



**NORTH CENTRAL COMMUNITY SERVICES PROGRAM  
 BOARD MEETING MINUTES**

**September 30, 2021**

**3:00 p.m.**

**North Central Health Care**

X	Eric Anderson	X <sub>(WebEx)</sub>	Randy Balk	EXC	Chad Billeb
ABS	John Breske	X	Kurt Gibbs	X <sub>(phone)</sub>	Deb Hager
X	Lance Leonhard	X	Dave Oberbeck	EXC	Robin Stowe
X	Gabe Ticho	EXC	Pat Voermans	X <sub>(WebEx)</sub>	Bob Weaver
X <sub>(phone)</sub>	Cate Wylie				

Staff Present: Jill Meschke, Jarret Nickel, Dr. Rob Gouthro, Tom Boutain, Jaime Bracken, Jennifer Peaslee <sub>(WebEx)</sub>, Marne Schroeder, Bobby Splinter <sub>(phone)</sub>

Others Present: Dejan Adzic, Deputy Corp. Counsel

Call to Order

- Meeting was called to order at 3:05 p.m.

Chairman’s Announcements

- Chair Gibbs thanked all for their time.

Public Comment for Matters Appearing on the Agenda

- None

Consent Agenda and Monitoring Reports

- There were no questions or comments on the Consent Agenda and Monitoring Reports.
- **Motion**/second, Leonhard/Ticho, to approve the Consent Agenda and Monitoring Reports. Motion carried.

Board Education

- Annual Report from the Medical Staff - Dr. Gouthro
  - Changes and improvements over the last year included: implementation of Cerner, increase in staff psychiatrists and a decrease in locum and contract providers, improved access, new leadership structure with shared clinical, operations and nursing management between hospitals under one Director, combined therapy and psych programs into one team, implementation of Psychiatry services of 7 on 7 off structure on inpatient unit, etc.
  - Current initiatives include Ethics, Peer Review, and Utilization Review, documentation, billing and coding, new programs for youth hospital and youth crisis stabilization, safety, interventions, etc.

- Two psychiatrists have committed to joining us: Dr. Jean Vogel in January 2022 and Dr. Anne Marie Wannamaker in 2023. We are in the construction process of the new Inpatient Unit, will open MMT in 2022, expand adult crisis stabilization, and establish a new crisis unit. We continue to work with our local emergency room departments, law enforcement, county and other community partners to improve relationships. Also, we continue to work in partnership with the Medical College of Wisconsin Psychiatry Program with NCHC as a central hub. The residency program received about 600 applications for the program that begins in 2022. The official match occurs in the spring when we will learn of the 4 residents who will begin the program in July.
- Review of Proposed Changes to Medical Staff Bylaws – Dr. Gouthro
  - The proposed changes to Article XVII: Histories & Physicals were reviewed.
  - **Motion**/second, Leonhard/Ticho, to approve the changes in the Medical Staff Bylaws as presented. Motion carried.
- Draft Policy for Physician Compensation – Dr. Gouthro
  - This Policy is a document on how physicians are paid using wage data for a fair market value and the Stark Law. If negotiations with a physician would be above the wage limits that have been set, a Compensation Committee would determine if there were justification or not.
  - Once the policy is approved developing the pay ranges is the next step, however it is difficult to set a range for a specialty position as the wage range is dependent on who is hiring, the regional and national benchmarks at the time of hire, fair market value, and economy. This policy determines the methodology to justify the fair market value in case there is an audit.
  - It is noted that the Tri-County Agreement requires this Board to set salary ranges for all positions once every 5 years and every year for the CEO. If we are unable to establish a salary range, then this may need to be noted in the modified agreement.
- Overview of North Central Health Care’s Financial Performance – J. Meschke
  - A review was provided on the Financial Statement Components i.e., Income Statement, Balance Sheet, Statement of Cash Flows, Programs by Service Line, Fund Balance Review, Review of Services, Investments, and Write Offs. Also reviewed was a Historical Financial Performance, Consistent Financial Performance, and Financial Sustainability.
  - The Board asked for improvements with the financials by seeing and understanding the ‘why’ in addition to an overview of revenue and expenses. Also, the Board asked to see a plan on what we are working on to make changes/improvements in the financials over the next 12-18 months especially with the new construction mortgage that will hit financials next year. Can the counties help on the operational side and bring community partners to the table to help improve the overall performance of the organization? The losses over the last several years seem to be systemic and need to be addressed in a form of strategy. There appears to be two main challengers to our projection, those being behavioral health and nursing homes. What are the strategies to control these variances from a management perspective? Staff will begin to put together forecasting both operationally and from a financial perspective.
- Update on Master Facility Plan Progress – J. Nickel
  - Buildings Complete: The Aquatics Facility and Central Utility Plan, Youth Behavioral Health Hospital, Adult Crisis Stabilization Facility and now Youth Crisis Stabilization.
  - Buildings in Progress: Mount View Care Center Tower, Adult Behavioral health Hospital, Medically Monitored Treatment Facility, and Crisis & Ancillary Services.

- Final Design is being worked on for the current Mount View Care Center building which will include Outpatient, Community Treatment, Pharmacy, Lab Services, Administration, MCW, and MVCC Long Term Care and Memory Care.

### Board Discussion and Action

- CEO Report and Board Work Plan – J. Meschke
  - We are seeing an increase in Covid across the spectrum as all others are.
  - There were no questions on the CEO Report and Board Work Plan.
- Dashboards and Executive Summary – J. Meschke
  - Overall, we are having a really good experience with our vacancy rate. Patient experience had a strong month. Have had issues mining data out of Cerner and continue to work on improving utilization of the new system. Out of county placements is showing positive results. Financial performance will be reviewed in more detail when discussing August financials.
- August Financials – J. Meschke
  - Had a loss for August of \$309,000 with YTD loss of \$3.3 million. On target and above plan for revenue but \$671,000 above plan for direct expenses. Salaries and benefits are favorable except for some individual challenges with contracted services for physicians in behavioral health and with Pine Crest which has difficulty in maintaining consistent staff. Another difficulty is with diversions and the accounting of them as we are billed up front and reimbursed at a later date. Other revenue includes base county allocations, additional supplemental payments for nursing homes, etc. This is an unusual month where we did not hit revenue and were over in expense. The top concern is our net patient revenue. Unfortunately, many of our programs cannot flex staffing based on census. We are working on changing some of the structure in the reporting relationships in those spaces to create more of a pool of people so we can move them around to address some of those challenges effectively.
- Capital Request for Laundry Services – J. Meschke
  - In the master facility project the original concept was to outsource laundry. However, having completed further analysis we have determined it would be more efficient and less expensive to install a steam boiler at a cost of \$250,000 and keep the laundry services inhouse. If approved by the Board, an RFP would be sent out for additional bids. It is felt the final bid will not exceed \$250,000. Capital funds would be used for this purchase.
- **Motion**/second, Leonhard/Ticho, to approve the Dashboard and Executive Summary, August Financials, and Capital Request for Laundry Services. Motion carried.
- Draft 2022 Budget – J. Meschke
  - General highlights in the 2022 Budget:
    - Medicaid rates for both nursing homes are increasing by 12% as of July 1<sup>st</sup>. July 1<sup>st</sup>, 2022, there will be another 12% increase.
    - We are adjusting census averages for all areas.
    - We are looking at increasing our charges in our master fee schedule as this has not been done in a number of years.
    - We have budgeted 2% merit increase for our staff employees; and are looking at an overall reduction of 36.1 FTE's.
    - The Wisconsin Retirement System contribution rate for 2022 is decreasing to 6.5%.
    - We are trying to hold our benefit costs flat from a budget perspective for 2022.

- Debt service of \$1.8 million begins in 2022.
    - Anticipate 16 MMT beds to be available by July 2022.
    - Proposing a net loss of \$2.55 million. We have not shown a net income in 3.5 years, so we are budgeting for what is achievable rather than a budget neutral perspective.
    - 2021/2022 budget to budget comparison review was provided.
    - A request from all 3 counties for targeted case management is included with a request for \$200,000 to support the additional program.
    - There is also a request to increase levy from Marathon County of \$450,000 to support acute behavioral health services, specifically the two hospitals, crisis and MMT.
    - 2022 capital requests were reviewed totaling \$650,000.
    - Additional detail will be provided before the next Board meeting.
  - Additional information requested by the Board for further review included:
    - Budget to budget comparison
    - Actual volumes and projected volumes that generate the figures i.e., number of daily admissions, discharges, where growth is expected, how increases are calculated, comparison to 2021, etc.,
- Decrease Licensed Beds for Mount View Care Center to 154 as Result of CLA Study and Master Facility Plan
  - As presented to the Executive Committee, the recommendation is to reduce the total number of licensed beds to 154 based on the CLA Study and Master Facility Plan conducted in 2017/2018. We anticipate we will be contending with Covid recovery yet in 2022 and decommissioning 34 licensed beds will yield an average annual savings of \$69,360. Occupancy target for 2022 is 136. (See packet for additional detail.)
  - Should the Board approve the recommendation to decommission 34 beds, the recommendation will be presented to the Marathon County Health & Human Services Committee for consideration.
- Decrease Licensed Beds for Pine Crest Nursing Home to 120 as a Result of CLA Study and Master Facility Plan
  - Reducing the number of licensed beds to 120 from 160 would still allow for continued Covid 19 recovery and better stabilization efforts. The reduction would yield an annual savings of \$81,600. Census prior to Covid averaged 135. (See packet for additional detail.)
  - Should the Board approve the recommendation to decommission 40 beds, the recommendation will be presented to the Lincoln County Board for consideration.
- **Motion**/second, Leonhard/Weaver, to forward to each of the appropriate counties the recommendation to decrease to 154 beds for Marathon County and 120 beds for Lincoln County. Motion carried.

#### Conflict of Interest Disclosures

- In your packet is a letter and form for Conflict-of-Interest Disclosures forms. Please complete and return to NCHC Administration.

### Approval of Board Policy

- Employee Compensation Policy
  - **Motion**/second, Leonhard/Ticho, to approve the recommended changes to the Employee Compensation Policy as discussed last month. Clarification provided that step scale system is to provide the pay scale commensurate with years of experience, competence and skills. Step scale also provides transparency to those inquiring about employment and benefits of staying with the organization. Step scale will not have an additional effect on 2021 financials. Motion carried.
- Compensation Administration Manual
  - **Motion**/second, Leonhard/Ticho, to approve the recommended changes in the Compensation Administration Manual. Following discussion, it was recommended to postpone the approval of the Compensation Administration Manual to next month.
  - **Motion**/second, Leonhard/Ticho, to postpone action on the Compensation Administration Manual until next month and include with the budget review and approval. Motion carried.

### Closed Session for Report of Investigations Related to Corporate Compliance Activities and Significant Events – J. Peaslee

- **Motion**/second, Leonhard/Anderson, to postpone the closed session to next month. Motion carried.

### Board Calendar and Future Agenda Items

- Contact Chair Gibbs or J. Meschke to add items on the agenda for next month.

### Adjournment

- **Motion**/second, Leonhard/Anderson, to adjourn the meeting at 5:52 p.m. Motion carried.