv	Total	
Baseline Demand 2021	**172**	**18**	**190**	**15**	**26**	**41**	**231**
Impact of Changes in Population (CAGR) PMA	12	1	13	2	3	4	**18**
Total - Population Adjusted 2026	184	19	203	17	28	45	**248**
2026 Impact of Environmental Variables							
-9% Changes in Hospital Utilization Rates	(17)	(2)	(19)	(2)	(3)	(4)	**(23)**
-10% Changes in Length of Stay	0	0	0	(2)	(3)	(4)	**(4)**
1% Other Environmental Impacts	0	0	0	(1)	1	0	**0**
Estimated Environmental Impacts	(17)	(2)	(19)	(4)	(4)	(8)	**(27)**
Total Demand 2026	**167**	**17**	**184**	**13**	**24**	**37**	**221**
% Change vs. 2021	**-2.8%**	**-2.8%**	**-2.8%**	**-13.8%**	**-6.9%**	**-9.5%**	**-4.0%**
CAGR	-0.6%	-0.6%	-0.6%	-2.9%	-1.4%	-2.0%	-0.8%

Note: the sum for each category may not equal the total, due to rounding estimates.

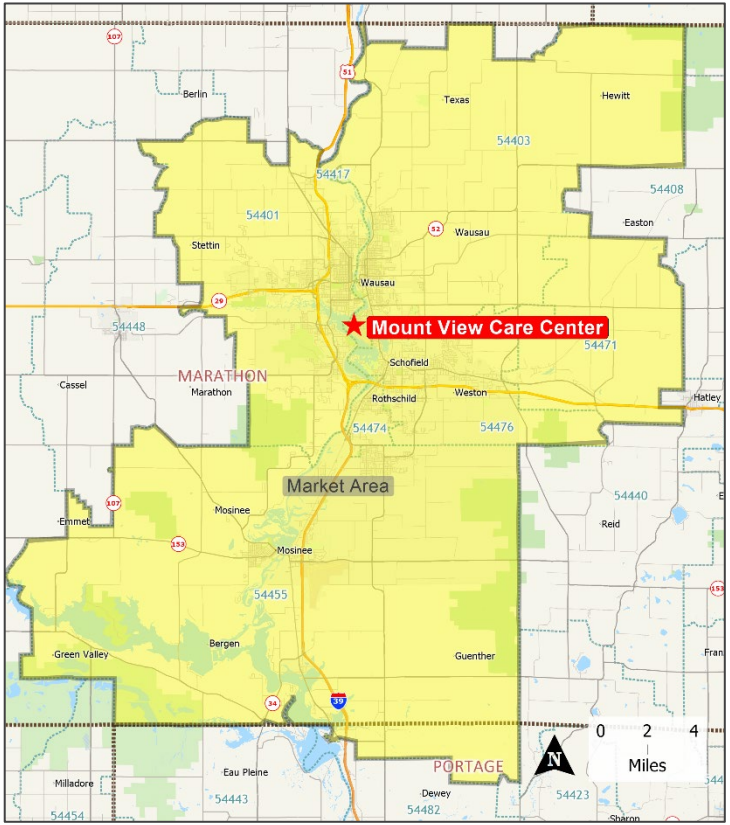
- The baseline demand in the Market Area in 2021 is estimated at 231 beds. This represents an average occupancy of 71.2 percent, based on Medicare cost report data.
- Assumptions for changes in population, length of stay, hospital utilization and other environmental impacts are estimated to result in a decrease in demand for nursing beds in the Market Area in 2026 to 221 beds (a decline of 4.0%).
- **With a 2021 estimated bed demand of 231 beds, there are 93 excess beds in the Market Area. There are projected to be 103 excess beds in the Market Area by 2026.**

Mount View Care Center

Marathon County, WI

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

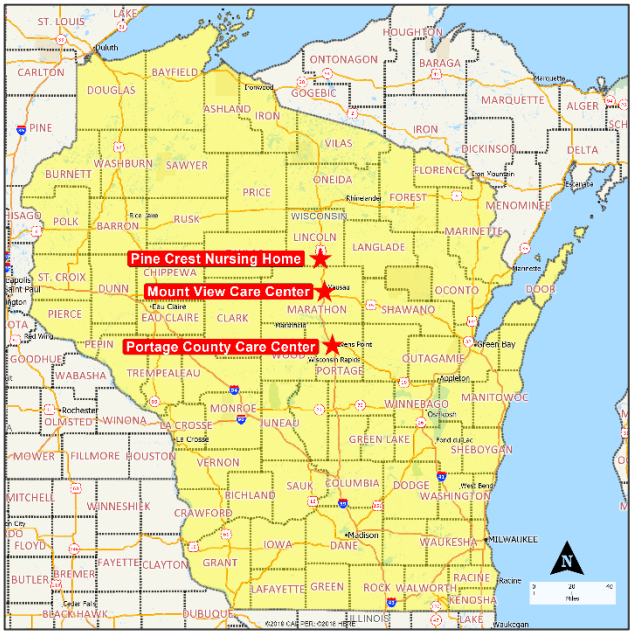
Mount View Care Center Market Area



Source: Maptitude

ZIP Codes included in the Market Area:

- 54401
- 54403
- 54417
- 54455
- 54471
- 54474
- 54476

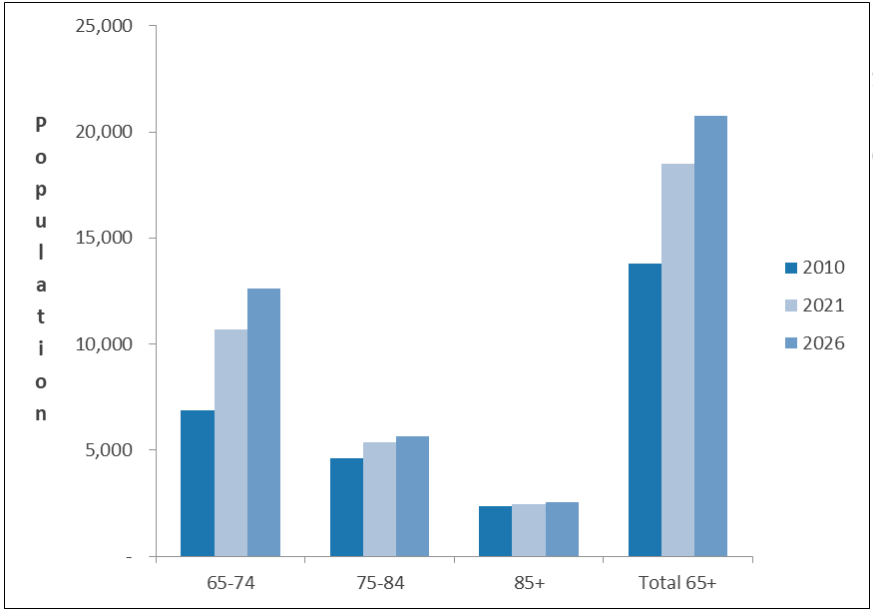


Source: Maptitude

Demographic Analysis – Population

Population

- In 2021, seniors (persons age 65+) are estimated to total **18,474** persons, an increase of **4,662** persons or **33.8%** from 2010.
- The senior population is projected to increase by **2,302** people or **12.5%** from 2021 to 2026.
- The largest projected growth is in the 65-to-74 age cohort, which is projected to add **1,948** people from 2021 to 2026. While this group is not the immediate target for senior living, the growth could indicate future demand.
- Overall, seniors age 75+ are projected to increase by **354** persons, or **4.5%** from 2021 to 2026.

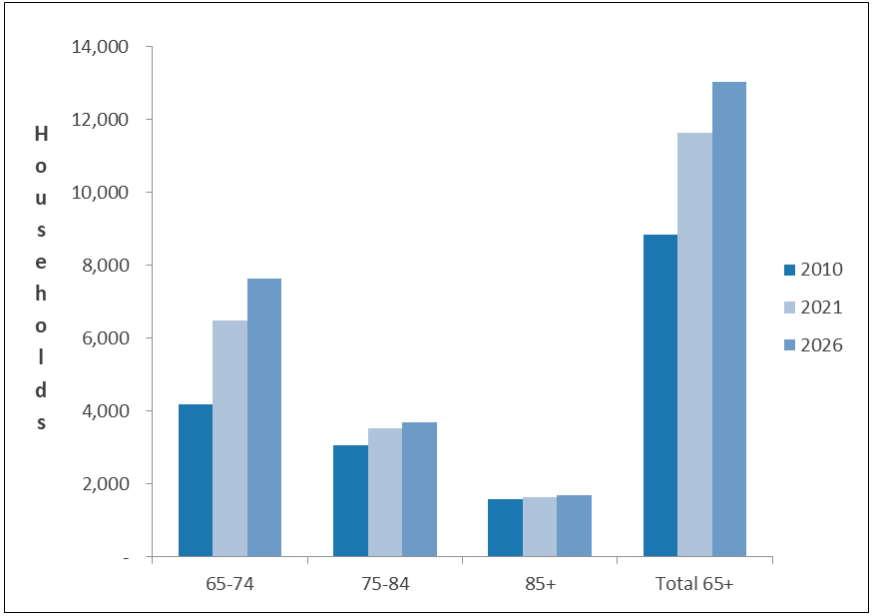


Age Cohorts	Population			% Annual Change	
	2010	2021	2026	2010-2021	2021-2026
65-74	6,857	10,665	12,613	*4.1%*	*3.4%*
75-84	4,590	5,363	5,633	*1.4%*	*1.0%*
85+	2,365	2,446	2,530	*0.3%*	*0.7%*
Total 65+	**13,812**	**18,474**	**20,776**	***2.7%***	***2.4%***

Demographic Analysis - Households

Households

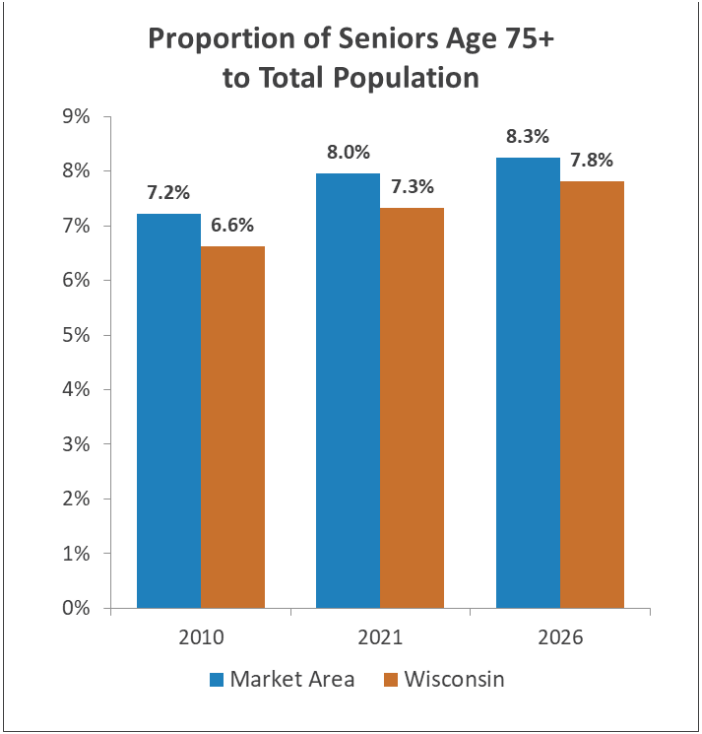
- Senior household trends closely parallel population trends: the 65-74 cohort compromises the most growth from 2021 to 2026.
- In 2021, senior households in the Market Area are estimated to total **11,640**, an increase of **2,801** households or **31.7%** from 2010.
- Additionally, an overall increase of **1,381** households or **11.9%** is projected for 2021 to 2026.
- Senior households 75+ are projected to increase by **214** households or **4.1%** from 2021 to 2026.



Age Cohorts	Households			% Annual Change	
	2010	2021	2026	*2010-2021*	*2021-2026*
65-74	4,195	6,482	7,649	*4.0%*	*3.4%*
75-84	3,063	3,515	3,683	*1.3%*	*0.9%*
85+	1,581	1,643	1,689	*0.4%*	*0.6%*
Total 65+	**8,839**	**11,640**	**13,021**	***2.5%***	***2.3%***

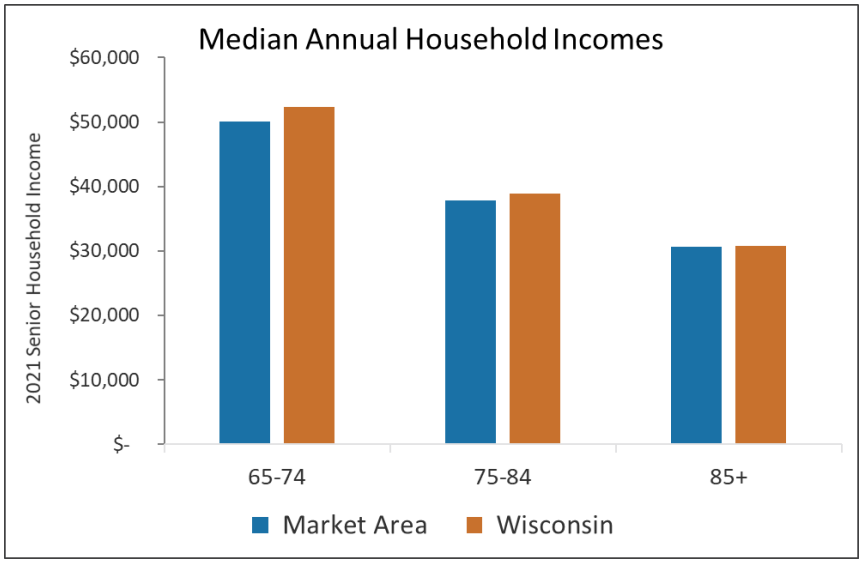
Demographic Analysis – 75+ Proportion

Proportion of Seniors in the Market Area Compared to Overall Population



- An increased proportion of seniors could impact senior living in two ways:
  - **Fewer workers available** – continued workforce challenges.
  - **Fewer caregivers** (adult children) – seniors may turn to formalized care if family is not a viable personal care/assistance option.
- The proportion of seniors age 75+ compared to the overall population in the Market Area is projected to increase from **8.0%** in 2021 to **8.3%** in 2026. Both percentages are significantly higher than the State of Wisconsin overall.
- The overall population of the Market Area (in all age groups) is an estimated **98,085** in 2021 and projected to increase to **98,941** by 2026, a **0.9%** increase.

Demographic Analysis – Senior Income



	2021 Median Incomes			2026 Median Incomes		
	65-74	75-84	85+	65-74	75-84	85+
Market Area	$ 50,030	$ 37,876	$ 30,659	$ 55,229	$ 41,589	$ 33,496
Wisconsin	$ 52,287	$ 38,961	$ 30,781	$ 58,318	$ 42,227	$ 32,932

- Senior household incomes indicate what seniors can afford to pay for senior living.
- In the Market Area, senior median household incomes are projected to be slightly lower than they are in Wisconsin overall across all senior age cohorts in 2021 and 2026.
- From 2021 to 2026, household incomes are projected to grow by **11.2%** for seniors age 65+ in the Market Area. For comparison, the projected growth rate among seniors age 65+ in Wisconsin overall is **10.9%** over the five-year period.

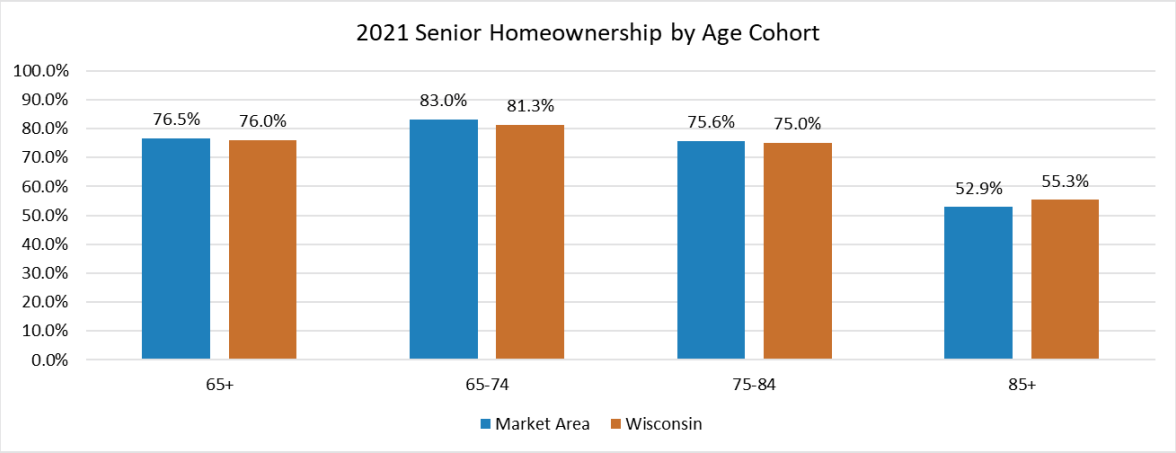
Demographic Analysis – Homeownership

Senior Homeownership – 2021

- The percentage of homeownership in the Market Area indicates the percentage of seniors who could use the proceeds from the sale of a home towards senior living, supplementing their income. The percentage of homeowners has a significant impact on the number of age and income qualified seniors in the unit demand model.

- Among all Market Area senior households, **76.5%** owned their housing in 2021. This ownership rate is higher than the homeownership rate in the State of Wisconsin overall, **76.0%.**

- As shown on the chart below, home ownership declines with age, as older seniors are more likely to move to senior living.



Competitive Summary - IL

The table is a summary of independent living units in the Market Area. The number of units are used later in the report for estimating demand in the Market Area.

Independent Living Communities

	No. of Units	Occupancy
Market Rate IL Communities:		
Forest Park Village	75	86.7%
Primrose Retirement Community	49	93.9%
Total	**124**	**89.5%**

Source: Phone interviews and other research conducted in April 2021.

Competitive Summary – RCAC AL

The table is a summary of RCAC assisted living units in the Market Area. The number of units are used later in the report for estimating demand in the Market Area.

	RCAC Assisted Living	
Competitive RCAC Assisted Living Units	**No. of Beds**	**Occupancy**
Acorn Hill	29	86.2%
Applegate Terrace	53	86.8%
Mountain Terrace Senior Living	41	73.2%
Primrose Retirement Community of Wausau	78	*
Renaissance Weston	80	90.0%
The Gardens Apartments	26	76.9%
Total	**307**	**84.3%**

Source: Phone interviews and other research conducted in April 2021.
* Unable to obtain occupancy data from these facilities.

Competitive Summary – CBRF AL/MC

The table is a summary of RCAC assisted living units in the Market Area. The number of units are used later in the report for estimating demand in the Market Area.

	CBRF Assisted Living		Memory Care			
Competitive CBRF Assisted Living & Memory Care Units	**No. of Beds**	**Occupancy**	**No. of Beds**	**Occupancy**	**Total CBRF AL & MC Beds**	**Overall Occupancy**
Azura Memory Care of Wausau	0	N/A	19	100.0%	19	100.0%
Care Partners Assisted Living of Weston I & II	36	91.7%	0	N/A	36	91.7%
Copperleaf Assisted Living & Memory Care of Schofield	25	92.0%	22	100.0%	47	95.7%
Mountain Terrace Senior Living	26	92.3%	0	N/A	26	92.3%
Our House Wausau	18	83.3%	20	85.0%	38	84.2%
Primrose Memory Care	0	N/A	32	*	32	*
Stone Crest Residence	0	N/A	16	93.8%	16	93.8%
Sylvan Crossings on Evergreen	20	95.0%	0	N/A	20	95.0%
Tender Reflections	0	N/A	32	81.3%	32	81.3%
Wellington Place at Rib Mountain	24	N/A	0	75.0%	24	0.0%
Total	**149**	**76.5%**	**141**	**90.8%**	**290**	**82.6%**

Source: Phone Interviews and other research conducted in April 2021.
* Unable to obtain occupancy data from these facilities.

Pending Projects

CLA contacted staff at planning departments in the Market Area to determine if any new senior housing was being proposed in the Market Area. At the time of research, no projects were identified.

Demand Assumptions – IL

- All seniors 75-and-over are considered the market for independent living.
- Rents tested were $2,500, and $3,500 for independent living.
- 50% of annual income allotted for independent living.
- For homeowners who have and are able to draw on the equity of their home, the rent amounts were reduced by the expected investment proceeds from the sale of the home based on the following assumptions:
    - Seniors' homes are worth 90% of homes in general (due to deferred maintenance and dated décor).
    - Seniors will obtain 94% of the sale proceeds after selling costs.
    - The net proceeds will be invested at a return of 3%.
    - An allowance of 20% for taxes was subtracted from the investment return.
    - Assuming the above and a median home value of $179,444, seniors would have $304 of monthly income available to pay rent.
- Gross market penetration rate of 10% was applied to the age/income qualified market for independent living.
- The overall range is typically 10% to 30%. This is determined subjectively based upon the amount and type of existing product in the Market Area.
- 20% of residents will move from outside of the Market Area.

Estimated IL Demand

The following table shows the demand for independent living in 2021, 2023, and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
INDEPENDENT SENIOR HOUSING:			
Rents starting at…			
$2,500/Month in 2021 dollars	68	65	61
$3,500/Month in 2021 dollars	No Demand	No Demand	No Demand

Source: CliftonLarsonAllen LLP

The estimated demand shown in the table is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level.

Demand Assumptions – RCAC AL

- Activity of daily living ("ADL") needs were applied to the age/income qualified base for RCAC, 5.7% for ages 65-74 (1-2 ADL needs), 22.2% for ages 75-84 (1-2 ADL needs) and 31.8% for ages 85+ (1-2 ADL needs).
- RCAC monthly service fees were tested at $4,000, and $5,000 per month with 80% of annual income allotted to pay for RCAC assisted living services.
- For homeowners who are able to draw on the equity of their home, an annual income of $25,000, and $30,000 was used, respectively, for the different rent levels.
- Gross market penetration of 30% was used, based on the number of RCAC units in the Market Area.
- 20% allowance for residents outside the Market Area.

Estimated RCAC AL Demand

The following table shows the demand for RCAC assisted living in 2021, 2023, and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
RCAC ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	54	59	66
$5,000/Month in 2021 dollars	No Demand	5	13

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables in net of existing units and those under construction; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level. Demand for assisted living and memory care assisted living overlaps.

Demand Assumptions – CBRF AL/MC

- ADL needs were applied to the age/income qualified base for CBRF, 5.2% for ages 65-74 (3+ ADL needs), 8.7% for ages 75-84 (3+ ADL needs) and 17.6% for ages 85+ (3+ ADL needs).

- CBRF monthly service fees were tested at $4,000, and $5,000 for assisted living and $6,500 per month for CBRF memory care assisted living. Each service fee was tested with 80% of annual income allotted for CBRF assisted living and 90% to memory care assisted living.

- For homeowners who are able to draw on the equity of their home, an annual income of $25,000, $30,000 and $35,000 was used, respectively, for the different monthly service fee levels.

- Incidence of dementia was applied to the age/income qualified base of residents living alone for memory care 3.2% for ages 65-74, 17.6% for ages 75-84 and 32.8% for ages 85+.

- Gross market penetration of 50% was used for CBRF assisted living, and 20% was used for memory care assisted living. Both percentages are based upon the number of existing beds and the CBRF specific ADL need percentages included in the qualified population pool.

- 20% of residents will move from outside of the Market Area.

Estimated CBRF AL/MC Demand

The following table shows the demand for CBRF assisted living and memory care assisted living units in 2021, 2023 and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
CBRF ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	No Demand	No Demand	No Demand
$5,000/Month in 2021 dollars	No Demand	No Demand	No Demand
CBRF MEMORY CARE SENIOR HOUSING:			
Rents starting at…			
$6,500/Month in 2021 dollars	74	77	80

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level. Demand for CBRF assisted living and memory care assisted living overlaps.

Competitive Summary - SNF

SNFs in the Market Area	Profit or Nonprofit	Year Opened	# of beds in Service	Current Occ.	Average Daily Rate	5 Star Quality Rating [1]
Mount View Care Center 1100 Lake View Drive Wausau, WI North Central Health Care/Marathon County	Government	1986	165	75.8%	*	2
Benedictine Living Community of Wausau 1821 N 4th Avenue Wausau, WI Benedictine Living	Nonprofit	1981-2010	82	68.3%	$285	4
Marshfield Clinic Comfort and Recovery - Wausau 2727 Plaza Drive Wausau, WI Marshfield Clinic	Nonprofit	1980s	12	41.7%	*	4
Pride TLC Therapy and Living 7805 Birch Street Weston, WI Pride TLC	Profit	2013	25	64.0%	$498	5
Rennes Health and Rehab Center - Weston 4810 Barbican Avenue Weston, WI Rennes Group	Profit	2009-2014	84	67.9%	$340	4

Competitive Summary – SNF (Cont'd)

SNFs in the Market Area	Profit or Nonprofit	Year Opened	# of beds in Service	Current Occ.	Average Daily Rate	5 Star Quality Rating [1]
The Bay at Colonial Manor Health and Rehabilitation 1010 E Wausau Avenue Wausau, WI Champion Care	Profit	1964	116	37.1%	$287	N/A [2]
Wausau Manor Health Services 3107 Westhill Drive Wausau, WI North Shore Healthcare	Profit	1984	68	79.4%	$325	5
TOTAL/OCCUPANCY			552	64.5%		

Source: Wisconsin Department of Health Services, CMS.gov, phone interviews, and internet research completed in April 2021.
Notes:
(1) From www.cms.gov, April 2021.
(2) This facility is not rated due to a history of serious quality issues. This nursing home is subject to more frequent inspections, escalating penalities, and potential termination from Medicare and Medicaid as part of the Special Focus Facility (SFF) program.

SNF Demand Analysis - Influencers

In general, demand for aging services, including skilled nursing care, is influenced by five main factors (referred to herein as “demand influencers”):

- Managed Care / ACO / Medicare Advantage Part C referral sources, relationships and preferred provider agreements that often supersede resident choice;
- Environmental factors such as population growth, acute care usage and caregiver availability;
- Lifestyle and consumer choice, such as the substitution of housing and service alternatives for institutional skilled nursing care;
- State and public policy, such as home and community-based service funding; and
- Income and wealth, particularly poverty rates and availability of retirement income.

SNF Demand Analysis - Assumptions

- Baseline demand for 2021 is based upon utilization data from 2019 Medicare cost reports.
- PMA population growth projections indicate 2.0% annual growth from 2021 to 2026 for seniors age 65-and-over.
- A 10% decrease in short-stay length of stay is estimated from 2021 to 2026, correcting towards the state and national average.
- Hospital utilization is estimated to decrease by 9% from 2021 to 2026, based upon the Wisconsin and national averages.
- These demand projections represent gross demand, including the existing supply.

SNF Demand Analysis - Estimates

The following table shows demand for short stay and long stay beds in the Market Area.

	Mount View Care Center Market Area						
	Long Stay Days			Short Stay Days			Total
	Long Stay		Market Area	Short Stay (MC) Referring Hospitals		Market Area	
	Medicaid	Other	Total	Medicare	MC Adv	Total	
Baseline Demand 2021	**193**	**33**	**225**	**57**	**83**	**140**	**365**
Impact of Changes in Population (CAGR) PMA	7	1	8	7	10	17	**25**
Total - Population Adjusted 2026	199	34	233	64	93	157	**390**
2026 Impact of Environmental Variables							
-9% Changes in Hospital Utilization Rates	(19)	(3)	(22)	(6)	(9)	(15)	**(36)**
-10% Changes in Length of Stay	0	0	0	(6)	(8)	(14)	**(14)**
0% Other Environmental Impacts	0	0	0	(2)	2	(0)	**(0)**
Estimated Environmental Impacts	(19)	(3)	(22)	(14)	(15)	(29)	**(51)**
Total Demand 2026	**181**	**31**	**211**	**49**	**79**	**128**	**339**
% Change vs. 2021	**-6.2%**	**-6.2%**	**-6.2%**	**-12.5%**	**-5.3%**	**-8.2%**	**-7.0%**
CAGR	-1.3%	-1.3%	-1.3%	-2.6%	-1.1%	-1.7%	-1.4%

Note: the sum for each category may not equal the total, due to rounding estimates.

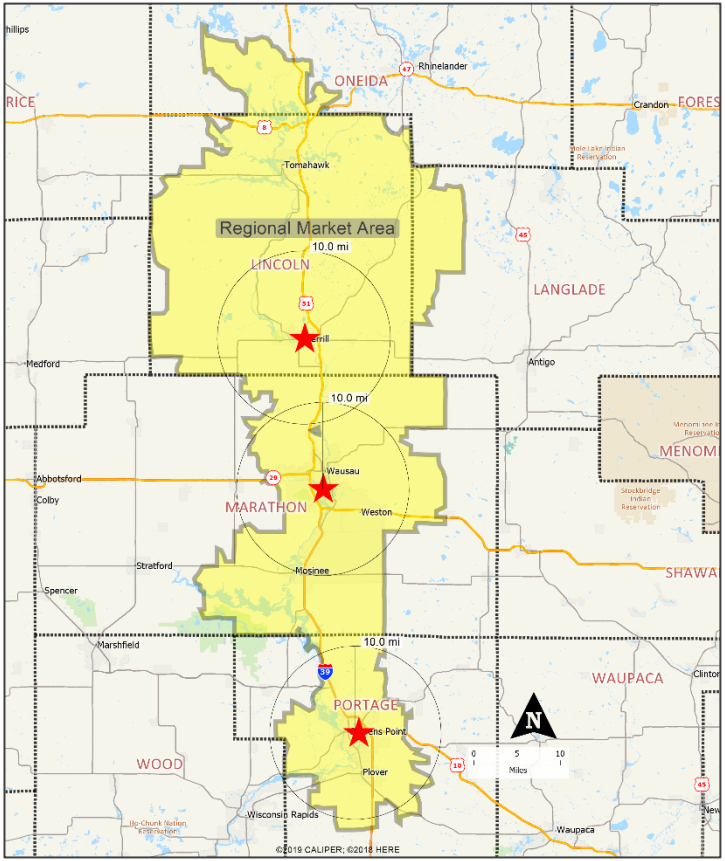
- The baseline demand in the Market Area in 2021 is estimated at 365 beds. This represents an average occupancy of 53.7 percent, based on Medicare cost report data.
- Assumptions for changes in population, length of stay, hospital utilization and other environmental impacts are estimated to result in a decrease in demand for nursing beds in the Market Area in 2026 to 339 beds (a decline of 8.2%).
- **With a 2021 estimated bed demand of 365 beds, there are 315 excess beds in the Market Area. There are projected to be 341 excess beds in the Market Area by 2026.**

Regional Market Area

Lincoln, Wausau, and Portage Counties

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

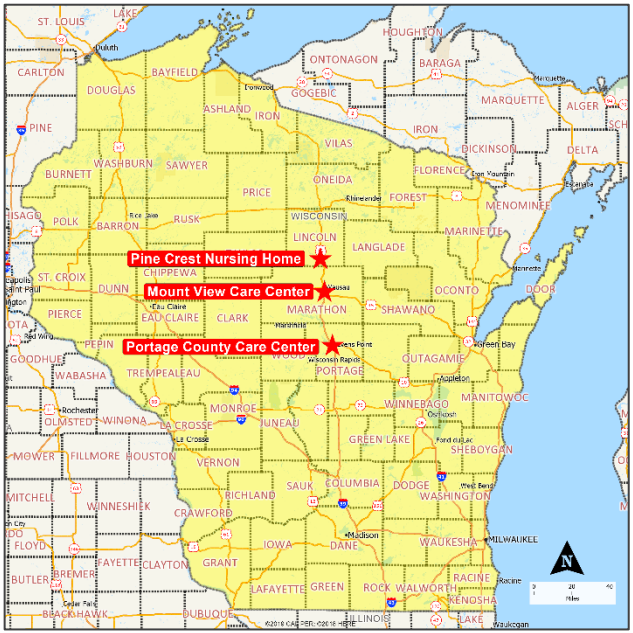
Regional Market Area



Source: Maptitude

ZIP Codes included in the Market Area:

- 54401
- 54403
- 54435
- 54442
- 54452
- 54455
- 54467
- 54471
- 54474
- 54476
- 54481
- 54482
- 54487

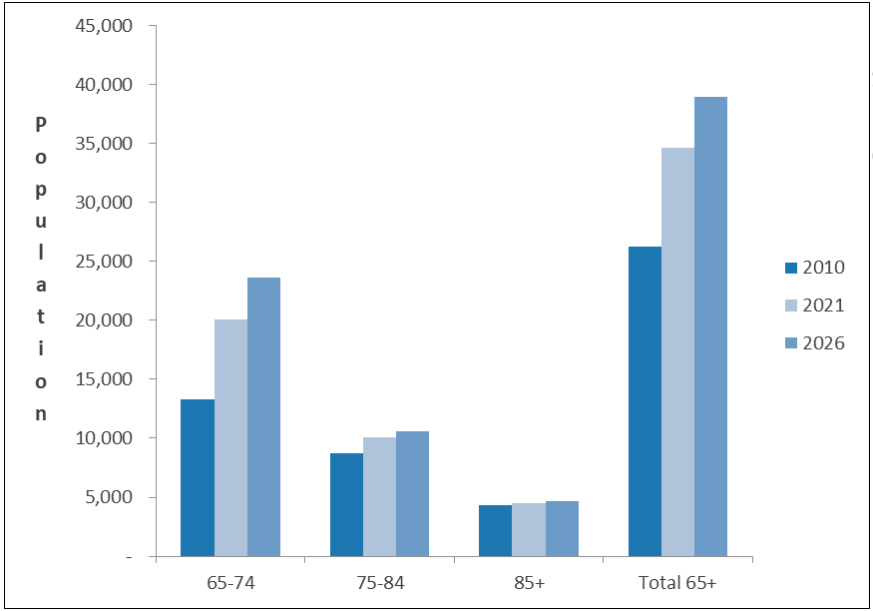


Source: Maptitude

Demographic Analysis – Population

Population

- In 2021, seniors (persons age 65+) are estimated to total **34,649** persons, an increase of **8,371** persons or **31.9%** from 2010.
- The senior population is projected to increase by **4,293** people or **12.4%** from 2021 to 2026.
- The largest projected growth is in the 65-to-74 age cohort, which is projected to add **3,627** people from 2021 to 2026. While this group is not the immediate target for senior living, the growth could indicate future demand.
- Overall, seniors age 75+ are projected to increase by **666** persons, or **4.6%** from 2021 to 2026.

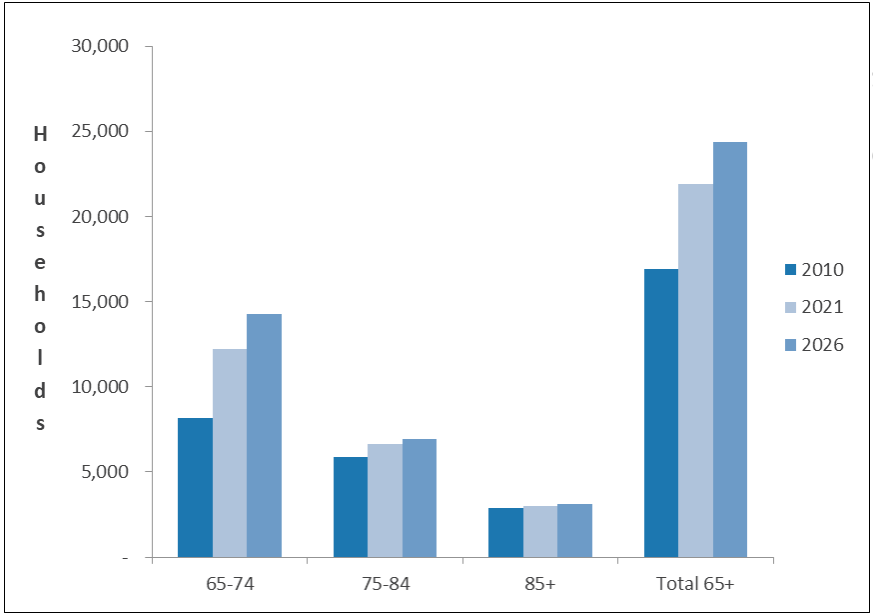


Age Cohorts	Population			% Annual Change	
	2010	2021	2026	2010-2021	2021-2026
65-74	13,271	20,043	23,670	*3.8%*	*3.4%*
75-84	8,699	10,116	10,599	*1.4%*	*0.9%*
85+	4,308	4,490	4,673	*0.4%*	*0.8%*
Total 65+	**26,278**	**34,649**	**38,942**	***2.5%***	***2.4%***

Demographic Analysis - Households

Households

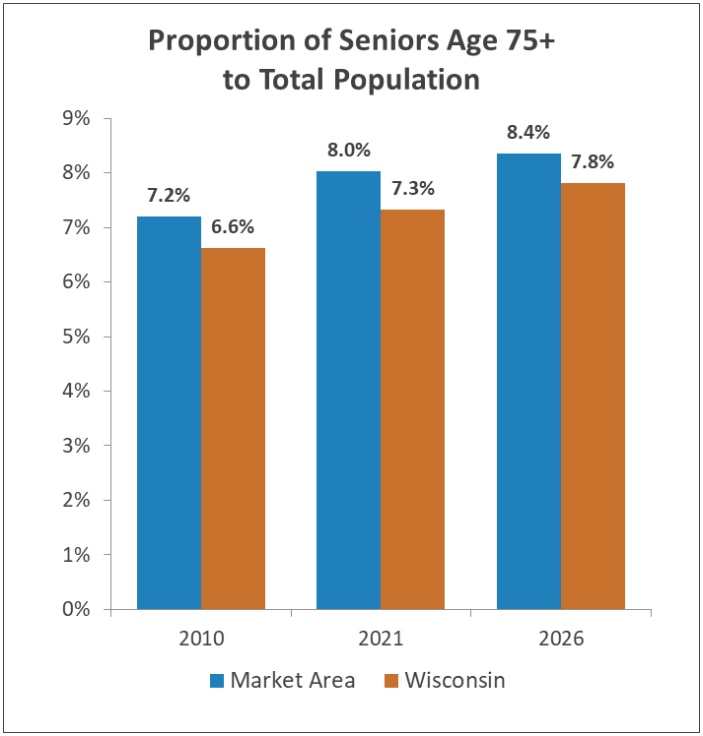
- Senior household trends closely parallel population trends: the 65-74 cohort compromises the most growth from 2021 to 2026.
- In 2021, senior households in the Market Area are estimated to total **21,876**, an increase of **4,944** households or **29.2%** from 2010.
- Additionally, an overall increase of **2,481** households or **11.3%** is projected for 2021 to 2026.
- Senior households 75+ are projected to increase by **381** households or **3.9%** from 2021 to 2026.



Age Cohorts	Households			% Annual Change	
	2010	2021	2026	*2010-2021*	*2021-2026*
65-74	8,175	12,191	14,291	*3.7%*	*3.2%*
75-84	5,855	6,670	6,938	*1.2%*	*0.8%*
85+	2,902	3,015	3,128	*0.3%*	*0.7%*
Total 65+	**16,932**	**21,876**	**24,357**	***2.4%***	***2.2%***

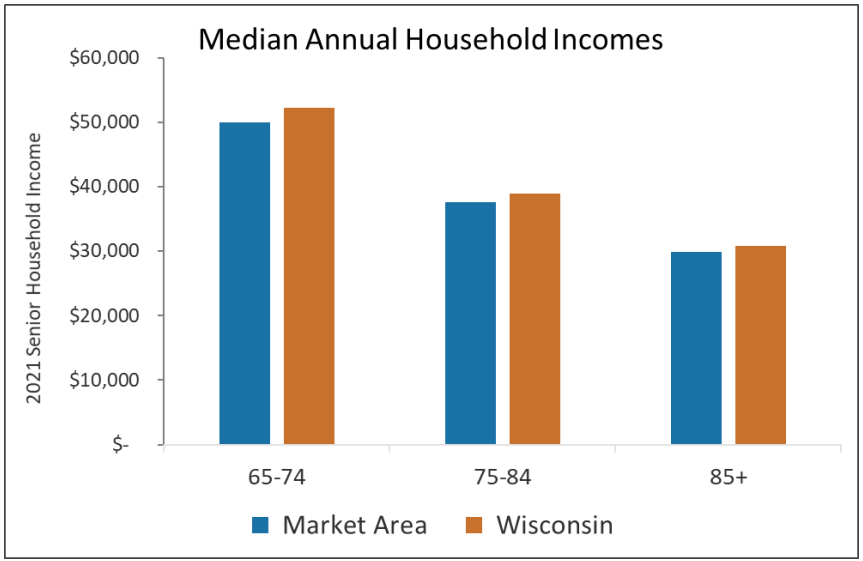
Demographic Analysis – 75+ Proportion

Proportion of Seniors in the Market Area Compared to Overall Population



- An increased proportion of seniors could impact senior living in two ways:
  - **Fewer workers available** – continued workforce challenges.
  - **Fewer caregivers** (adult children) – seniors may turn to formalized care if family is not a viable personal care/assistance option.
- The proportion of seniors age 75+ compared to the overall population in the Market Area is projected to increase from **8.0%** in 2021 to **8.4%** in 2026. Both percentages are significantly higher than the State of Wisconsin overall.
- The overall population of the Market Area (in all age groups) is an estimated **181,744** in 2021 and projected to increase to **182,704** by 2026, a **0.5%** increase.

Demographic Analysis – Senior Income



	2021 Median Incomes			2026 Median Incomes		
	65-74	75-84	85+	65-74	75-84	85+
Market Area	$ 49,947	$ 37,617	$ 29,827	$ 55,053	$ 40,933	$ 32,146
Wisconsin	$ 52,287	$ 38,961	$ 30,781	$ 58,318	$ 42,227	$ 32,932

- Senior household incomes indicate what seniors can afford to pay for senior living.
- In the Market Area, senior median household incomes are projected to be slightly lower than they are in Wisconsin overall across all senior age cohorts in 2021 and 2026.
- From 2021 to 2026, household incomes are projected to grow by **10.9%** for seniors age 65+ in the Market Area. For comparison, the projected growth rate among seniors age 65+ in Wisconsin overall is also **10.9%** over the five-year period.

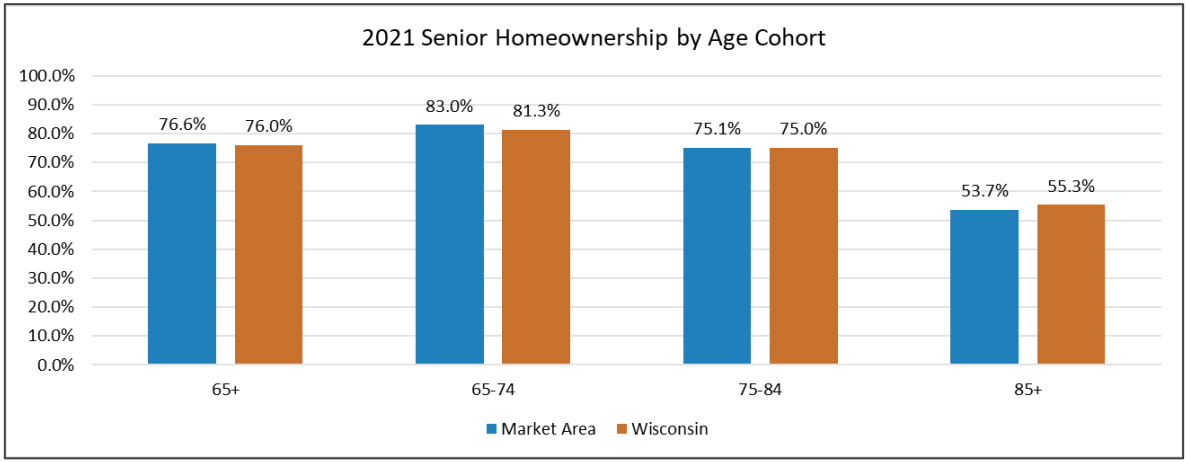
Demographic Analysis – Homeownership

Senior Homeownership – 2021

- The percentage of homeownership in the Market Area indicates the percentage of seniors who could use the proceeds from the sale of a home towards senior living, supplementing their income. The percentage of homeowners has a significant impact on the number of age and income qualified seniors in the unit demand model.

- Among all Market Area senior households, **76.6%** owned their housing in 2021. This ownership rate is higher than the homeownership rate in the State of Wisconsin overall, **76.0%.**

- As shown on the chart below, home ownership declines with age, as older seniors are more likely to move to senior living.



Competitive Summary – RCAC AL

The table is a summary of RCAC assisted living units in the Market Area that were not included in the previous Market Areas for Mount View Care Center and Pine Crest Nursing Home. The number of units, including those in the Mount View Care Center and Pine Crest Nursing Home Market Areas, are used later in the report for estimating demand in the Market Area.

Competitive RCAC Assisted Living Units	No. of Beds	Occupancy
Dimensions Living Stevens Point	75	86.7%
River View Lodge (Point Manor)	51	70.6%
The Lodge at Whispering Pines	68	85.3%
Willow Brooke Point	36	83.3%
Total	**230**	**82.2%**

Source: Phone interviews and other research conducted April 2021.

Competitive Summary – CBRF AL/MC

The table is a summary of CBRF assisted living and memory care assisted living units in the Market Area that were not included in the previous Market Areas for Mount View Care Center and Pine Crest Nursing Home. The number of units, including those in the Mount View Care Center and Pine Crest Nursing Home Market Areas, are used later in the report for estimating demand in the Market Area.

	CBRF Assisted Living		Memory Care			
Competitive CBRF Assisted Living & Memory Care Units	**No. of Beds**	**Occupancy**	**No. of Beds**	**Occupancy**	**Total CBRF AL & MC Beds**	**Overall Occupancy**
Care Partners	32	31.3%	0	N/A	32	31.3%
Dimensions Living Stevens Point	0	N/A	16	75.0%	16	75.0%
Maple Ridge of Plover	18	77.8%	20	75.0%	38	76.3%
North Crest	14	85.2%	13	85.2%	27	85.2%
North Haven	11	86.4%	11	86.4%	22	86.4%
North Ridge	12	83.3%	12	83.3%	24	83.3%
Stevens Point Health Services	29	69.0%	0	N/A	29	69.0%
Sylvan Crossings of Stevens Point	19	73.7%	0	N/A	19	73.7%
Wellington Place at Whiting	28	82.1%	0	N/A	28	82.1%
Whispering Pines	40	85.0%	0	N/A	40	85.0%
Willow Brooke Point	30	76.7%	10	80.0%	40	77.5%
Total	**233**	**72.7%**	**82**	**80.0%**	**315**	**74.6%**

Source: Phone interviews and other research conducted April 2021.

Pending Projects

CLA contacted staff at planning departments in the Market Area to determine if any new senior housing was being proposed in the Market Area. At the time of research, no competitive projects were identified.

Stevens Point

- City staff in Stevens Point noted that General Capital has built 88 affordable independent living units (with income restrictions) at 1443 N Water Street. The project is expected to open in late April 2021. However, since all of the units are income-restricted, they were not considered comparable or included in the unit demand estimations.

Demand Assumptions – IL

- All seniors 75-and-over are considered the market for independent living.
- Rents tested were $2,500, and $3,500 for independent living.
- 50% of annual income allotted for independent living.
- For homeowners who have and are able to draw on the equity of their home, the rent amounts were reduced by the expected investment proceeds from the sale of the home based on the following assumptions:
    - Seniors' homes are worth 90% of homes in general (due to deferred maintenance and dated décor).
    - Seniors will obtain 94% of the sale proceeds after selling costs.
    - The net proceeds will be invested at a return of 3%.
    - An allowance of 20% for taxes was subtracted from the investment return.
    - Assuming the above and a median home value of $179,667, seniors would have $304 of monthly income available to pay rent.
- Gross market penetration rate of 10% was applied to the age/income qualified market for independent living.
- The overall range is typically 10% to 30%. This is determined subjectively based upon the amount and type of existing product in the Market Area.
- 20% of residents will move from outside of the Market Area.

Estimated IL Demand

The following table shows the demand for independent living in 2021, 2023, and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
INDEPENDENT SENIOR HOUSING:			
Rents starting at…			
$2,500/Month in 2021 dollars	263	256	245
$3,500/Month in 2021 dollars	77	77	77

Source: CliftonLarsonAllen LLP

The estimated demand shown in the table is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level.

Demand Assumptions – RCAC AL

- Activity of daily living ("ADL") needs were applied to the age/income qualified base for RCAC, 5.7% for ages 65-74 (1-2 ADL needs), 22.2% for ages 75-84 (1-2 ADL needs) and 31.8% for ages 85+ (1-2 ADL needs).
- RCAC monthly service fees were tested at $4,000, and $5,000 per month with 80% of annual income allotted to pay for RCAC assisted living services.
- For homeowners who are able to draw on the equity of their home, an annual income of $25,000, $30,000 and $35,000 was used, respectively, for the different rent levels.
- Gross market penetration of 15% was used, based on the number of RCAC units in the Market Area.
- 20% allowance for residents outside the Market Area.

Estimated RCAC AL Demand

The following table shows the demand for RCAC assisted living in 2021, 2023, and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
RCAC ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	106	113	123
$5,000/Month in 2021 dollars	7	14	24

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables in net of existing units and those under construction; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level. Demand for assisted living and memory care assisted living overlaps.

Demand Assumptions – CBRF AL/MC

- ADL needs were applied to the age/income qualified base for CBRF, 5.2% for ages 65-74 (3+ ADL needs), 8.7% for ages 75-84 (3+ ADL needs) and 17.6% for ages 85+ (3+ ADL needs).

- CBRF monthly service fees were tested at $4,000, and $5,000 for assisted living and $6,500 per month for CBRF memory care assisted living. Each service fee was tested with 80% of annual income allotted for CBRF assisted living and 90% to memory care assisted living.

- For homeowners who are able to draw on the equity of their home, an annual income of $25,000, $30,000 and $35,000 was used, respectively, for the different monthly service fee levels.

- Incidence of dementia was applied to the age/income qualified base of residents living alone for memory care 3.2% for ages 65-74, 17.6% for ages 75-84 and 32.8% for ages 85+.

- Gross market penetration of 50% was used for CBRF assisted living, and 20% was used for memory care assisted living. Both percentages are based upon the number of existing beds and the CBRF specific ADL need percentages included in the qualified population pool.

- 20% of residents will move from outside of the Market Area.

Estimated CBRF AL/MC Demand

The following table shows the demand for CBRF assisted living and memory care assisted living units in 2021, 2023 and 2026 in the Market Area.

	Estimated Demand		
	2021	2023	2026
CBRF ASSISTED LIVING SENIOR HOUSING:			
Rents starting at…			
$4,000/Month in 2021 dollars	No Demand	No Demand	No Demand
$5,000/Month in 2021 dollars	No Demand	No Demand	No Demand
CBRF MEMORY CARE SENIOR HOUSING:			
Rents starting at…			
$6,500/Month in 2021 dollars	64	67	70

Source: CliftonLarsonAllen LLP

The estimated demand shown in the tables is net of existing units; that is, demand for new development. Demand at the higher rent level is included in demand at the lower rent level. Demand for CBRF assisted living and memory care assisted living overlaps.

Competitive Summary - SNF

SNFs in the Market Area	Profit or Nonprofit	Year Opened	# of beds in Service	Current Occ.	Average Daily Rate	5 Star Quality Rating [1]
Mount View Care Center 1100 Lake View Drive Wausau, WI North Central Health Care/Marathon County	Government	1986	165	75.8%	*	2
Pine Crest Nursing Home 2100 E Sixth St Merrill, WI North Central Health Care/Lincoln County	Government	1953-2017	160	64.4%	$287	3
Portage County Health Care Center 825 Whiting Avenue Stevens Point, WI North Central Health Care/Portage County	Government	1931-1994	70	64.3%	$310	5
Benedictine Living Community of Wausau 1821 N 4th Avenue Wausau, WI Benedictine Living	Nonprofit	1981-2010	82	68.3%	$285	4
Marshfield Clinic Comfort and Recovery - Wausau 2727 Plaza Drive Wausau, WI Marshfield Clinic	Nonprofit	1980s	12	41.7%	*	4
Pride TLC Therapy and Living 7805 Birch Street Weston, WI Pride TLC	Profit	2013	25	64.0%	$498	5
Rennes Health and Rehab Center - Weston 4810 Barbican Avenue Weston, WI Rennes Group	Profit	2009-2014	84	67.9%	$340	4

Competitive Summary – SNF (Cont'd)

SNFs in the Market Area	Profit or Nonprofit	Year Opened	# of beds in Service	Current Occ.	Average Daily Rate	5 Star Quality Rating [1]
Riverview Health Services 428 N 6th St Tomahawk, WI North Shore Healthcare	Profit	1967	61	47.5%	$283	5
Stevens Point Health Services 1800 Sherman Avenue Stevens Point, WI North Shore Healthcare	Profit	1976	60	41.7%	$290	5
The Bay at Colonial Manor Health and Rehabilitation 1010 E Wausau Avenue Wausau, WI Champion Care	Profit	1964	116	37.1%	$287	N/A [2]
Tomahawk Health Services 720 E Kings Rd Tomahawk, WI North Shore Healthcare	Profit	1968	83	41.0%	$280	3
Wausau Manor Health Services 3107 Westhill Drive Wausau, WI North Shore Healthcare	Profit	1984	68	79.4%	$325	5
TOTAL/OCCUPANCY			986	60.0%		

Source: Phone interviews and other research conducted in March 2021.
Notes:
(1) From www.cms.gov, February 2021.
(2) This facility is not rated due to a history of serious quality issues. This nursing home is subject to more frequent inspections, escalating penalities, and potential termination from Medicare and Medicaid as part of the Special Focus Facility (SFF) program.

SNF Demand Analysis - Influencers

In general, demand for aging services, including skilled nursing care, is influenced by five main factors (referred to herein as “demand influencers”):

- Managed Care / ACO / Medicare Advantage Part C referral sources, relationships and preferred provider agreements that often supersede resident choice;
- Environmental factors such as population growth, acute care usage and caregiver availability;
- Lifestyle and consumer choice, such as the substitution of housing and service alternatives for institutional skilled nursing care;
- State and public policy, such as home and community-based service funding; and
- Income and wealth, particularly poverty rates and availability of retirement income.

SNF Demand Analysis - Assumptions

- Baseline demand for 2021 is based upon utilization data from 2019 Medicare cost reports.
- PMA population growth projections indicate 2.4% annual growth from 2021 to 2026 for seniors age 65-and-over.
- A 10% decrease in short-stay length of stay is estimated from 2021 to 2026, correcting towards the state and national average.
- Hospital utilization is estimated to decrease by 9% from 2021 to 2026, based upon the Wisconsin and national averages.
- These demand projections represent gross demand, including the existing supply.

SNF Demand Analysis - Estimates

The following table shows demand for short stay and long stay beds in the Market Area.

	Market Area						
	Long Stay Days			Short Stay Days			Total
	Long Stay		Market Area	Short Stay (MC) Referring Hospitals		Market Area	
	Medicaid	Other	Total	Medicare	MC Adv	Total	
Baseline Demand 2021	***440***	***66***	***507***	***94***	***139***	***233***	***740***
Impact of Changes in Population (CAGR)	*18*	*3*	*21*	*12*	*17*	*29*	***50***
PMA							
Total - Population Adjusted 2026	*458*	*69*	*527*	*105*	*157*	*262*	***789***
2026 Impact of Environmental Variables							
-9% Changes in Hospital Utilization Rates	*(43)*	*(6)*	*(49)*	*(10)*	*(15)*	*(24)*	***(73)***
-10% Changes in Length of Stay	*0*	*0*	*0*	*(10)*	*(14)*	*(24)*	***(24)***
0% Other Environmental Impacts	*0*	*0*	*0*	*(4)*	*5*	*1*	***1***
Estimated Environmental Impacts	*(43)*	*(6)*	*(49)*	*(23)*	*(24)*	*(47)*	***(96)***
Total Demand 2026	***416***	***63***	***478***	***82***	***133***	***215***	***693***
% Change vs. 2021	***-5.6%***	***-5.6%***	***-5.6%***	***-12.2%***	***-4.9%***	***-7.8%***	***-6.3%***
CAGR	*-1.1%*	*-1.1%*	*-1.1%*	*-2.6%*	*-1.0%*	*-1.6%*	*-1.3%*

Note: the sum for each category may not equal the total, due to rounding estimates.

- The baseline demand in the Market Area in 2021 is estimated at 740 beds. This represents an average occupancy of 65.2 percent, based on Medicare cost report data.
- Assumptions for changes in population, length of stay, hospital utilization and other environmental impacts are estimated to result in a decrease in demand for nursing beds in the Market Area in 2026 to 693 beds (a decline of 6.3%).
- **With a 2021 estimated bed demand of 740 beds, there are 394 excess beds in the Market Area. There are projected to be 441 excess beds in the Market Area by 2026.**

Hospitals Discharging to Skilled Nursing

The table below shows a breakout of 2019 hospital discharges on Medicare claims. In the Market Area, 20.8% of Medicare discharges went to skilled nursing communities.

Hospitals Referring to SNFs in the Market Area	Location	Number of Medicare Discharges	Percentage Discharged Home	Percentage Discharged to SNF	Percentage Discharged to Home Health	Percentage Other
Aspirus Wausau	Wausau	4,699	50.9%	22.4%	13.1%	13.6%
Ascension Good Samaritan Hospital	Merrill	142	66.9%	13.4%	*	19.7%
Ascension Saint Michael's Hospital	Stevens Point	1,048	57.9%	13.2%	13.8%	15.1%
Ascension Sacred Heart Tomahawk	Tomahawk	48	37.5%	37.5%	25.0%	0.0%
Marshfield Medical Center Weston	Weston	831	51.4%	22.1%	16.9%	9.6%
Total/Weighted Average		**6,769**	**52.3%**	**20.8%**	**13.5%**	**13.4%**

Source: Definitivehealthcare.com

Notes: Annual Medicare Data is from the Medicare Standard Analytical Files (SAF). Data shown is from the 2019 calendar year.

Aspirus Wausau

The table below shows discharges to skilled nursing from Aspirus Wausau Hospital. North Central Health Care communities are highlighted in orange, and competitors within the Market Area are highlighted in green. The list is ordered by Medicare payments.

Order	SNF Name	City	State	Medicare Pmts	Medicare Charges	# of Referrals	% of Referrals	# of Unique Beneficiaries
1	Rennes Health & Rehab Center - Weston/Wausau	Weston	WI	$1,812,588	$3,510,655	160	16.30%	130
2	North Central Health Care Mount View Care Center	Wausau	WI	$1,451,518	$2,793,588	93	9.50%	71
3	Benedictine Living Community of Wausau	Wausau	WI	$1,237,883	$2,071,066	87	8.90%	73
4	Wausau Manor	Wausau	WI	$1,186,407	$2,773,887	78	8.00%	61
5	Pine Crest Nursing Home	Merrill	WI	$835,681	$1,189,333	50	5.10%	41
6	Rennes Health & Rehab Center - Rhinelander	Rhinelander	WI	$747,384	$1,327,876	58	5.90%	52
7	The Bay at Colonial Manor	Wausau	WI	$613,810	$945,942	44	4.50%	37
8	Pride TLC - Skilled Nursing	Weston	WI	$605,072	$931,751	68	6.90%	56
9	The Bay at Eastview	Antigo	WI	$568,279	$795,203	36	3.70%	28
10	Aspirus Medford Hospital Swing Bed Unit	Medford	WI	$332,756	$292,758			
11	Avanti Health & Rehab Center	Minocqua	WI	$258,934	$424,186	23	2.30%	21
12	Homme Home of Wittenberg	Wittenberg	WI	$223,811	$382,245	17	1.70%	12
13	Stevens Point Health Services	Stevens Point	WI	$202,930	$654,151	15	1.50%	13
14	Riverview Health Services	Tomahawk	WI	$178,171	$390,066	14	1.40%	13
15	Maple Lane Health Services	Shawano	WI	$158,831	$535,248			
16	Edenbrook of Wisconsin Rapids	Wisconsin Rapids	WI	$150,135	$337,976	13	1.30%	12
17	Portage County Health Care Center	Stevens Point	WI	$140,279	$226,504	16	1.60%	15
18	Rib Lake Health Services	Rib Lake	WI	$131,854	$279,260			
19	Westgate Living Community	Ironwood	MI	$131,361	$158,931			
20	Gogebic Medical Care Facility	Wakefield	MI	$124,529	$183,421	11	1.10%	

Source: Definitive Healthcare, Medicare Cost Report Data for 2019. Columns with fewer than 11 claims are left blank due to CMS privacy requirements.

Ascension Good Samaritan Discharges

The table below shows discharges to skilled nursing from Ascension Good Samaritan Merrill Hospital. The North Central Health Care community is highlighted in orange.

Order	SNF Name	City	State	Medicare Payments	Medicare Charges	# of Referrals	% of Referrals	# of Unique Beneficiaries
1	Pine Crest Nursing Home	Merrill	WI	$272,227	$357,819	31	96.90%	25
2	The Bay at Eastview	Antigo	WI	$36,795	$46,016			

Source: Definitive Healthcare, Medicare Cost Report Data for 2019. Columns with fewer than 11 claims are left blank due to CMS privacy requirements.

Ascension Sacred Heart

The table below shows discharges to skilled nursing from Ascension Sacred Heart Hospital in Tomahawk. The North Central Health Care community is highlighted in orange, and competitors within the Market Area are highlighted in green. The list is ordered by Medicare payments.

Order	SNF Name	City	State	Medicare Payments	Medicare Charges	# of Referrals	% of Referrals	# of Unique Beneficiaries
1	Tomahawk Health Services	Tomahawk	WI	$189,517	$412,322	12	36.40%	
2	Riverview Health Services	Tomahawk	WI	$189,052	$347,118	13	39.40%	12
3	Pine Crest Nursing Home	Merrill	WI	$18,078	$27,156			
4	Rennes Health & Rehab Center - Weston/Wausau	Weston	WI	$14,819	$25,571			
5	Aspirus Pleasant View - Skilled Nursing Facility	Phillips	WI	$9,844	$21,488			
6	Rennes Health & Rehab Center - Rhinelander	Rhinelander	WI	$9,739	$25,566			
7	Wisconsin Veterans Home at King - Olson Hall	King	WI	$6,376	$34,848			

Source: Definitive Healthcare, Medicare Cost Report Data for 2019. Columns with fewer than 11 claims are left blank due to CMS privacy requirements.

Ascension St. Michaels

The table below shows discharges to skilled nursing from Ascension St. Michael's in Stevens Point. North Central Health Care communities are highlighted in orange, and competitors within the Market Area are highlighted in green. The list is ordered by Medicare payments.

Order	SNF Name	City	State	Medicare Payments	Medicare Charges	# of Referrals	% of Referrals	# of Unique Beneficiaries
1	Portage County Health Care Center	Stevens Point	WI	$1,071,196	$1,825,107	78	53.80%	62
2	Stevens Point Health Services	Stevens Point	WI	$578,387	$1,781,145	38	26.20%	35
3	Crossroads Care Center of Weyauwega	Weyauwega	WI	$83,769	$78,524			
4	Iola Living Assistance (Closed)	Iola	WI	$83,548	$199,839			
5	Bethany Home	Waupaca	WI	$61,400	$69,469			
6	The Bay at Colonial Manor	Wausau	WI	$53,023	$81,608			
7	Edenbrook of Wisconsin Rapids	Wisconsin Rapids	WI	$53,018	$129,732			
8	Pine Crest Nursing Home	Merrill	WI	$26,591	$26,721			
9	ThedaCare Medical Center - Wild Rose Swing Bed	Wild Rose	WI	$22,992	$16,755			
10	Harbor Haven Health & Rehabilitation	Fond Du Lac	WI	$20,254	$30,895			
11	Meadow Health - Chetek	Chetek	WI	$18,312	$56,593			
12	Clark County Rehabilitation & Living Center	Owen	WI	$17,837	$19,733			
13	Rennes Health & Rehab Center - Weston/Wausau	Weston	WI	$12,365	$22,328			
14	Pride TLC - Skilled Nursing	Weston	WI	$5,020	$7,239			
15	Avanti Health & Rehab Center	Minocqua	WI	$1,342	$1,946			

Source: Definitive Healthcare, Medicare Cost Report Data for 2019. Columns with fewer than 11 claims are left blank due to CMS privacy requirements.

Marshfield Medical Center Discharges

The table below shows discharges to skilled nursing from Marshfield Medical Center in Weston. North Central Health Care communities are highlighted in orange, and competitors within the Market Area are highlighted in green. The list is ordered by Medicare payments.

Order	SNF Name	City	State	Medicare Payments	Medicare Charges	# of Referrals	% of Referrals	# of Unique Beneficiaries
1	Rennes Health & Rehab Center - Weston/Wausau	Weston	WI	$578,553	$1,090,025	43	13.5%	40
2	Pride TLC - Skilled Nursing	Weston	WI	$480,882	$757,816	50	15.7%	39
3	North Central Health Care Mount View Care Center	Wausau	WI	$270,562	$559,558	16	5.0%	14
4	Pine Crest Nursing Home	Merrill	WI	$228,562	$292,849	24	7.5%	19
5	Avanti Health & Rehab Center	Minocqua	WI	$221,757	$408,941	15	4.70%	15
6	Rennes Health & Rehab Center - Rhinelander	Rhinelander	WI	$216,153	$396,676	27	8.50%	25
7	Portage County Health Care Center	Stevens Point	WI	$198,828	$318,715	17	5.3%	17
8	Homme Home of Wittenberg	Wittenberg	WI	$193,212	$404,137	14	4.40%	
9	Riverview Health Services	Tomahawk	WI	$178,512	$312,399	11	3.50%	
10	The Bay at Colonial Manor	Wausau	WI	$122,461	$164,145			
11	Benedictine Living Community of Wausau	Wausau	WI	$120,439	$263,607	11	3.50%	
12	Park Manor	Park Falls	WI	$114,585	$172,795			
13	Tomahawk Health Services	Tomahawk	WI	$111,440	$181,576			
14	Stevens Point Health Services	Stevens Point	WI	$88,003	$260,715			
15	Wausau Manor	Wausau	WI	$84,453	$154,202			
16	Friendly Village Nursing and Rehabilitation	Rhinelander	WI	$74,737	$128,644			
17	Maple Lane Health Services	Shawano	WI	$71,206	$218,735			
18	Wisconsin Rapids Health Services	Wisconsin Rapids	WI	$46,710	$123,523			
19	Ascension Good Samaritan Health Center Swing Bed Unit	Merrill	WI	$41,270	$42,989			
20	Birch Hill Health Services	Shawano	WI	$38,157	$88,353			

Source: Definitive Healthcare, Medicare Cost Report Data for 2019. Columns with fewer than 11 claims are left blank due to CMS privacy requirements.

Appendix

Detailed Competitor Information

Pine Crest Market Area - RCAC

The table below includes detailed information on the RCAC in the Pine Crest Market Area.

	abiliT Senior Living
Street Address	314 E Lincoln Avenue
City/State/ZIP Code	Tomahawk, WI 54487
Owner/Sponsor	abiliT Senior Living
Year Opened	2014
Number of Beds	
RCAC AL studio-shared	0
RCAC AL studio-private	0
RCAC AL one-bedroom	16
RCAC AL two-bedroom	4
Total RCAC AL Beds	20
RCAC AL Monthly Service Fees:	
RCAC AL studio-shared	N/A
RCAC AL studio-private	N/A
RCAC AL one-bedroom	*
RCAC AL two-bedroom	*
Occupancy Rate-RCAC AL	*
Included in Monthly Service Fee:	
Meals	3 meals/day
Housekeeping	Weekly
Linen service	Weekly
Laundry service	Weekly
Personal Care	A La Carte

Source: Phone interviews and other research conducted April 2021.
Notes to Table:
* = Unable to obtain information from the facility.
N/A = Not applicable to this facility.
RCAC AL = Residental Care Apartment Complex Assisted Living

Pine Crest Market Area - CBRF

The table below includes detailed information on the CBRFs in the Pine Crest Market Area.

	abiliT Senior Living	Bell Tower Residence	Country Terrace - Tomahawk	Woodland Court
Street Address	314 E Lincoln Avenue	1500 O Day Street	300 Theiler Street	1102 S Center Avenue
City/State/ZIP Code	Tomahawk, WI 54487	Merrill, WI 54452	Tomahawk, WI 54487	Merrill, WI 54452
Owner/Sponsor	abiliT Senior Living	WISH	Care Partners	Woodland Court Elder Services LLC
Year Opened	2014	1990	2015	2000
Number of Beds				
CBRF AL studio-shared	0	0	0	24
CBRF AL studio-private	0	69	33	6
CBRF AL one-bedroom	0	0	0	0
CBRF AL two-bedroom	0	0	0	0
Total CBRF AL Beds	0	69	33	30
MC studio-shared	0	0	0	0
MC studio-private	22	21	0	0
MC one-bedroom	0	0	0	0
Total MC Beds	22	21	0	0
Total CBRF AL/MC Beds	22	90	33	30
AL/MC Monthly Service Fees:				
CBRF AL studio-shared	N/A	N/A	N/A	$3,600
CBRF AL studio-private	N/A	$3,500	$4,200	$3,800
CBRF AL one-bedroom	N/A	N/A	N/A	N/A
CBRF AL two-bedroom	N/A	N/A	N/A	N/A
MC studio-shared	N/A	N/A	N/A	N/A
MC studio-private	*	$6,000	N/A	N/A
MC one-bedroom	N/A	N/A	N/A	N/A
Occupancy Rate-CBRF AL	N/A	81.2%	60.6%	96.7%
Occupancy Rate-MC	*	71.4%	N/A	N/A
Included in Monthly Service Fee:				
Meals	3 meals/day	3 meals/day	3 meals/day	3 meals/day
Housekeeping	Weekly	Weekly	Weekly	Weekly
Linen service	Weekly	Weekly	Weekly	Weekly
Laundry service-CBRF AL	N/A	Weekly	Weekly	Daily
Laundry service-MC	As needed	Weekly	N/A	N/A
Personal Care-CBRF AL	N/A	Levels of care	Levels of care [1]	All inclusive
Personal Care-MC	Levels of care	All inclusive	N/A	N/A

Source: Phone interviews and other research conducted April 2021.

Notes to Table:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

CBRF AL = Community-Based Residential Facility Assisted Living

MC = Memory Care

Country Terrace - Tomahawk

(1) There are three levels of care, Level 1 is included in the monthly service fee. Additional levels are priced at: $300 and $1,000.

Mount View Market Area - IL

The table below includes detailed information on the IL communities in the Mount View Care Center Market Area.

	Forest Park Village	Primrose Retirement Community
Street Address	2901 N 7th St	2100 Townline Road
City/State/ZIP Code	Wausau, WI 54403	Wausau, WI 54403
Type of Contract	Rental	Rental
Owner/Sponsor	Homme Homes	Primrose Retirement Communities
Profit/Non-Profit	Non-Profit	Profit
Year Opened	*	2009
IL Units:		
Studio apartments	0	0
One-bedroom apartments	50	
One-bedroom/den apartments	0	0
Two-bedroom apartments	25	
Two-bedroom/den or three-br. apts.	0	0
Cottages/Patio Homes/Villas	0	10
Total IL Units	75	49
AL/MC Units	0 / 0	39 / 32
IL Monthly Service Fees:		
Studio apartments	N/A	N/A
One-bedroom apartments	$775	$3,460
One-bedroom/den apartments	N/A	N/A
Two-bedroom apartments	*	$3,660-$3,760
Two-bedroom/den or three-br. apts.	N/A	N/A
Cottages/Townhomes/Patio Homes	N/A	$3,995
IL Reported Occupancy Rate	86.7%	93.9%

Source: Phone interviews and other research conducted in March 2021.
* = Unable to obtain information from the facility.
IL = Independent Living
AL = Assisted Living
MC = Memory Care
N/A = Not applicable to this facility.

Mount View Market Area - RCAC

The table below includes detailed information on the RCACs in the Mount View Care Center Market Area.

	Acorn Hill	Applegate Terrace	Mountain Terrace Senior Living	Primrose Retirement Community of Wausau	Renaissance Weston	The Gardens Apartments
Street Address	430 Orbiting Drive	3001 Westhill Drive	3312 Terrace Court	2100 Townline Road	4602 Barbican Avenue	801 Parcher Street
City/State/ZIP Code	Mosinee, WI 54455	Wausau, WI 54401	Wausau, WI 54401	Wausau, WI 54403	Weston, WI 54476	Wausau, WI 54403
Owner/Sponsor	Wisteria Assisted Living	Northshore Healthcare	Dimensions Living	Primrose Retirement	Rennes Group	Homme Homes
Year Opened	2007	2001	2006	2009	Jul-05	1980s
Number of Beds						
RCAC AL studio-shared	0	0	0	0	0	0
RCAC AL studio-private	0	*	0	0	*	*
RCAC AL one-bedroom	*	*	41	66	*	0
RCAC AL two-bedroom	*	*	0	12	*	0
Total RCAC AL Beds	29	53	41	78	80	26
RCAC AL Monthly Service Fees:						
RCAC AL studio-shared	N/A	N/A	N/A	N/A	N/A	N/A
RCAC AL studio-private	N/A	$2,150	N/A	N/A	$2,975-$3,425	*
RCAC AL one-bedroom	$2,655	$2,724	$3,400	$3,895	$3,275-$3,875	N/A
RCAC AL two-bedroom	$2,800	$3,233	N/A	$4,100	$3,825-$4,675	N/A
Occupancy Rate-RCAC AL	86.2%	86.8%	73.2%	*	90.0%	76.9%
Included in Monthly Service Fee:						
Meals	$700 per month for 3/meals day	3 meals/day	3 meals/day	3 meals/day	$445/mo for 3 meals/day;	*
Housekeeping	A La Carte	Weekly	Weekly	Weekly	Weekly	Weekly
Linen service	A La Carte	Weekly	Weekly	Weekly	Weekly	Weekly
Laundry service	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Personal Care	3 Levels of care: ranging from $395 - $1,195/mo	Levels of care: $760, $1,551, and $2,373/mo	A La Carte	Levels of care	Levels of care: $400-$1,300	*

Source: Management and telephone interviews and other research conducted in April 2021.

Notes to Table:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

RCAC AL = Residental Care Apartment Complex Assisted Living

Mount View Market Area - CBRF

The table below includes detailed information on the CBRFs in the Mount View Care Center Market Area. The table continues on the following page.

	Azura Memory Care of Wausau	Care Partners Assisted Living of Weston I & II	Copperleaf Assisted Living & Memory Care of Schofield	Mountain Terrace Senior Living	Our House Wausau
Street Address	3704 Hummingbird Rd	5855 Delikowski Street	1408 Lili Lane	3402 Terrace Court	210 W Campus Drive
City/State/ZIP Code	Wausau, WI 54401	Schofield, WI 54476	Schofield, WI 54476	Wausau, WI 54401	Wausau, Wi 54401
Owner/Sponsor	Azura Senior Living	Care Partners	Copperleaf Senior Living	Dimensions Living	KSMS Our House LLC
Year Opened	2011	2009	2004	2006	1990s
Number of Beds					
CBRF AL studio-shared	0	*	*	0	0
CBRF AL studio-private	0	*	*	26	18
CBRF AL one-bedroom	0	0	*	0	0
CBRF AL two-bedroom	0	0	0	0	0
Total CBRF AL Beds	0	36	25	26	18
MC studio-shared	0	*	*	0	0
MC studio-private	19	*	*	0	20
MC one-bedroom	0	0	*	0	0
Total MC Beds	19	0	22	0	20
Total CBRF AL/MC Beds	19	36	47	26	38
AL/MC Monthly Service Fees:					
CBRF AL studio-shared	N/A	*	N/A [1]	N/A	N/A
CBRF AL studio-private	N/A	*	$3,850	$3,550 - 3,950	$4,125-4,225
CBRF AL one-bedroom	N/A	N/A	$3,850	N/A	N/A
CBRF AL two-bedroom	N/A	N/A	N/A	N/A	N/A
MC studio-shared	N/A	*	N/A [1]	N/A	N/A
MC studio-private	$4,850	*	$3,850	N/A	$4,450 -4,500
MC one-bedroom	N/A	N/A	$3,850	N/A	N/A
Occupancy Rate-CBRF AL	N/A	91.7%	92.0%	92.3%	83.3%
Occupancy Rate-MC	100.0%	N/A	100.0%	N/A	85.0%
Included in Monthly Service Fee:					
Meals	3 meals/day	3 meals/day	3 meals/day	3 meals/day	3 meals/day
Housekeeping	Weekly	Weekly	Weekly	Weekly	Weekly
Linen service	Weekly	Weekly	Weekly	Weekly	Weekly
Laundry service-CBRF AL	N/A	Weekly	Weekly	Weekly	As needed
Laundry service-MC	Weekly	Weekly	Weekly	N/A	As needed
Personal Care-CBRF AL	N/A	Based on assessment	A La Carte	A La Carte	A La Carte
Personal Care-MC	Levels of Care: $600, $1,200, $1,800/mo	Based on assessment	A La Carte	N/A	A La Carte

Mount View Market Area - CBRF

The table below includes detailed information on the CBRFs in the Mount View Care Center Market Area. The table footnotes are shown on the following page.

	Primrose Memory Care	Stone Crest Residence	Sylvan Crossings on Evergreen	Tender Reflections	Wellington Place at Rib Mountain
Street Address	7704 Franciscan Way	805 Parcher Street	1605 Evergreen Road	3404 Community Center Drive	149500 County Road NN
City/State/ZIP Code	Weston, WI 54476	Wausau, WI 54403	Wausau, WI 54403	Weston, WI 54476	Wausau, WI 54401
Owner/Sponsor	Primrose Retirement	Homme Homes	Sylvan Crossings	Weston Memory Care LLC	WISH
Year Opened	2009	2001	2010	2013	2000
Number of Beds					
CBRF AL studio-shared	0	0	0	0	8
CBRF AL studio-private	0	0	20	0	16
CBRF AL one-bedroom	0	0	0	0	0
CBRF AL two-bedroom	0	0	0	0	0
Total CBRF AL Beds	0	0	20	0	24
MC studio-shared	0	0	0	32	0
MC studio-private	32	0	0	0	0
MC one-bedroom	0	16	0	0	0
Total MC Beds	32	16	0	32	0
Total CBRF AL/MC Beds	32	16	20	32	24
AL/MC Monthly Service Fees:					
CBRF AL studio-shared	N/A	N/A	N/A	N/A	$3,163
CBRF AL studio-private	N/A	N/A	$3,900	N/A	$4,182
CBRF AL one-bedroom	N/A	N/A	N/A	N/A	N/A
CBRF AL two-bedroom	N/A	N/A	N/A	N/A	N/A
MC studio-shared	N/A	N/A	N/A	$5,274	N/A
MC studio-private	$6,000	N/A	N/A	N/A	N/A
MC one-bedroom	N/A	$5,350	N/A	N/A	N/A
Occupancy Rate-CBRF AL	N/A	N/A	95.0%	N/A	N/A
Occupancy Rate-MC	*	93.8%	N/A	81.3%	75.0%
Included in Monthly Service Fee:					
Meals	3 meals/day	3 meals/day	3 meals/day	3 meals/day	3 meals/day
Housekeeping	Weekly	Weekly	Weekly	Weekly	Weekly
Linen service	Weekly	Weekly	Weekly	Weekly	Weekly
Laundry service-CBRF AL	N/A	N/A	Weekly	N/A	Weekly
Laundry service-MC	As needed	As needed	N/A	Weekly	N/A
Personal Care-CBRF AL	N/A	N/A	5 Levels of Care: $300 - $1,400.	N/A	7 Levels of Care: $275 - $1,400.
Personal Care-MC	Up to $1,950	All inclusive	N/A	Levels of care: $707 to $2,089/mo	N/A

Mount View Market Area - CBRF

Source: Management and telephone interviews and other research conducted in April 2021.
Notes to Table:
* = Unable to obtain information from the facility.
N/A = Not applicable to this facility.
CBRF AL = Community-Based Residential Facility Assisted Living
MC = Memory Care

Cooperleaf Assisted living and Memory Care

(1) There is no private pay rate for a shared room, as all of those beds are for affordable housing.

Regional Market Area - RCAC

The table below includes detailed information on the RCACs in the Regional Market Area, excluding those already included in the previous pages.

	Dimensions Living Stevens Point	River View Lodge (Point Manor)	The Lodge at Whispering Pines	Willow Brooke Point
Street Address	5625 Sandpiper Drive	1800B Sherman Avenue	3450 Bridlewood Drive	1801 Lilac Lane
City/State/ZIP Code	Stevens Point, WI 54482	Stevens Point, WI 54481	Plover, WI 54467	Stevens Point, WI 54481
Owner/Sponsor	Health Dimensions Group	North Shore Healthcare	Privately Owned	Willow Brooke Living
Year Opened	2000s	1970s	2008/2013	1990s
Number of Beds				
RCAC AL studio-shared	0	0	0	0
RCAC AL studio-private	*	51	34	36
RCAC AL one-bedroom	*	0	34	0
RCAC AL two-bedroom	*	0	0	0
Total RCAC AL Beds	75	51	68	36
RCAC AL Square Footage:				
RCAC AL studio-shared	N/A	N/A	N/A	N/A
RCAC AL studio-private	300	*	481	400
RCAC AL one-bedroom	600	N/A	630	N/A
RCAC AL two-bedroom	1,000	N/A	N/A	N/A
RCAC AL Monthly Service Fees:				
RCAC AL studio-shared	N/A	N/A	N/A	N/A
RCAC AL studio-private	$1,875	$3,100	$3,650	$3,450
RCAC AL one-bedroom	$2,145	N/A	$4,150	N/A
RCAC AL two-bedroom	$5,365	N/A	N/A	N/A
Occupancy Rate-RCAC AL	86.7%	70.6%	85.3%	83.3%
Included in Monthly Service Fee:				
Meals	3 meals/day	3 meals/day	3 meals/day	3 meals/day
Housekeeping	Weekly	Weekly	Weekly	Weekly
Linen service	Weekly	Weekly	Weekly	Weekly
Laundry service	Weekly	Weekly	Weekly	Weekly
Personal Care	A la carte	A la carte	A la carte	A la carte

Source: Management and telephone interviews and other research conducted in April 2021.

Notes to Table:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

RCAC AL = Residental Care Apartment Complex Assisted Living

Regional Market Area - CBRF

The table below includes detailed information on the CBRFs in the Regional Market Area, excluding those already included in the previous pages.

				Copperleaf Senior Living		
	Care Partners	**Dimensions Living Stevens Point**	**Maple Ridge of Plover**	**North Crest**	**North Haven**	**North Ridge**
Street Address	3349 Whiting Avenue	5625 Sandpiper Drive	2831 Maple Drive	2225 Eagle Summit	2301 Eagle Summit	2201 Eagle Summit
City/State/ZIP Code	Stevens Point, WI	Stevens Point, WI	Plover, WI 54467	Stevens Point, WI	Stevens Point, WI	Stevens Point, WI
Owner/Sponsor	Care Properties LLC	Brookdale Senior	Tanglewood Senior	Copperleaf Care	Copperleaf Care	Copperleaf Care
Year Opened	2010	2000s	2000	1990s	1990s	1990s
Number of Beds						
CBRF AL studio-shared	8	0	0	4	4	0
CBRF AL studio-private	24	0	18	23	18	24
CBRF AL one-bedroom	0	0	0	0	0	0
CBRF AL two-bedroom	0	0	0	0	0	0
Total CBRF AL Beds	32	0	18	14 [(1)]	11 [(1)]	12 [(1)]
MC studio-shared	0	0	0	4	4	0
MC studio-private	0	16	20	23	18	24
MC one-bedroom	0	0	0	0	0	0
Total MC Beds	0	16	20	13 [(1)]	11 [(1)]	12 [(1)]
Total CBRF AL/MC Beds	32	16	40	27 [(1)]	22 [(1)]	24 [(1)]
AL/MC Monthly Service Fees:						
CBRF AL studio-shared	$4,200	N/A	N/A	Waiver	Waiver	N/A
CBRF AL studio-private	$5,200	N/A	$4,200	$3,950	$3,950	$3,950
CBRF AL one-bedroom	N/A	N/A	N/A	N/A	N/A	N/A
CBRF AL two-bedroom	N/A	N/A	N/A	N/A	N/A	N/A
MC studio-shared	N/A	N/A	N/A	Waiver	Waiver	N/A
MC studio-private	N/A	$4,695	$4,600	$4,350	$4,350	$4,350
MC one-bedroom	N/A	N/A	N/A	N/A	N/A	N/A
Occupancy Rate-CBRF AL	31.3%	N/A	77.8%	85.2%	86.4%	83.3%
Occupancy Rate-MC	N/A	75.0%	75.0%	85.2%	86.4%	83.3%
Included in Monthly Service Fee:						
Meals	3 meals/day	3 meals/day	3 meals/day	3 meals/day	3 meals/day	3 meals/day
Housekeeping	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Linen service	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Laundry service-CBRF AL	Weekly	N/A	Weekly	Weekly	Weekly	Weekly
Laundry service-MC	N/A	Weekly	Weekly	Weekly	Weekly	Weekly
Personal Care-CBRF AL	All inclusive	N/A	A la carte	Levels of care	Levels of care	Levels of care
Personal Care-MC	N/A	A la carte	A la carte	Levels of care	Levels of care	Levels of care

Source: Management and telephone interviews and other research conducted in April 2021.

Notes to Table:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

CBRF AL = Community-Based Residential Facility Assisted Living

MC = Memory Care

Regional Market Area - CBRF

The table below includes detailed information on the CBRFs in the Regional Market Area, excluding those already included in the previous pages.

	Stevens Point Health Services	Sylvan Crossings of Stevens Point	Wellington Place at Whiting	Whispering Pines	Willow Brooke Point
Street Address	1800B Sherman	100 N Green Avenue	1902 Post Road	3380 Bridlewood Drive	1800 Bluebell Lane
City/State/ZIP Code	Stevens Point, WI	Stevens Point, WI 54481	Stevens Point, WI 54481	Plover, WI 54467	Stevens Point, WI 54481
Owner/Sponsor	North Shore	Sylvan Crossings	Wisconsin Illinois Senior	Privately Owned	Willow Brooke Senior
Year Opened	1970s	1990s	1990s	1990s	1990s
Number of Beds					
CBRF AL studio-shared	*	4	8	0	0
CBRF AL studio-private	*	15	20	40	30
CBRF AL one-bedroom	0	0	0	0	0
CBRF AL two-bedroom	0	0	0	0	0
Total CBRF AL Beds	29	19	28	40	30
MC studio-shared	0	0	0	0	0
MC studio-private	0	0	0	0	10
MC one-bedroom	0	0	0	0	0
Total MC Beds	0	0	0	0	10
Total CBRF AL/MC Beds	29	19	28	40	40
AL/MC Monthly Service Fees:					
CBRF AL studio-shared	Waiver	Waiver	$2,570	N/A	N/A
CBRF AL studio-private	$4,000	$3,800	$3,750-$4,500	$4,100-$4,250	$3,950
CBRF AL one-bedroom	N/A	N/A	N/A	N/A	N/A
CBRF AL two-bedroom	N/A	N/A	N/A	N/A	N/A
MC studio-shared	N/A	N/A	N/A	N/A	N/A
MC studio-private	N/A	N/A	N/A	N/A	$3,950
MC one-bedroom	N/A	N/A	N/A	N/A	N/A
Occupancy Rate-CBRF AL	69.0%	73.7%	82.1%	85.0%	76.7%
Occupancy Rate-MC	N/A	N/A	N/A	N/A	80.0%
Included in Monthly Service Fee:					
Meals	3 meals/day	3 meals/day	3 meals/day	3 meals/day	3 meals/day
Housekeeping	Weekly	Weekly	Daily	Weekly	Weekly
Linen service	Weekly	Weekly	Weekly	Weekly	Weekly
Laundry service-CBRF AL	Weekly	Weekly	Weekly	Weekly	Weekly
Laundry service-MC	N/A	N/A	N/A	N/A	Weekly
Personal Care-CBRF AL	Levels of care	Levels of care	Levels of care	Levels of care	Based on assessment
Personal Care-MC	N/A	N/A	N/A	N/A	Based on assessment

Source: Management and telephone interviews and other research conducted in April 2021.

Notes to Table:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

CBRF AL = Community-Based Residential Facility Assisted Living

MC = Memory Care

Disclaimer

- The objective of this engagement was to collect and analyze as much data on the market as outlined in the Process Outline. CLA assumes no responsibility for matters legal in character. Certain information and statistics contained in this report, which are the basis for conclusions contained in the report, have been provided by other independent sources. While we believe this information is reliable, it has not been independently verified by us and we assume no responsibility for its accuracy. The conclusions in the report are based on our best judgments as market research consultants. CLA disclaims any express or implied warranty of assurance or representation that the projections or conclusions will be realized as stated. The result of the proposed project may be achieved, but may also vary due to changing market conditions, changes in facts that were the basis of the conclusions in the report or other unforeseen circumstances.

- Note that this Enhanced Demand Analysis should in no way be used to finance a project. Once a final housing concept has been defined, a full market Feasibility Study should be conducted prior to making a decision to proceed with a project. This document is for the internal-use-only of NCHC and should not be distributed to third parties.

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CLAconnect.com

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

PURCHASE OF GOODS AND/OR SERVICES CONTRACT

Parties
This contract is between **North Central Healthcare Center (NCHC)**, whose business address is 1100 Lake View Dr, Wausau, WI 54403, hereinafter referred to as "Purchaser" and **(insert provider name)** whose business address is **(insert)** hereinafter referred to as "Provider"

Provider:	
Organization Name:	
Address:	
Name of contact person:	
Telephone:	
Fax:	
E-mail:	
Name of **person signing contract:**(if different)	
Name of **contract liaison:** (if different)	
Contract Information	
Contract Number:	
Goods and/or services to be provided:	See Exhibit A
Contract period:	
Maximum payment under this contract:	

Intent
The intention of this agreement is for the Purchaser to purchase goods and/or services from the Provider. This Provider has been determined not to be a sub-recipient pursuant to OMB 2CFR200.

Article 1 – Term

This contract is to be effective for the period **(insert).**

The maximum annual amount payable under this contract shall be outlined in Exhibit A.

Article 2 – Administration

The Provider employee responsible for day-to-day administration of this contract will be _____, title_____ phone ( ) _____, e-mail _____whose business address is _____. In the event that the administrator is unable to administer this contract, Provider will contact Purchaser and designate a new administrator.

The Purchaser employee responsible for day-to-day administration of this contract will be _____, title_____ phone (insert), e-mail (insert). In the event that the administrator is unable to administer this contract, Purchaser will contact Provider and designate a new administrator.

Article 3 – Goods and/or Services to be Provided

Section 3.1 Description of Goods and/or Services
For each eligible consumer, the Provider agrees to provide goods and/or services as outlined in attached Exhibits and in accordance with the provisions of DHS 36 and all other applicable federal and state laws.

Section 3.2 Developing Individual Service Plans
If applicable, the Provider shall participate in the development of an Individual Service Plan for each consumer within 30 days from the start of services. The Provider shall work with and assist the Purchaser in ensuring that the Individual Service Plan complies with applicable standards. The Provider agrees to work with the Purchaser when the Purchaser is developing the Purchaser's Individual Service Plan.

Section 3.3 Implementing Individual Service Plans
The Provider shall provide the goods and/or services specified in this article according to the Individual Service Plan as authorized by the Purchaser. In providing goods and/or services, the Provider shall:

a. Transfer a consumer from one category of care or service to another only with the approval of the Purchaser.
b. Coordinate with other service Providers as necessary to achieve the consumer's goals as identified in the Purchaser's and Provider's Individual Service Plans;
c. Obtain goods and/or services from another party only with prior written approval from the Purchaser. If the Provider obtains goods and/or services for any part of this agreement from another party, the Provider is responsible for fulfillment of the terms of the contract.

Section 3.4 Other Program and/or Purchaser Requirements
In providing required services under this contract, the Provider shall comply with the program and/or Purchaser requirements. The Purchaser requirements include, but are not limited to, the following:

a. Services to be Provided
Purchaser shall determine the nature of services to be provided as specified in Exhibit A. Provider shall comply with all of Purchaser's determinations and shall perform only those services specifically authorized by Purchaser and in the manner as provider in the attached Appendices. If Provider deems additional services to be necessary and/or appropriate, prior to rendering any such additional services, Provider shall first receive express written authorization from Purchaser authorizing Provider to provide additional services.

b. Billing for Services
Purchaser shall have sole discretion in how Provider is to bill for services provider under this Agreement and shall have the authority to specify to Provider the method, manner, template, and/or format in which the bills are to be submitted. Failure by Provider to submit billings in the manner, template, and/or format, as specified by Purchaser, shall result in denial of payment to Provider for services rendered but not billed appropriately and in accordance to Purchaser's guidelines.

c. Orientation and Training
In addition to any other training, orientations, qualifications, and core competencies identified in this Agreement and attached Exhibit B, Purchaser shall have the right to require Provider to obtain additional orientations and/or trainings at any time during the term of this Agreement as the Purchaser, in the Purchaser's sole discretion, deems necessary and appropriate. Provider shall comply, in a timely manner, with any such additional orientation and/or training requirements. Failure by Provider to comply with additional orientation and training requirements as specified herein shall result in termination of this agreement and/or denial of any payments for services rendered during the time period Provider was not in compliance with additional orientation and/or training requirements.

d. Participation in Crisis Management and Root Cause Analysis

If any consumers of services provided by Provider under this Agreement require crisis management services, Provider shall actively participate in the crisis management process and shall take part as an active and contributing member of the crisis management team for those consumers. In addition, if any consumers die by suicide during the time they are being seen by the Provider in connection with provision of services as contemplated in this Agreement, Provider shall assist Purchaser in conducting root cause analysis (RCA) in response to any such incident of suicide by providing any and all documents in the Provider's possession upon the request of the Purchaser.

e. Corporate Compliance. Provider acknowledges the commitment of Purchaser to carry out the provision of health care and all related activities consistent with the highest ethical, moral and legal standards, as well as the adoption by Purchaser of a corporate compliance plan to do so. Provider shall make its employees, agents, directors and officers aware of this commitment and ensure their compliance with it in all respects. In the event of a breach of the corporate compliance plan by Provider, and failure to timely correct any such non-compliance, the Purchaser may exercise its option to terminate this Agreement.

Section 3.4 Inability to Provide Quality or Quantity of Goods and/or Services
The Provider shall notify the Purchaser immediately in writing and deliver in person or by registered mail whenever it is unable to provide the required quality or quantity of goods and/or services. Upon such notification, the Purchaser and Provider shall determine whether such inability will require a revision or termination of this contract.

Section 3.5 Documentation of Quality and Quantity of Goods and/or Services
The Provider shall retain all documentation necessary to adequately demonstrate the time, duration, location, scope, quality and effectiveness of goods and/or services rendered under the contract. The Purchaser reserves the right to not pay for units of goods and/or services reported by the Provider that are not supported by documentation required under this contract.

Section 3.6 Standards for Performance in Delivery of Goods and/or Services
The Purchaser will monitor the Provider's performance and will use the results of this monitoring to evaluate the Provider's ability to provide adequate goods and/or services to consumers. If the Provider fails to meet contract goals and expected results, the Purchaser may refuse payment, reduce, or terminate the contract immediately. When providing these goods and/or services, the Provider agrees to meet the following standards of performance:

a. See Exhibit A and B

Section 3.7 Assessing Performance in Delivery of Goods and/or Services
The Purchaser retains sole authority to determine whether the Provider's performance under the contract is adequate. The Provider agrees to the following:

a. The Provider shall allow the Purchaser, Purchaser's case manager, Purchaser's designee, and/or contracted staff to visit the Provider's facility or work site at any time for the purpose of ensuring that goods and/or services are being provided as specified in the Individual Service Plan and the contract.
b. Upon request by the Purchaser or its designee, the Provider shall make available to the Purchaser all documentation necessary to adequately assess Provider's performance.
c. The Provider will cooperate with the Purchaser in its efforts to implement the Purchaser's quality improvement and quality assurance program.
d. The Provider shall develop and implement a process for assessing consumer satisfaction with goods and/or services provided. The Provider shall report in a timely manner the results of its consumer satisfaction assessment effort to the Purchaser. The Purchaser reserves the right to review and approve the Provider's consumer satisfaction assessment process, and to require the Provider to submit a corrective action plan to address concerns identified in the review.
e. The Provider shall notify Purchaser of all changes in consumer's residential status, condition, or situation, including medical and other pertinent issues in accordance with Purchaser's procedures.

Section 4.1 Amount Paid Under Contract
Actual total payment will be based upon the amount of goods and/or services authorized by the Purchaser and the amount of goods and/or services performed by Provider. It is understood and agreed by all parties that the Purchaser assumes no obligation to purchase from the Provider any minimum amount of goods and/or services as defined in the terms of this contract.

Section 4.2 Basis for Payments
Payments for goods and/or services covered by this contract shall be based on allowable costs, with limited profit or reserve. Monthly payments will be made based on the agency rate setting and in accordance with the "order of payment" requirements for the funding program. Provider shall submit to Purchaser, no later than September 30, 2021, and no later than September 30 for each consecutive contract year thereafter, a completed rate setting worksheet that will be utilized by Purchaser to determine Provider's rate for the services to be provided under this Agreement. The rate setting worksheet will be made available to Provider by Purchaser and Provider may have the option to fill out and submit the worksheet electronically. Failure by Provider to timely submit the rate setting worksheet may result in Purchaser's refusal to authorize provision of services by Provider, withholding of any amounts invoiced by Provider, or termination of this Agreement.
Providers that submit Medicaid billable service units are subject to a Medicaid audit by the Federal or State Medicaid Audit Bureau. If the results of the audit require Medicaid to generate a recoupment from the Purchaser, the recoupment amounts will be withheld from future payment(s) to the Provider from the Purchaser. If there are no future payments to the Provider, Provider will be billed for the amount due.

Section 4.2.1 Units and Prices
The units and rates for each good and/or service purchased from the Provider are included in the Appendices attached and are based on the agency rate setting.

The Purchaser shall determine the type of goods and/or services provided and the number of units of goods and/or services provided for each consumer. Units for goods and/or services to be provided maybe adjusted and/or re-negotiated. Provider rates for the contract year will be determined based on the rate setting worksheet and re-negotiated on an annual basis. The Purchaser will not reimburse the Provider for any unit of goods and/or services not previously authorized by the Purchaser.

Section 4.2.2 Profit or Reserves
The Purchaser allows the Provider to have profit (for-profit Providers only) or reserve (non-profit Providers only). The profit and reserve are limited by expenditures on allowable costs that the Provider incurs in providing the goods and/or services purchased under this contract. Allowable costs, profit, and reserve are defined in the *Allowable Cost Policy Manual*.

Section 4.2.3 Consumer Fees and Third Party Collections
The Purchaser is responsible for all billing and collection for amounts due from clients and third parties. The Provider shall not collect any funds from clients or from third parties.

Section 4.2.4 Audit
The amount earned under this contract shall be confirmed through an annual audit (see Article 5 "Audit"). For-profit Providers shall include a schedule in their audit reports showing the total allowable costs and the calculation of the allowable profit by contract or by service category. Non-profit Providers shall include a Reserve Supplemental Schedule (Section 7.1.6 of the *Provider Agency Audit Guide*) in their audit reports, and this schedule shall also be by contract or service category.

Section 4.3 Surety Bond
The Provider shall supply a Surety Bond. The Surety bond must be for an amount at least equal to the amount of the advance payment and must accompany the signed contract that is returned to Purchaser. The insurer issuing the surety bond must be licensed to conduct surety business in Wisconsin. The insurer shall use a bond form acceptable to Purchaser.

Section 4.4 Reporting for Payment
Each month, the Provider shall submit an invoice reporting the units of goods and/or services provided during the month. All information reported to the Purchaser shall be supported by the Provider's records. All invoices and an accompanying spreadsheet must be emailed to accounting@norcen.org with the following information matching the invoice: staff first and last name, discipline, amount invoiced by staff, and number of hours by staff.

The report containing the invoices and accompanying spreadsheet is due to the Purchaser by the 10th day following the end of the report month. If the Provider's invoice is complete and timely, and the Provider's documentation meets the requirements for reimbursement, the expected payment date will be approximately 30 days following the timely submission. Failure of the Provider to submit timely billing reports may result in withholding of payments and/or termination of non-complying Provider's authorization to provide services under this Agreement.

Section 4.5 Payment in Excess of Earned Amount
The Provider shall return to Purchaser any funds paid in excess of the amount earned under this contract within ninety (90) days of the end of the contract period. If the Provider fails to return funds paid in excess of the amount earned, the Purchaser may recover the excess payment from subsequent payments made to the Provider or through other collection means.

Article 5 – Audit

The Provider shall submit a certified annual agency-wide audit to the Purchaser.

Section 5.1 Audit Standards

1. 2017 Wis. Act 59 amended Wis. Stats. §46.036(4)(c) (for DHS funding) and §49.34(4)(c) (for DCF funding) to increase the audit-report threshold from $25,000 to $100,000. The Provider must submit to the Purchaser an annual agency-wide audit if the total amount of annual funding provided by the Department of Health Services (DHS) (from any and all of DHS' divisions taken collectively) or the Department of Children and Families (DCF) (from any and all of DCF's divisions taken collectively) for all contracts is $100,000 or more, unless the audit requirement is waived by the Purchaser or the appropriate state agency. In determining the amount of annual funding provided by DHS or DCF, the Provider shall consider both: (1) funds provided through direct contracts with DHS or DCF; and (2) funds from DHS or DCF, passed through another agency that has one or more contracts with the Provider.
2. The audit shall be in accordance with the generally accepted auditing standards, Wis. Stat § 46.036 (for DHS funding), Wis. Stat § 46.34 (for DCF funding), Government Auditing Standards as issued by the U.S. Government Accountability Office, and other provisions as specified in this contract. In addition, the Provider is responsible for ensuring that the audit complies with other standards and guidelines that may be applicable depending on the type of services provided and the amount of funding received. Please reference the following audit documents for additional information on the applicable audit requirements:
    - 2 Code of Federal Regulations (CFR), Part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Subpart F – Audits. This guidance also includes an Annual Compliance Supplement that details specific Federal agency rules for accepting Federal sub-awards.
    - The State Single Audit Guidelines (SSAG) expand on the requirements of 2 CFR Part 200 Subpart F by identifying additional conditions that require a State single audit. Section 1.3 of the SSAG lists the required conditions.
    - The Department of Health Services (DHS) Audit Guide is an appendix to the SSAG and contains additional DHS-specific audit guidance for those entities who meet the SSAG requirements.

    The audit shall also be in accordance with the following department standard:
    - The State Single Audit Guidelines if the Provider is local government that meets the criteria of 2 CFR Part 200 for needing an audit in accordance with the Register.
    - The Provider Agency Audit Guide for all other Providers.

Section 5.2 Audit Schedules

Where an audit is not waived, the Provider is to submit to the Purchaser, within 180 days from the end of the Provider's fiscal year, the following: all audit schedules and reports, schedules of the Purchaser's revenues and expenses by programs, a summary schedule of prior year findings and status of addressing the findings, Management Letter (or comparable), management responses and corrective action plan for each audit issue identified in the audit, and other applicable documents as requested by the Purchaser. Access to audit work papers and other audit materials will be provided to the Purchaser upon request. The Purchaser, upon request, will supply identification of funding sources making up contract payments to the Provider.

Wis. Stats. §46.036(5m)(b)1. and §49.34(5m)(b)1., as amended by 2017 Wis. Act 59, contain the following provisions ("Retained-Surplus Provisions"): (a), if revenue under a contract for the provision of a rate-based service exceeds allowable costs incurred in the contract period, the contract shall allow the provider to retain from the surplus up to 5% of the revenue received under the contract (unless a uniform rate is established by DHS or DCF), in which case the contract shall allow the provider to retain the uniform percentage rate established by the rule); and (b) the retained surplus is the property of the provider

Wis. Stats. §46.036(5m)(b)3. and §49.34(5m)(b)4., as amended by 2017 Wis. Act 59, contains the following provisions ("Surplus-Recovery Provisions"): (a) if on December 31 of any year the provider's accumulated surplus from all contract periods ending during that year for a rate-based service exceeds the allowable retention rate as described above, the provider shall provide written notice of that excess to all purchasers of the rate-based service; (b) upon the written request of the purchaser received no later than 6 months after the date of the notice; and (c) the provider shall refund the purchaser's proportional share of that excess.

In addition to the foregoing requirement, for profit Providers shall include a schedule in their audit reports showing the total allowable costs and the calculation of the allowable profit by contract or by service category. Non-profit Providers shall include a Reserve Supplemental in their audit reports, and this schedule shall also be by contract or service category. State Signe Audit Guidelines (SSAG).

Section 5.3 Submitting the Reporting Package

The Provider shall send the required reporting package to the Purchaser at the address listed in this contract. The reporting package is due to the Purchaser within 180 days of the end of the Provider's fiscal year. A written request for an extension will be considered on an individual basis. The reporting package should include the following items:

A. General-Purpose Financial Statements of the overall agency and a Schedule of Expenditures of Federal and State Awards, including the independent Purchaser's opinion on the statements and schedule.
B. Schedule of Findings and Questioned Costs, Schedule of Prior Audit Findings, Corrective Action Plan and the Management Letter (if issued).
C. Report on Compliance and on Internal Control over Financial Reporting based on an audit performed in accordance with Government Auditing Standards.
D. Report on Compliance for each Major Program and a Report on Internal Control over Compliance.
E. Report on Compliance with Requirements Applicable to the Federal and State Program and on Internal Control over Compliance in Accordance with the Program-Specific Audit Option.
F. *Settlement of DHS Cost Reimbursement Award. This schedule is required by DHS if the sub-recipient/contractor is a non-profit, for-profit, a governmental unit other than a tribe, county Chapter 51 board or school district; if the sub-recipient/contractor receives funding directly from DHS; if payment is based on or limited to an actual allowable cost basis; and if the Provider reported expenses or other activity resulting in payments totaling $100,000 or more for all of its grant(s) or contract(s) with DHS.
G. *Reserve Supplemental Schedule is only required if the sub-recipient/contractor is a non-profit and paid on a prospectively set rate.
H. *Allowable Profit Supplemental Schedule is only required if the sub-recipient/contractor is a for-profit entity.
I. *Additional Supplemental Schedule(s) required by Funding Agency may be required. Check with the funding agency.

*NOTE: These schedules are only required for certain types of entities or specific financial conditions.

Section 5.4 Access to Auditor's Work Papers
When contracting with an audit firm, the Provider shall authorize its auditor to provide access to work papers, reports, and other materials generated during the audit to the appropriate representatives of the Purchaser. Such access shall include the right to obtain copies of the work papers and computer disks, or other electronic media, which document the audit work.

Section 5.5 Failure to Comply with the Requirements of this Section and Sanctions for Failure to Comply
If the Provider fails to have an appropriate audit performed or fails to provide a complete audit reporting package to the Purchaser within the specified timeframe, the Purchaser may:

a. Conduct an audit or arrange for an independent audit of the Provider and charge the cost of completing the audit to the Provider;
b. Charge the Provider for all loss of federal or state aid or for penalties assessed to the Purchaser because the Provider did not submit a complete audit report within the required time frame;
c. Disallow the cost of the audit that did not meet the applicable standards;
d. Assess financial sanctions or penalties;
e. Discontinue contracting with Provider; and/or
f. Withhold payment, cancel the contract, or take other actions deemed by the Purchaser to be necessary to protect the Purchaser's interests and federal or state pass-through funding.

Section 5.6 Close-Out Auditing Requirements

A contract specific audit of an accounting period of less than 12 months is required when a contract is terminated for cause, when the Provider ceases operations or changes its accounting period (fiscal year). The purpose of the audit is to close-out the short accounting period. The required close-out contract specific audit may be waived by Purchaser upon written request from the sub-recipient/contractor, except when the contract is terminated for cause. The required close-out audit may not be waived when a contract is terminated for cause.

The Provider shall ensure that its Purchaser contacts Purchaser prior to beginning the audit. Purchaser, or its representative, shall have the opportunity to review the planned audit program, request additional compliance or internal control testing and attend any conference between the Provider and the Purchaser. Payment of increased audit costs, as a result of the additional testing requested by Purchaser, is the responsibility of the Provider.

Purchaser may require a close-out audit that meets the audit requirements specified in 2 CFR Part 200 Subpart F. In addition, Purchaser may require that the Provider annualize revenues and expenditures for the purposes of applying 2 CFR Part 200 Subpart F and determining major federal financial assistance programs. This information shall be disclosed in a note within the schedule of federal awards. All other provisions in 2 CFR Part 200 Subpart F- Audit Requirements apply to close-out audits unless in conflict with the specific close-out audit requirements.

Section 5.7 Request Audit Waivers
An audit may be waived pursuant to the guidelines of the Financial Management Manual (FMM) or the Provider Agency Audit Guide (PAAG). The State has established criteria for waiving the audit requirement:

a. If the cost of an audit exceeds 5% of the total contract, as verified by written bid, and the provider agency is at low risk.
b. For larger corporations, a current certified audit report for the corporation and a statement of revenues and expenses for the contracted goods and/or services may be substituted for a certified audit of the contracted goods and/or services.
c. If the audit would not be cost effective or would otherwise place an undue burden on the provider.

A written audit waiver request must be submitted to the Purchaser and approved prior to returning the agreement. This request must have supporting documentation, including an estimate by a certified public accounting firm of your audit cost if pertaining to a. or c. above. Do not return your signed agreement until you have a response from us regarding your audit waiver status.

Article 6 – Caregiver Background Checks

The Purchaser and the Provider agree that the protection of the consumers served under this contract is paramount to the intent of this contract. In order to protect the consumers served, the Provider shall comply with the provisions of DHS 12 and DHS 13, Wisconsin Administrative Code.

Section 6.1 Background Checks
The Provider shall conduct caregiver background checks at its own expense of all employees assigned to do work for the Purchaser under this contract if such employee has actual, direct contact with the consumers or their funds of the Purchaser. The Provider shall retain in its Personnel Files all pertinent information, to include a Background Information Disclosure Form and/or search results from the Department of Justice, the Department of Health Services, Department of Children and Families, and the Department of Safety and Professional Services, as well as out-of-state records, tribal court proceedings and military records, if applicable.

After the initial background check, the Provider must conduct a new caregiver background search every four years, (or more frequently for some provider types), or at any time within that period when the Provider has reason to believe a new check should be obtained. In addition to the background check, Provider shall maintain at least three references for each employee hired by Provider and forward any such references to Purchaser upon request.

Section 6.2 Records
The Provider shall maintain the results of the caregiver background checks on its own premises for at least the duration of the contract. The Purchaser may audit the Provider's personnel files to assure compliance with the State of Wisconsin Caregiver Background Check Manual.

Section 6.3 Assignment of Staff
The Provider shall not assign any individual to conduct work under this contract who does not meet the requirements of DHS 12 and DHS 13, Wisconsin Administrative Code.

Section 6.4 Notification to Purchaser and Production of Documents
The Provider shall notify the Purchaser in writing and send via registered mail within one business day if an employee has been charged with or convicted of any barring offense specified in DHS 12.07(2). In addition, when necessary for Purchaser's recertification, Provider shall forward to Purchaser within two business days of Purchaser's request all background checks, references, training records, or any other documentation requested by Purchaser.

Article 7 – Civil Rights Compliance Plan

A. Provider shall comply with the requirements of the current Civil Rights Compliance (CRC) Plan. A copy of the Plan is available at http://www.dhs.wisconsin.gov/civilrights/index.htm. Providers that have more than fifty (50) employees and receive more than fifty thousand dollars ($50,000) must develop and attach a Civil Rights Compliance Plan to this contract. Providers that have less than fifty (50) employees or receive less than a total of fifty thousand ($50,000) dollars must attach a Letter of Assurance to this Contract.
B. The Provider agrees to the following provisions:

1.With respect to employment and eligibility for and access to service delivery for all programs and activities, no otherwise qualified person shall be excluded from participation in services, be denied the benefits of, or otherwise be subject to discrimination in any manner on the basis of race, creed, color, national origin, ancestry, age, religion, retaliation, and applicable political beliefs, sex/gender, gender identity, disability, arrest and conviction record, sexual orientation, marital status, familial or parental status, membership in the military reserve, or if all or part of an individual's income is derived from any public assistance program, or protected genetic information. (Some exceptions may apply as different federal and state laws govern various service and employment

activities.) All employees are expected to support goals and programmatic activities relating to non-discrimination in employment and service delivery.
2.The Provider shall post the Equal Opportunity Policy, the name of the Equal Opportunity Coordinator and the discrimination complaint process in conspicuous places available to applicants and clients of services, and applicants for employment and employees. The complaint process will be according to Purchaser's policies and procedures and made available in languages and formats understandable to applicants, clients and employees.
3. The Provider agrees to comply with the Purchaser's civil rights compliance policies and procedures. The following web address provides a link to the written requirements for Civil Rights Compliance Plans (CRCP) and Letters of Assurance (LOA): http://www.dhs.wisconsin.gov/civilrights/index.htm. Provider is required to submit completed forms within thirty (30) days of the contract start date.
4. The Provider agrees that through its normal selection of staff, it will employ or provide staff with special translation or sign language skills training, or find qualified persons who are available within a reasonable time and who can communicate with limited or non-English speaking or hearing impaired clients at no cost to the client; provide aids, assistive devices and other reasonable accommodations to the client during the application process, in the receipt of services, and in the processing of complaints and appeals; train staff in human relations techniques, sensitivity to persons with disabilities and sensitivity to cultural characteristics; make programs and facilities accessible, as appropriate, through outstations, authorized representatives' adjusted work hours, ramps, doorways, elevators, or ground floor rooms, and Braille, large print or taped information for the visually impaired; and post and/or make available informational materials in languages and formats appropriate to the needs of the client population.
5. The Purchaser will take constructive steps to ensure compliance by the Provider with the provisions of this subsection.

Article 8 – Consumer Rights and Grievances

The Provider shall have a formal written grievance procedure that is approved by the licensing or certification authority, if applicable, and the Purchaser. The Provider shall, prior to or at the time of admission to the Program, provide oral and written notification to each consumer of his or her rights, including those rights as enumerated under Wis. Stat. § 51.61 and WI DHS Chapter 94, and the grievance procedure. The Provider shall post the consumer rights and the grievance procedure in an area readily available to consumers and staff of the program.

The Provider shall give the Purchaser a written report for each grievance that is filed in writing against the Provider by any consumers or their guardians. The Provider shall deliver these reports to the Purchaser in person or via registered mail within 5 business days of the Provider's receipt of the grievance. The Provider shall also inform the Purchaser in writing of the resolution of each grievance.

Article 9 – Conditions of the Parties' Obligations

Section 9.1 Contingency
This contract is contingent upon authorization of Wisconsin and United States laws. Any material amendment or repeal of the same affecting relevant funding or authority shall serve to terminate this agreement, except as further agreed to by the parties hereto.

Section 9.2 Powers and Duties
Nothing contained in this contract shall be construed to supersede the lawful powers or duties of either party.

Section 9.3 Items Comprising the Contract
It is understood and agreed that the entire contract between the parties is contained herein, except for those applicable attachments, addendums, appendices, and those matters incorporated herein by reference, and that this agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter thereof. The Purchaser's Request for Proposal and the Provider's Proposal shall be incorporated herein by reference, if applicable.

Attachments, addendums, or appendices to the contract are material components of the contractual agreement. The following appendices, or addendums are attached and considered part of this Contract.

Section 9.4 Complaints against Provider
Provider shall notify Purchaser in writing of all complaints filed in writing against Provider within ten (10) business days of Provider receipt of written complaint. Provider shall inform the Purchaser in writing how the complaint was resolved.

Section 9.5 Provider's Employer Identification or Social Security Number
Provider shall furnish the Purchaser with Provider's employee identification number. If Provider does not have an employee identification number, the social security number of the Provider will be furnished.

Article 10 – Records and Confidentiality

Section 10.1 Consumer Confidentiality
The Provider shall not use or disclose any information concerning eligible consumers who receive goods and/or services from Provider for any purpose not connected with the administration of Provider's or Purchaser's responsibilities under this contract, except with the informed, written consent of the eligible consumer or the consumer's legal guardian or pursuant to court order.

Section 10.2 Contract Not Confidential
Except for documents identifying specific consumers, the contract and all related documents are not confidential.

Section 10.3 Open Records
Purchaser is required to operate in accordance with standards consistent with Wisconsin's Open Records Laws. Documents relating to or arising out of this Contract may become public records and subject to disclosure unless otherwise excepted by law.

Section 10.4 Use of Social Media
Providers must not post any information, either about their work situation or consumers, on any social media outlet. Providers are prohibited from seeking consumers on social media networks. Providers shall also not accept any social media requests from consumers.

Article 11 – Conflict of Interest

The Provider shall ensure the establishment of safeguards to prevent employees, consultants, or members of the board from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. Provider shall be required to report to Purchaser all instances of potential conflict of interest irrespective of whether such conflict is perceived or actual. Once a conflict or potential conflict is identified, the Purchaser shall, in its sole discretion, determine appropriate resolution for any such conflict identified.

Article 12 – Debarment and Suspension

The Provider certifies through signing this contract that neither the Provider nor any of its principals are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in state or federal assistance programs by any state or federal department or agency. In addition, the Provider shall notify the Purchaser within (5) five business days in writing and send by registered mail if the Provider or its principals receive a designation from the state or federal government that they are debarred, suspended, proposed for debarment, or declared ineligible by a state or federal agency. The Purchaser may consider suspension or debarment to be cause for implementing high risk contract provisions under Article 24 "Special conditions for high risk contract" or for revising or terminating the contract under Article 23 "Revision or termination of this contract."

Article 13 – Eligibility

The Provider shall provide goods and/or services only to individuals who have been determined eligible to receive goods and/or services. The Provider and Purchaser agree that the eligibility of individuals to receive the goods and/or services to be purchased under this agreement from the Provider will be determined by the Purchaser.

An individual has a right to an administrative hearing concerning eligibility and the Purchaser shall inform individuals of this right. The Provider shall provide consumers with information concerning their eligibility and how to appeal actions affecting their rights.

Article 14 – Health Insurance Portability and Accountability Act of 1996 "HIPAA" Compliance

Section 14.1 Statement of Intent

a. This Addendum is intended to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Pub. L. 104-191, including HIPAA's implementing regulations found in 45 CFR Parts 160 and 164, and the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. 111-5, including the HIPAA Privacy Rule, Security Rule, and Breach Notification Rule. References to HIPAA below are intended to incorporate HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, and the Breach Notification Rule.
b. HIPAA establishes national standards to protect the privacy of health care information that is defined as "protected health information" (PHI). Additional confidentiality protections for healthcare information are found in other federal laws and state law.
c. Purchaser is a HIPAA "covered entity" and this Addendum is intended to fulfill Purchaser's obligation to enter into a business associate contract with its HIPAA "business associates." This Addendum covers the HIPAA requirements for a Provider that qualifies as a HIPAA business associate of the Purchaser. A Provider that is a HIPAA covered entity but that also qualifies as a business associate of the Purchaser is covered by this section. A Provider that is a HIPAA covered entity but not a business associate of Purchaser is not covered by this section but is still directly subject to HIPAA's requirements.

Section 14.2 HIPAA Regulatory Definitions

Terms used, but otherwise not defined, shall have the meanings as defined in HIPAA.

a. Business Associate - as defined under 45 CFR 160.013, a "Business Associate" generally includes a Provider that, on behalf of Purchaser, creates, receives, maintains, or transmits PHI for a function or activity regulated by HIPAA or that provides services for Purchaser that involve the use or disclosure of PHI.
b. Breach Notification Rule – The rule set out at 45 CFR Part 164, Subpart D.
c. Corrective Action Plan - a plan communicated by the Purchaser to the Provider for the Provider to follow in the event of ant threatened or actual use or disclosure of any PHI that is not specifically authorized by this Addendum, or in the event that any PHI is lost or cannot be accounted for by the Provider.
d. Incident – a use or disclosure of PHI by the Provider or subcontractor or agent not authorized by this Addendum or in writing by the purchaser; a breach, a complaint by an individual who is the subject of any PHI created or maintained by Provider on behalf of Purchaser; and any Federal HIPAA-related contact. Also included in this definition a "Security Incident" which is defined as any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
e. Individual – Person who is the subject of PHI. Purchaser uses the term "client".
f. Privacy Rule – The Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E. The Privacy Rule Standards protect PHI created, received, maintained, or transmitted for or on behalf of Purchaser.
g. Protected Health Information (PHI) –as defined under 45 CFR 160.103, PHI generally includes individually identifiable health information in any form or media (e.g., written, oral, electronic), where such information relates to the past, present, or future physical or mental condition of an Individual, including information relating to the provision of or payment for health care, that identifies the individual or provides a reasonable basis to believe that it can be used to identify an individual. PHI in electronic form is also known as "electronic PHI (e-PHI)." PHI includes the following information when associated with healthcare information unless "de-identified" per the Privacy Rule: client name; date of birth; address; telephone number; fax number; email address; social security number; medical record number; health plan beneficiary numbers; account numbers; certificate license

numbers; vehicle identifier and license numbers; full-face photographic images; device identifiers and serial numbers; Web Universal Resource Locators (URL's); Internet Protocol (IP) address numbers; and biometric identifiers including finger and voice prints and any other unique characteristic and/or code that may identify a client.

h. Security Rule – The Security Standards and Implementation Specifications, 45 CFR Part 160 and 164, Subpart C.
i. Secretary – The Secretary of the Department of Health and Human Services or a designee.

Section 14.3 Permitted Uses and Disclosures by Provider

A. General Use and Disclosure – Except as otherwise limited under this Addendum or HIPAA, Provider may use and disclose PHI as described below.

1) Provider Functions and Activities - Provider may use or disclose PHI to perform the contracted functions, activities, or services for, or on behalf of Purchaser, as specified in the Service Agreement, if such uses or disclosures would not violate the Privacy Rule or the minimum necessary policies and procedures of Purchaser if done by Purchaser.
2) A Provider so contracted may use PHI to provide Data Aggregation Services to Purchaser and may combine data with its other data to use for research, analytic, and similar purposes, provided that no client of Purchaser is identifiable.

B. Specific Use and Disclosure – Except as otherwise limited per this Addendum or HIPAA, Provider may use and disclose PHI as described below.

1) Provider's Own Operations –
a) Provider may use PHI for its own proper management and administration and to carry out its own legal responsibilities; and
b) Provider may disclose PHI for its proper management and administration or to carry out its legal responsibilities provided that:
i. The disclosure is required by law; or
ii. Provider obtains reasonable assurance from any person or entity to which Provider will disclose PHI that the person or entity will (i) hold the PHI in confidence and use or further disclose the PHI only for the purpose for which Provider disclosed PHI to the person or entity or as required by law; and (ii) promptly notify Provider of any instance of which the person or entity becomes aware in which the confidentiality of PHI was breached

C. In its performance of the functions, activities, services, and operations described above, Provider will make reasonable efforts to use, disclose, and request only the minimum amount of Purchaser's PHI reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Provider will not be obligated to comply with this minimum-necessary limitation if neither Provider nor Purchaser is required to limit its use, disclosure, or request to the minimum necessary. The phrase "minimum necessary" shall be interpreted in accordance with the HITECH Act and its implementing regulations.

Section 14.4 Compliance with Electronic Transactions and Code Set Standards

If Provider conducts any Standard Transaction for or on behalf of Purchaser, Provider shall comply, and shall require any subcontractor or agent conducting such Standard Transaction to comply, with each applicable requirement of Title 45, Part 162 of the CFR. Provider shall not enter into or permit its subcontractors or agents to enter into any Agreement in connection with the conduct of Standard Transactions for or on behalf of Provider that:

a. changes the definition, Health Information condition or use of a Health Information element or segment in a Standard;
b. adds any Health Information elements or segments to the maximum defined Health Information set;
c. uses any code or Health Information elements that are either marked "not used" in the Standard's Implementation Specification or are not in the Standard's Implementation Specification(s);changes the meaning or intent of the Standard's Implementation Specification(s).

Section 14.5 Obligations and Activities of Provider on Behalf of the Purchaser

a. Provider shall to not use or disclose PHI except as permitted under this Contract and under HIPAA and agrees to comply with the applicable requirements of the Security Rule.

b. Provider shall develop, implement, maintain and use appropriate technical, administrative, and physical safeguards to protect the privacy and security of PHI as required by HIPAA and to prevent the use or disclosure of PHI in a manner that would violate HIPAA or this Addendum.
c. Provider shall mitigate, to the extent practicable, any harmful effect that becomes known to the Provider of a use or disclosure of PHI by the Provider in violation of the requirements of HIPAA or this Addendum. Provider shall reasonably cooperate with Purchaser's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such threatened or actual breach, or to recover its PHI, including complying with a reasonable Corrective Action Plan.
d. Provider shall report to Purchaser any use or disclosure of PHI not provided for or by this Contract or HIPAA of which it becomes aware.
e. Provider shall ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI on behalf of Provider agrees to the same restrictions and conditions that apply to Provider with respect to PHI.
f. Provider shall make its internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from or created or received by Provider on behalf of Purchaser, available for the Secretary to determine Purchaser's compliance with HIPAA. Provider shall immediately notify Purchaser of any such request from the Secretary and provide Purchaser with copies of any materials provided to the Secretary. Provider shall make its internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI available to Purchaser for inspection upon reasonable request.
g. Provider shall make PHI available in compliance with the Individual's rights to access, amend, and receive an accounting related to the individual's PHI. If provider receives a request for access, amendment, or an accounting of disclosures directly from a client, Provider agrees to notify Purchaser in writing of the request as soon as practicable but not later than seven (7) days after the date of the request.
h. Provider shall document disclosures of PHI and related information as would be required for Purchaser to respond to a request by a client for an accounting of disclosures of PHI and to make that documentation available within seven (7) days of a written request from Purchaser.
i. As of the effective date of the relevant regulations, Provider shall provide to Purchaser or a client, the information necessary to provide an accounting of disclosures of PHI for purposes of Treatment, Payment, Healthcare Operations, or other covered purposes through an Electronic Health Record.
j. To the extent Provider is to carry out an obligation of Purchaser under the Privacy Rule, Provider agrees to comply with the requirements of the Privacy Rule that apply to Purchaser in the performance of that obligation.

Section 14.6 Obligations and Activities of Purchaser

a. Purchaser shall communicate to Provider any restriction covered by the Purchaser's own HIPAA Notice of Privacy Practices.
b. Purchaser shall notify Provider of any changes in, or revocation of, permission to use or disclose PHI, to the extent that such changes may affect Provider's use or disclosure of PHI.
c. Purchaser shall notify Provider of any restriction that affects the use or disclosure of PHI.Purchaser shall not request Provider to use or disclose PHI in a manner not permissible under HIPAA.

Section 14.7 Notifications by Provider to Purchaser

A. Reporting of a Security Incident/Breach, Unauthorized Disclosures or Misuse of PHI – Provider shall:
1) Report to Purchaser within the first business day that follows the discovery of any incident covered by this Addendum, any actual or suspected breach of PHI, Security Incident, and any use or disclosure of PHI that is in violation of this Addendum or HIPAA, including incidents reported to Provider by its subcontractors or agents. The violation shall be treated as "discovered" as of the first day on which the violation is known to Provider, or, by exercising reasonable diligence would have been known to Provider
2) Report to Purchaser any client complaint related to HIPAA compliance.
B. Contents of Reports – Provider shall immediately investigate the incident and report to Purchaser in writing within seven (7) days with the following information:
1) the identification of each individual whose PHI has been or is reasonably believed to have been accessed, acquired, or disclosed during the incident;
2) the description of the types of PHI used or disclosed (such as full name, social security number, etc.)
3) the identity, if known, of any individual who received PHI due to an unauthorized use or disclosure, or the description of where the PHI is believed to have been improperly sent, transmitted or utilized;

4) the description of the nature and causes of the unauthorized use or disclosure or client complaint;
5) the description of the person known or reasonably believed to have improperly used or disclosed PHI;
6) the description of what Provider has or shall do to mitigate any effect of the use or disclosure;
7) what corrective action Provider has taken or shall take to prevent future similar unauthorized use or disclosure of PHI;
8) such other information as Purchaser may reasonably request.

Section 14.8 Term and Termination

A. Effective Term. This agreement shall be effective as of the Effective Date of the Contract and shall terminate when all PHI and any compilation of PHI in any media or form is destroyed in a secure manner, returned to Purchaser, or if not feasible to destroy or return, protections are extended to such information in accordance with the termination provisions of this section.

B. Termination. Provider aggress that if in good faith Purchaser determines that Provider or Provider's agents or subcontractors have materially breached any of Provider's obligations under this Addendum, Purchaser may:

1) Exercise any of its rights to report, access and inspection under this Addendum;
2) Require Provider to cure the breach or end the violation within 30 days and terminate this Addendum and Contract if Provider does not cure within the 30 day period set by the Purchaser;
3) Immediately terminate this Addendum and Contract if the Provider has breached a material term and Purchaser determined that cure is not possible; or
4) If neither termination nor cure is feasible, report the violation to the Secretary.

C. Effect of Termination and Return or Destruction of PHI.

1) Except as provided in Paragraph 8.c.(3), upon termination, cancellation, expiration or other conclusion of this Addendum, Provider shall return to Purchaser or, if return is not feasible, destroy all PHI and all Health Information, in whatever form or medium (including in any electronic media under Provider's custody or control), that Provider received from or on behalf of Provider, including any copies of and any Health Information or compilations derived from and allowing identification of such PHI or such Health Information. This provision shall apply to PHI that is in the possession of subcontractors or agents of Provider. Provider shall complete such return or destruction as promptly as possible, but not later than thirty (30) days after the effective date of the termination, cancellation, expiration or other conclusion of this Agreement. Within such 30-day period, Provider shall provide written documentation to Purchaser evidencing that such return or destruction has been completed or, if return or destruction is not feasible written justification explaining why such PHI could not be returned or destroyed.
2) If the Provider destroys the PHI, it shall be done using technology or a methodology that renders the PHI or Related Data unusable, unreadable, or undecipherable to unauthorized individuals as specified by HHS in HHS guidance. Acceptable methods for destroying PHI or Related Data include: (i) paper, film, or other hard copy media: shredded or destroyed in order that PHI cannot be read or reconstructed; and (ii) electronic media: cleared, purged or destroyed consistent with the standards of the National Institute of Standards and Technology (NIST). Redaction is specifically excluded as a method of destruction of PHI.
3) If the Provider believes that returning or destroying the PHI in a secure manner is not feasible, the Provider shall provide written notification of the conditions that make return or destruction not feasible. If the Purchaser agrees that return or destruction is not feasible, the Provider shall extend the protections of this Addendum to the PHI and prohibit further uses and disclosures of such PHI without the express written authorization of Purchaser for so long as Provider maintains the PHI. Subsequent use or disclosure of any PHI subject to this provision will be limited to those purposes that make the return or destruction not feasible. If the Purchaser does not agree that destruction is infeasible, the Provider must either return or destroy the PHI. If requested by Purchaser, provider agrees to certify that all PHI has been returned or properly destroyed or had appropriate protections extended to it.

Section 14.9 Miscellaneous

a. Automatic Amendment. This agreement shall automatically amend to incorporate any change or modification of any state or federal law as of the effective date of the change or modification. The Provider agrees to maintain compliance with all changes or modifications to applicable state or federal laws. The parties may agree to take such action as is necessary to amend this Contract from time-to-time as is necessary for the Purchaser to comply with the requirements of HIPAA.

b. Interpretation. Any ambiguity in this Contract shall be resolved to permit Purchaser and Provider to comply with HIPAA.
c. Survival. The respective rights and obligations of Provider shall survive any termination, cancellation, expiration or other conclusion of this Contract.
d. Indemnification. Provider shall indemnify the Purchaser against all claims brought against Purchaser arising out of the negligent or intentional violation of HIPAA by Provider's subcontractors and their agents.

Article 15 – Indemnity and Insurance

Section 15.1 Indemnity

a. The Provider agrees that it will at all times during the existence of this contract indemnify the Purchaser against any and all losses, damages, and costs or expenses which the Purchaser may sustain, incur, or be required to pay including those arising from death, personal injury, or property loss resulting from participating in or receiving the care and goods and/or services furnished by the Provider under this agreement. However, the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses caused by the Purchaser.
b. The Provider agrees that the duty to indemnify will continue in full force and effect, notwithstanding the expiration or early termination hereof, with respect to any claims based on facts or conditions that occurred prior to expiration or termination of this contract.

Section 15.2 Insurance

The Provider agrees that it will at all times during the existence of this contract indemnify the Purchaser against any and all loss, damages, and costs or expenses which the Purchaser may sustain, incur or be required to pay, including those arising from death, personal injury, or property loss resulting from participating in or receiving care, goods and/or and services furnished by the Provider under this contract. The Purchaser agrees that it will at all times during the existence of this contract indemnify the Provider against any and all loss, damages, and costs or expenses which the Provider may sustain, incur, or be required to pay which are caused by the Purchaser.

The Provider agrees that, in order to protect itself as well as the Purchaser under the indemnity provision set forth in the above paragraph, the Provider will at all times during the terms of this contract keep in full force and effect a liability insurance policy issued by a company authorized to do business in the State of Wisconsin and licensed by the Office of the Commissioner of Insurance. The types of insurance coverage and minimum amounts shall be as follows:

- Comprehensive General Liability: minimum amount $1,000,000
- Auto Liability (if applicable): minimum amount $1,000,000
- Professional Liability (if applicable): minimum amount $1,000,000 per occurrence and $3,000,000 for all occurrences in one (1) year.
- Umbrella Liability (as necessary): minimum amount $1,000,000

Provider acknowledges that its indemnification liability to Purchaser is not limited by the limits of this insurance coverage.

Upon signing this contract, Provider will furnish Purchaser with a "Certificate of Insurance" verifying the existence of such insurance. In the event of any action, suit, or proceedings against Provider upon any matter indemnified against, Provider shall notify the Purchaser by registered mail within five (5) business days.

Article 16 – Independent Contractor

Section 16.1 Independent Contractor

Nothing in this contract shall create a partnership or joint venture between the Purchaser and the Provider. The Provider is at all times acting as an independent contractor and is in no sense an employee, agent or volunteer of the Purchaser.

Section 16.2 Agreement Not Assignable

This agreement is not assignable, in whole or in part, by Purchaser or Provider.

Section 16.3 Sub-Contracting
Provider agrees that no sub-contract with a third party, for all or any part of Provider's responsibilities identified in this agreement, may be entered into without prior written approval of Purchaser. Purchaser agrees not to withhold approval for Provider to sub-contract, provided the sub-contractor abides by the terms and conditions of this agreement. Regardless of the participation of an approved sub-contractor, Provider agrees to retain primary responsibility for the fulfillment of its obligations under this agreement.

Article 17 – License, Certification, and Staffing

Section 17.1 License and Certification Requirements

a. The Provider shall meet state and federal service standards and applicable state training, licensure and certification requirements as expressed by state and federal rules and regulations applicable to the goods and/or services covered by this contract. The Provider shall attach copies of its license or certification document and the most recent licensing or certification report concerning the Provider to this contract when returning the signed contract to the Purchaser. During the contract period, the Provider shall also send the Purchaser copies of any licensing inspection reports within five (5) business days of receipt of such reports.
b. Prior to contracting with the Purchaser, the Provider must ascertain the licensing/certification status of all employees or independent contractors who render services directly or indirectly to the clients of the Purchaser. If any individual(s), whether employee or independent contractor, has had their license or certification limited in any way, including reprimand, suspension or termination, for any unethical or improper conduct (not a work rule violation), the subject individual(s) shall not receive, directly or indirectly, any reimbursement from the Purchaser under the terms of this Contract and the Purchaser will disallow any and all payments to the Provider for services rendered by the subject individual(s).
c. The Provider must notify the Purchaser's contract administrator within ten (10) days of any limitation, suspension or termination for improper or unethical conduct (not merely a work rule violation) of any employee or independent contractor rendering services within the Provider organization. In addition, the Provider must notify the Purchaser's contract administrator within ten (10) days of any action taken by the Regulation and Licensing Board relating to any limitation, suspension, or other loss or limitation of Provider's licensure or certification privileges.
d. If any individual(s) who the Purchaser is aware is an employee or independent contractor of the Provider is terminated from the Purchaser's employment for unethical or improper conduct (not work rule violations), the Purchaser shall within ten (10) days notify the Provider's contract administrator. The Purchaser shall provide no reimbursement to the Provider for payment to that employee or independent contractor for any services performed and will disallow any payments to the Provider for services rendered by the subject individual(s).

Section 17.2 Staffing
The Provider shall ensure that staff providing goods and/or services are properly supervised and trained and that they meet all of the applicable licensing and certification requirements.

Section 17.3 Monitoring of Provider Goods and/or Services
Provider's goods and/or services shall be monitored by Purchaser's designee. Work will be scheduled and monitored to conform to the program needs of Purchaser.

Article 18 – Matching, Level of Effort and Earmarking

No matching, level of effort, or earmarking requirement.

Article 19 – Records

Section 19.1 Maintenance of Records

The Provider shall maintain and retain such records and financial statements as required by state and federal laws, rules, and regulations.

Section 19.2 Access to Records
The Provider shall permit appropriate representatives of the Purchaser to have timely access to the Provider's records and financial statements as necessary to review the Provider's compliance with contract requirements for the use of the funding. In the event of the termination of the contract by either part, the Provider shall, as requested by the Purchaser, provide the Purchaser with copies of any and/or all records in Provider's custody for Purchaser supported clients.

Article 20 – Reporting

The Provider shall comply with the reporting requirements of Purchaser. All reports shall be in writing and, when applicable, in the format specified by the Purchaser. All reports shall be supported by the Provider's records. All reports shall be hand delivered to the Purchaser, sent by secure e-mail, or sent to the Purchaser via registered mail at the address listed in this contract, if required.

Article 21 – Resolution of Disputes

The Provider may appeal decisions of the Purchaser in accordance with the terms and conditions of the contract and Chapter 68, Wis. Stats.

Article 22 – Revision or Termination of this Contract

Section 22.1 Cause for Revision or Termination of this Contract
Failure to comply with any part of this contract may be considered cause for revision, suspension or termination.

Section 22.2 Revision of this Contract
Either party may initiate revision of this contract. Revision of this contract must be agreed to by both parties by an addendum signed by their authorized representatives.

Section 22.3 Termination of this Contract
Either party may terminate this contract by a sixty (60)-day written notice to the other party. Purchaser may terminate this contract at any time immediately for good cause.

Upon termination, the Purchaser's liability shall be limited to the costs incurred by the Provider up to the date of termination. If the Purchaser terminates the contract for reasons other than non-performance by the Provider, the Purchaser may compensate the Provider for its actual allowable costs in an amount determined by mutual agreement of both parties. If the Purchaser terminates the contract for the Provider's breach, the Provider may be liable for any additional costs the Purchaser incurs for replacement goods and/or services.

Article 23 – Special Provisions for High Risk Contract

During the course of the contract, the Purchaser may determine that this contract is high risk as a result of evaluating the Provider's performance or other factors. Determination of high risk status could result in Purchaser unilaterally implementing the following changes:

a. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
b. Requiring additional, more detailed financial reports;
c. Performing additional project monitoring;
d. Requiring the Provider to obtain technical or management assistance;
e. Establishing additional prior approvals; or
f. Other conditions that the Purchaser considers appropriate considering the circumstances.

The Provider may appeal these changes under Article 22 “Resolution of Disputes,” or it may request renegotiation of the contract or give notice of termination of the contract under Article 23 “Revision or Termination of this Contract.”

Article 24 – Prohibition Against Discrimination

Provider agrees to comply with all applicable federal, state and local mandates and ordinances prohibiting discrimination. All goods and/or services under this agreement shall be provided without regard to the race, color, creed, sex, age, disability status, payor source or national origin of the subject requiring such goods and/or services.

Article 25 – Special Standards

Provider warrants that for applicable goods and/or services Provider has the Medicaid (MA) Community Waivers Manual standards, which can be found at https://www.forwardhealth.wi.gov/kw/pdf/2014-42.pdf, and that such goods and/or services delivered under this agreement will be in compliance with those standards.

Article 26 – Emergency Preparedness

This article shall apply to all Providers that offer direct goods and/or services to Purchaser’s consumers, including residential services. Provider shall maintain an emergency evacuation plan that ensures the safety of Purchaser’s consumers under Provider’s care. The plan shall be written and shall provide for adequate communication between Provider and Purchaser in the event of a disaster. Residential service providers shall post the emergency evacuation plan and regularly conduct evacuation drills. Provider shall provide documentation of the above to Purchaser upon request.

Article 27 – Abuse & Neglect Reporting

Section 27.1 Vulnerable Adult

Provider is required to report to Purchaser’s Crisis Intervention Unit any suspicious allegations or incidents of abuse, neglect, and exploitation or misappropriation of property of any adult consumers (including those that are not Purchaser's consumer) that are seen in the course of Provider’s professional duties when one of the following conditions is true:

- The adult consumer has requested that the Provider makes the report.
- There is reasonable cause to believe that the adult consumer is at *imminent risk of serious bodily harm, death, sexual assault, or significant property loss* and is unable to make an informed judgment about whether to report the risk.
- Other adult consumers are at risk of serious bodily harm, death, sexual assault, or significant property loss inflicted by the suspected perpetrator.

In addition to report required to be submitted to Purchaser, if applicable under the law, Provider shall also comply with Wisconsin’s Caregiver Misconduct Reporting & Investigation Requirements.

Section 27.2 Children

Provider is required to report to Purchaser’s Child Protective Services Unit any suspicion of abuse or neglect of a child that is seen in the course of Provider’s professional duties immediately.

Article 28 – Lobbying Certification

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a Federal contract, grant or cooperative agreement over $100,000, as defined at 34 CFR Part 82, Sections 82.105 and 82.110, the Provider certifies that:

1. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence officers or employees of any agency, members of Congress, officers or employees of Congress, or employees of members of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative

agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence officers or employees of any agency, members of Congress, officers or employees of Congress, or employees of members of Congress in connection with this contract, the Provider shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions. Copies of the relevant forms can be found at dwd.wisconsin.gov/dwd/forms/dws/pdf/dwsd_14772_e.pdf; dwd.wisconsin.gov/dwd/forms/dws/doc/dwsd_13792_e.doc.
3. The Provider shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed. Acknowledgment is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signatures

This contract becomes null and void if the time between the Purchaser's authorized representative signature and the Provider's authorized representative signature on this contract exceeds sixty days.

For Purchaser
Typed Name: Jill Meschke
Title: CEO/CFO

Signature: _____

Date: _____

For Provider
Typed Name:
Title:

Signature: _____

Date: _____

Exhibit A
COMPREHENSIVE COMMUNITY SERVICES PROGRAM

A. COMPREHENSIVE COMMUNITY SERVICES PROGRAM ARRAY OF SERVICES INCLUDES

Screening and Assessment
Screening and assessment services include: completion of initial and annual functional screens, and completion of the initial comprehensive assessment and ongoing assessments as needed. The assessment must cover all the domains, including substance use, which may include using the Uniform Placement Criteria or the American Society of Addiction Medicine Criteria. The assessment must address the strengths, needs, recovery goals, priorities, preferences, values, and lifestyle of the member and identify how to evaluate progress toward the member's desired outcomes. Assessments for minors must address the minor's and family's strengths, needs, recovery and/or resilience goals, priorities, preferences, values, and lifestyle of the member including an
assessment of the relationships between the minor and his or her family. Assessments for minors should be age (developmentally) appropriate.

Service Planning
Service planning includes the development of a written plan of the psychosocial rehabilitation services that will be provided or arranged for the member. All services must be authorized by a mental health professional and a substance abuse professional if substance abuse services will be provided. The service plan is based on the assessed needs of the member. It must include measureable goals and the type and frequency of data that will
be used to measure progress toward the desired outcomes. It must be completed within 30 days of the member's application for CCS services. The completed service plan must be signed by the member, a mental health or substance abuse professional and the service facilitator.

Service Facilitation
Service facilitation includes activities that ensure the member receives: assessment services, service planning, service delivery, and supportive activities in an appropriate and timely manner. It also includes ensuring the service plan and service delivery for each member is coordinated, monitored, and designed to support the member in a manner that helps the member achieve the highest possible level of independent functioning. Service facilitation includes assisting the member in self-advocacy and helping the member obtain other necessary services such as medical, dental, legal, financial and housing services.

Diagnostic Evaluations
Diagnostic evaluations include specialized evaluations needed by the member including, but not limited to neuropsychological, geropsychiatric, specialized trauma, and eating disorder evaluations. For minors, diagnostic evaluations can also include functional behavioral evaluations and adolescent alcohol/drug assessment intervention program.

Medication Management
Medication management services for prescribers include:

- Diagnosing and specifying target symptoms.
- Prescribing medication to alleviate the identified symptoms.
- Monitoring changes in the member's symptoms and tolerability of side effects.
- Reviewing data, including other medications, used to make medication decisions.

Medication management services for non-prescribers include:

- Supporting the member in taking his or her medications.
- Increasing the member's understanding of the benefits of medication and the symptoms it is treating.
- Monitoring changes in the member's symptoms and tolerability of side effects.

Physical Health Monitoring
Physical health monitoring services focus on how the member's mental health and/or substance abuse issues impact his or her ability to monitor and manage physical health and health risks. Physical health monitoring services include activities related to the monitoring and management of a member's physical health. Services may include assisting and training the member and the member's family to identify symptoms of physical health
conditions, monitor physical health medications and treatments, and to develop health monitoring and management skills.

Peer Support
Peer support services include a wide range of supports to assist the member and the member's family with mental health and/or substance abuse issues in the recovery process. These services promote wellness, self-direction, and recovery by enhancing the skills and abilities of members to meet their chosen goals. The
services also help members negotiate the mental health and/or substance abuse systems with dignity, and without trauma. Through a mutually empowering relationship, Certified Peer Specialists and members work as equals toward living in recovery.
Individual Skill Development and Enhancement

Individual skill development and enhancement services include training in communication, interpersonal skills, problem solving, decision-making, self-regulation, conflict resolution, and other specific needs identified in the member's service plan. Services also include training in daily living skills related to personal care, household tasks, financial management, transportation, shopping, parenting, accessing and connecting to community
resources and services (including health care services), and other specific daily living needs identified in the member's service plan.

Employment Related Skill Training
Employment-related skill training services address the member's illness or symptom-related problems in finding, securing, and keeping a job. Services may include, but are not limited to: employment and education assessments; assistance in accessing or participating in educational and employment-related services; education about appropriate job-related behaviors; assistance with job preparation activities such as personal hygiene, clothing, and transportation; on-site employment evaluation and feedback sessions to identify and manage work-related symptoms; assistance with work-related crises; and individual therapeutic support.

Individual and/or Family Psychoeducation
Psychoeducation services include:

- Providing education and information resources about the member's mental health and/or substance abuse issues.
- Skills training.
- Problem solving.
- Ongoing guidance about managing and coping with mental health and/or substance abuse issues.
- Social and emotional support for dealing with mental health and/or substance abuse issues.

Psychoeducation may be provided individually or in a group setting to the member or the member's family and natural supports (i.e., anyone the member identifies as being supportive in his or her recovery and/or resilience process). Psychoeducation is not psychotherapy. Family psychoeducation must be provided for the direct benefit of the member. Consultation to family members for treatment of their issues not related to the member is not included as part of family psychoeducation. Family psychoeducation may include anticipatory guidance when the member is a minor.

Wellness Management and Recovery/Recovery Support Management
Wellness management and recovery services, which are generally provided as mental health services, include empowering members to manage their mental health and/or substance abuse issues, helping them develop their own goals, and teaching them the knowledge and skills necessary to help them make informed treatment decisions. These services include: psychoeducation; behavioral tailoring; relapse prevention; development of a recovery action plan; recovery and/or resilience training; treatment strategies; social support building; and coping skills. Services can be taught using motivational, educational, and cognitive-behavioral strategies.

Psychotherapy
Psychotherapy includes the diagnosis and treatment of mental, emotional, or behavioral disorders, conditions, or addictions through the application of methods derived from established psychological or systemic principles for the purpose of assisting people in modifying their behaviors, cognitions, emotions, and other personal characteristics, which may include the purpose of understanding unconscious processes or intrapersonal, interpersonal, or psychosocial dynamics.

Substance Abuse Treatment
Substance abuse treatment services include day treatment (DHS 75.12, Wis. Admin. Code) and outpatient substance abuse counseling (DHS 75.13, Wis. Admin. Code). Substance abuse treatment services can be in an individual or group setting.

B. AUTHORIZATION FOR SERVICES TO BE PROVIDED

Client # Client Name	Service	CCS Service Category	Est. # of Units	Unit Rate
Varies	Service Planning	Service Planning	Based on Authorized Use	Based on agency rate setting
Varies	Service Facilitation	Service Facilitation	Based on Authorized Use	Based on agency rate setting
Varies	Diagnostic Evaluation	Diagnostic Evaluation	Based on Authorized Use	Based on agency rate setting
Varies	Medication Management	Medication Management	Based on Authorized Use	Based on agency rate setting
Varies	Peer Support	Peer Support	Based on Authorized Use	Based on agency rate setting
Varies	Skill Development and Enhancement	Skill Development and Enhancement	Based on Authorized Use	Based on agency rate setting
Varies	Employment Related Skill Training (Rehab)	Employment Related Skill Training (Rehab)	Based on Authorized Use	Based on agency rate setting
	Employment Related Skill	Employment Related Skill Training		Based on agency rate

Varies	Training (Bachelor)	(Bachelor)	Based on Authorized Use	setting
Varies	Employment Related Skill Training (Master)	Employment Related Skill Training (Master)	Based on Authorized Use	Based on agency rate setting
Varies	Individual and/or Family Psychoeducation	Psychotherapy/Psychoeducation	Based on Authorized Use	Based on agency rate setting
Varies	Wellness Management And Recovery Support	Recovery Support Services	Based on Authorized Use	Based on agency rate setting
Varies	Psychotherapy	Psychotherapy/Psychoeducation	Based on Authorized Use	Based on agency rate setting
Varies	Substance Abuse Treatment	Psychotherapy/Psychoeducation	Based on Authorized Use	Based on agency rate setting

C. TOTAL PAYMENT AUTHORIZED

Actual total payment will be based upon the amount of services authorized by the Purchaser and the amount of services performed by Provider based on the agency rate setting. Provider shall, no later than September 30, 2021, and no later than September 30 for each consecutive contract year thereafter, submit a completed rate setting worksheet which will then be used to calculate the Provider's rate for services provided under this Agreement. It is understood and agreed by all parties that the Purchaser assumes no obligation to purchase from the Provider any minimum amount of services as defined in the terms of this contract.

D. PROVIDER RESPONSIBILITIES

1. **Provider** agrees that the provision of services meet Medicaid guidelines for psychosocial rehabilitation (under DHS 36). Services provided are to be person centered and recovery based.

2. **Provider** agrees to participate in required programming activities for service providers.

3. **Provider** will participate on recovery teams and at CCS monthly group meetings as requested. The **Provider** will be reimbursed by the **Purchaser** at the standard unit rate as listed above.

4. **Provider** will guarantee a timely exchange of information for necessary service coordination and the process for receiving and making referrals.

5. **Provider** will be in compliance with supervision and training requirements as described in DHS 36.11 and 36.12. **Provider** is to maintain a separate record of supervision and staff training hours. Provider will submit to the **Purchaser** verification that all requirements have been met on an annual basis, or more frequently if requested.

6. **Provider** will ensure that staff are knowledgeable and trained in their field of expertise and that all training and continuing education course work is complete and up to date.

7. Compliance with **Purchaser** policies and procedures regarding the prohibition of discrimination, appropriate credentialing of staff involved in CCS, background checks, misconduct reporting and investigation. Staff records are to be maintained and kept in compliance with all items listed in DHS 36.10(2) (d).

8. **Provider** will maintain all consumer service records in accordance with DHS 36.18.

9. **Provider** will ensure that outcomes in Quality Improvement indicators meet established standards.

10. **Provider** shall ensure that services respect cultural heritage and are accessible in a language in which consumer is fluent.

E. SERVICE DOCUMENTATION

1. **Provider** shall maintain progress notes and records that are in compliance with standards set forth by CCS (DHS 36) and Medicaid.

2. Provider will ensure that all CCS contacts are documented in a consumer specific progress note that includes the following: name of the consumer, date and time, name and signature of the individual providing the service, duration of the contact, treatment service provided, description of the contact, interventions used and the consumer's progress toward identified treatment goals.

3. **Provider** will comply with Medicaid guidelines for CCS (DHS 36) record keeping and billing.

F. CONDITIONS FOR PAYMENT/BILLING

Exhibit A
COMPREHENSIVE COMMUNITY SERVICES PROGRAM

1. **Provider** shall submit monthly invoices and corresponding information (including, but not limited to, consumer progress notes) for payment as outlined in the Reporting for Payment Section 4.4.

2. **All monthly invoices and the accompanying spreadsheet must be emailed to accounting@norcen.org with the following information matching the invoice: staff first and last name, discipline, amount invoiced by staff, and number of hours by staff. The invoice and accompanying spreadsheet must be submitted to the Purchaser by the 10th day following the end of the reporting month.**

3. **Purchaser** reserves the right to complete on-site inspections of consumer records at any time as well as Provider's records pertaining to the delivery of services, amounts billed, overhead costs, or any other matter related to the Provider's delivery of CCS services.

North Central Health Care

Exhibit B
Contracted Services
Core Competencies/Quality Performance Measures/Code of Conduct Attestation

On an annual basis, all employees, contracted staff and volunteers of North Central Health Care are responsible for meeting educational and position-specific Core Competency requirements as required by Federal and State laws and regulations, the Joint Commission on Accreditation of Healthcare Organizations and NCHC's compliance program and policies and procedures, to ensure that the best possible care is given to its patients, clients and residents. This certification covers only the basic Core Competency training required by all employees and contractors annually. Additional training may be required as provided in NCHC policies and procedures. All employees must also review our Code of Conduct.

Core Competency validation covering regulatory content in the following areas must be met by all individual providers providing services through this contract:

- Caregiver Misconduct
- Corporate Compliance
- Cultural Diversity
- De-Escalation
- Emergency Preparedness and Response
- Hand Hygiene
- Hazardous Materials
- HIPAA State Law and SAMHSA Regulations
- Non-Discrimination in Health Programs and Activities
- Rights and Responsibilities of the Individual
- Sexual Harassment
- Standard Precautions
- Transmission Precautions

I attest that all providers providing services through this contract have completed Core Competency training in the above areas, reviewed the Code of Conduct and the required 8 hours of continuing education (if applicable) for the 2020 calendar year. Verification of Post Educational requirements under licensure or scope of service (check all applicable):

□ CME □ CEU □ Other: _____

As a component of North Central Health Care's Quality Program, mutually agreed upon Quality Performance Measures may be requested.

Provider Name: _____ Date: _____

Signature of Attester: _____ Printed Name: _____

Form to be returned no later than September 30, 2021 to:

Debbie Osowski
North Central Health Care
1100 Lake View Drive
Wausau WI 54403

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: May 21, 2021
TO: North Central Community Services Program Board
FROM: Michael Loy, Chief Executive Officer
RE: Recommendation of Budget Priorities and Guidelines for 2022 Budget

The Executive Committee has the responsibility of providing budget guidelines and priorities of the member counties to the NCCSP Board by June 1 of each year. These recommendations proceed the Annual Board Meeting in May of each year. Per the Joint County Agreement, the Executive Committee is charged with coordinating the efforts of the Board in the creating and updating of program development plans as part of the annual budget development which establish intermediate and long-range goals based upon community needs assessment, which are explicit about tradeoffs and the impact of changes to the member Counties system.

A copy of the 2021 budget guidelines and priorities is attached as reference. The following budget priorities were discussed at the Executive Committee meeting and are being advanced to the full Board. For 2022, preliminary discussions on this matter have resulted in the following considerations for next year's budget guidelines and priorities.

1) Expand Outpatient Counseling in all three counties. Expansion of counseling would equate to a levy demand of $20,000 per 1.0 FTE added. To meet demand concerns, the recommendation would be to add 5 counselors in Marathon County, and 1 additional each in Langlade and Lincoln Counties.

2) To develop a Targeted Case Management team as a shared service in Emergency & Crisis Services. A team of five individuals work actively case manage the approximately 250 individuals that each of our Counties has on a commitment or settlement agreement at any given time. Each case manager would have a case load of approximately 40-50 individuals. The total net cost of this program would be estimated to be approximately $200,000 split amongst the three counties.

3) To identify a technology solution to be deployed in all vehicles of law enforcement officials within the three counties to enable on scene crisis tele-health video assessment capabilities before taking an individual into custody.

4) The Antigo school district would like a 2nd person to respond to crisis situations in the schools. There is currently only one Crisis Professional in Langlade County during normal business hours.

5) Langlade County has requested that NCHC investigate incorporating Therapeutic Youth Mentoring as a required competency for our Outpatient and Community Treatment staff.

6) The District Attorney in Langlade County would like NCHC to perform all AODA screens in the Jail without a charge to facilitate pre-trial drug treatment programming.

7) Recommit to conducting annual stakeholder summits with each County.

BUDGET GUIDELINES & PRIORITIES

The Agreement for the Joint Sponsorship of Community Programs between Langlade, Lincoln, and Marathon Counties requires the Retained County Authority (RCA) Committee to provide budget guidelines and priorities to the NCCSP Board prior to the development of each year's budget by June 1st.

BUDGET GUIDELINES

Present a formal proposed budget document in a similar format to prior year's budget documents with the following key elements included:

1) Clearly distinguish the definition and application of shared versus direct budgeting decisions as they are applied to each program.

2) Separate county appropriations (levy) per program and make itemized levy requests for each program to the three counties versus one bundled levy request. Counties would incorporate this itemization within their own budgets to reflect this detail as well.

3) Develop a multi-year forecast for programs as part of the budget.

4) Include some explanation that relates to whether particular programs, or services, are mandated and the level of those mandates.

BUDGET PRIORITIES

The Budget Priorities for 2021 from the perspective of our three county partners are as follows:

- Continue the implementation of past priorities and initiatives laid out in previous Budgets that are multi-year efforts that continue into the new budget year.
- Identify opportunities to provide more expansive mental health and recovery services in the county jails.
- Develop a plan for increasing the ability for onsite Medical Clearance by transitioning Emergency and Crisis Services to a more comprehensive Psychiatric Emergency Department.
- Educate stakeholders on the Human Services Research Institute's strategic plan recommendations and prepare implementation activities.
- Ensure the Sober Living Facility in Langlade County becomes operational.

2021 NCCSP BOARD CALENDAR

Thursday, July 29, 2021 – 3:00 PM – 5:00 PM

Educational Presentation: Corporate Compliance and Quality Obligations of the NCCSP Board – Emerging Compliance Trends

Agenda Items

- Report of investigations related to corporate compliance activities and significant events.

Board Policy to Review

- Board Strategic Planning Policy
- Budget Policy
- Capital Asset Management Policy
- Investment Policy
- Business Associates Policy
- Contract Review and Approval Policy
- Contracting with Excluded Individuals and Entities Policy
- Purchasing Policy

Program Review: Crisis and Emergency Services

Board Policy Discussion Generative Topic: Effectiveness of the Corporate Compliance Program.

Review Strategic Plan – Review progress on the strategic plan and update, as necessary. Review 10-Year Financial Forecast

Thursday, August 26, 2021 – 3:00 PM – 5:00 PM (MEETING IN ANTIGO)

Educational Presentation: Current practices and performance around the human capital management of the organization.

Agenda Items

- Review of Employee Compensation Plan Effectiveness
- Review Employee Benefit Plan Performance
- Review Diversity, Equity, and Inclusion Plan

Board Policy to Review

- Employee Compensation Policy

Program Review: Medically Monitored Treatment

Board Policy Discussion Generative Topic: Effectiveness of Human Capital and Talent Management Programs

2021 NCCSP BOARD CALENDAR

Thursday, September 30, 2021 – 3:00 PM – 5:00 PM

Educational Presentation: Annual Report from the Medical Staff

Agenda Items
- Report of investigations related to corporate compliance activities and significant events.

Board Policy to Review
- Medical Staff Bylaws

Program Review: Mount View Care Center and Aquatic Therapy Center

Board Policy Discussion Generative Topic: Effectiveness of the Medical Staff's oversight of the organization's quality of care.

Thursday, October 28, 2021 – 3:00 PM – 5:00 PM (MEETING IN MERRILL)

Educational Presentation: Budget Presentation

Agenda Items
- Proposed Budget Recommendation to County Boards
- Annual Board self-evaluation of Governance and Competency
- Board Calendar for upcoming year
- Review of Bylaws
- Review Policy Governance Manual

Program Review: Pine Crest

Board Policy Discussion Generative Topic: Focus on the board's performance and areas for improvement.

2021 NCCSP BOARD CALENDAR

Thursday, December 16, 2021 – 3:00 PM – 5:00 PM

Educational Presentation: Adopted Budget and Operational Plan for the upcoming year and Annual Quality Audit – Update on the Status of the Quality, Compliance, and Safety Plan

Agenda Items

- Report of investigations related to corporate compliance activities and significant events.
- Quality, Compliance and Safety Plan
- Utilization Review Plan
- Organizational and Program Dashboards
- CEO Work Plan
- CEO Performance Expectations and Compensation Plan
- Stakeholder Engagement Plan

Board Policy to Review

- Complaint and Grievance Policy
- Corporate Compliance Program
- Employee Grievance Policy
- Occurrence Reporting Policy
- CEO Recruitment, Retention, and Removal Policy

Program Review: Community Living

Board Policy Discussion Generative Topic: Effectiveness of organization's reputation management initiatives – how do our patients, community partners, employees, management, and physicians assess our organization and Annual CEO Succession Planning Exercise

NCCSP Board Experience Transformer

Please complete the following question set based on your most recent NCCSP Board Meeting experience Information from this survey will be used to enhance the collective experience of the Board and to improv Governance process.

Name (Optional)

If you could do this experience over - knowing what you know now - what would you do differently?

Experience Optimizer Factors

	Yes	Could Be Better	No
Are you leaving the meeting confident in the overall performance of our organization? If not, please elaborate on the concerns you would like to have addressed in the future.	○	○	○
Did the materials included in the Board's pre-meeting packet adequately allow you to prepare for today's meeting? If not, what would've helped you be better prepared?	○	○	○
Did you feel you had ample opportunity for input? If not, how could we better provide an opportunity for your input?	○	○	○
Did all members participate in an active way? If not, why do you think that happened?	○	○	○
Did we focus on the right issues, giving the most important issues of strategy and policy adequate time? If not, what issues should we be focusing on or giving more time to?	○	○	○

If you responded "No" to any of the Experience Optimizer Factors above, please elaborate with additional feedback or context.

Missed thoughts you didn't have the chance to state or questions you have.