

OFFICIAL NOTICE AND AGENDA

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, October 28, 2021 at 3:00 pm

North Central Health Care, Assembly Room, 2400 Marshall Street, Wausau WI 54403

The meeting site identified above will be open to the public. However, due to the COVID-19 pandemic and associated public health directives, North Central Health Care encourages the public to attend this meeting remotely. To this end, instead of attendance in person, the public may attend this meeting by telephone conference. If Board members or members of the public cannot attend remotely, North Central Health Care requests that appropriate safety measures, including adequate social distancing, be utilized by all in-person attendees.

Persons wishing to attend the meeting by phone may call into the telephone conference beginning five (5) minutes prior to the start time indicated above using the following number:

Meeting number: 1-408-418-9388 Access Code: 2497 477 3659 Password: 1234

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. CONSENT AGENDA AND MONITORING REPORTS
 - A. Board Minutes and Committee Reports
 - i. ACTION: *Motion to Approve the September 30, 2021, NCCSP Board Minutes*
 - ii. FOR INFORMATION: Minutes of the September 23, 2021, Executive Committee Meeting
 - B. Executive Operational Reports
 - C. Policy Governance Monitoring Reports
 - i. Recent State, Federal, and Accreditation Reports
 1. Youth Hospital Recertification
 2. Joint Commission Plan of Correction
5. BOARD EDUCATION
 - A. Complaint and Grievance Policy (5 Minutes) – J. Peaslee
 - B. Employee Grievance Policy (5 Minutes) – J. Peaslee/J. Nickel
 - C. Occurrence Reporting Policy (5 Minutes) – J. Peaslee
 - D. Utilization Review Plan (5 Minutes) – J. Peaslee/Dr. Gouthro

6. BOARD DISCUSSION AND ACTION

- A. CEO Report and Board Work Plan (5 Minutes) – J. Meschke
- B. ACTION: *Motion to Accept Dashboards* (5 Minutes) – J. Meschke
- C. ACTION: *Motion to Accept the September Financials* (5 Minutes) – J. Meschke
- D. ACTION: *Motion to Approve Recommendation for Selection of 2021 Financial Audit Firm* (5 Minutes) – J. Meschke
- E. ACTION: *Motion for Approval of 2022 Budget Proposal* (20 Minutes) – J. Meschke
- F. ACTION: *Motion for Approval of Board Policy:*
 - i. Physician Compensation Policy (5 Minutes) – Dr. Gouthro/J. Peaslee/D. Adzic
 - ii. Compensation Administration Manual and Pay Grades (5 Minutes) – J. Nickel
- G. Review Diversity, Equity, and Inclusion Plan (10 Minutes) – J. Nickel
- H. Discussion and Direction of the North Central Health Foundation (10 Minutes) – J. Meschke

7. MOTION TO MOVE INTO CLOSED SESSION

- A. Pursuant to Section 19.85(1) (c) and (f) Wis. Stats. for the purpose of considering employment and performance evaluation of any public employee over which the governmental body exercises responsibility, and preliminary consideration of specific personnel problems, which if discussed in public, would likely have a substantial adverse effect upon the reputation of any person referred to in such problems, including specific review of performance of employees and providers of service and review of procedures for providing services by Agency, to wit: *Report of Investigations related to Corporate Compliance Activities and Significant Events* (20 Minutes) – J. Peaslee

8. BOARD CALENDAR AND FUTURE AGENDA ITEMS

9. ADJOURN

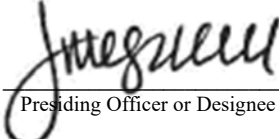
Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative Office at 715-848-4405. For TDD telephone service call 715-845-4928.

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: 10/22/2021 TIME: 4:00 PM BY: D. Osowski



Presiding Officer or Designee

NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD MEETING MINUTES

September 30, 2021

3:00 p.m.

North Central Health Care

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

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

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 Plant, 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 1st. July 1st, 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.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

NORTH CENTRAL COMMUNITY SERVICES PROGRAM EXECUTIVE COMMITTEE MEETING MINUTES

September 23, 2021

3:00 p.m.

Wausau Board Room

Present: X Kurt Gibbs EXC Deb Hager X Lance Leonhard
 X Robin Stowe X(WebEx) Cate Wylie

Staff Present: Jarret Nickel, Jennifer Peaslee, Marne Schroeder, Jaime Bracken and Bobby Splinter (via phone)

Others Present: Dejan Adzic, Deputy Corporation Counsel

Call to Order

- Meeting was called to order at 3:07 p.m. by Chair Gibbs.

Public Comment

- None

Approval of September 10, 2021 Executive Committee Meeting Minutes

- **Motion**/second, Leonard/Stowe, to approve the September 10, 2021 Executive Committee Meeting Minutes. Motion carried.

Review of Draft NCCSP Board Agenda for September 30, 2021

- Add: Discussion and possible action on Draft 2022 Budget for NCHC
- Notify Chair Gibbs by Friday, 9/24/21 with any additional agenda items.

Operational Functions Required by Statute, Ordinance, or Resolution

- Discussion and Possible Recommendation for Change in Bed Licenses Held for Mount View Care Center and Pine Crest Nursing Home – J. Nickel
 - Recommendations as outlined in the memo in the meeting packet were reviewed.
 - Having more licensed beds for Mount View Care Center (MVCC) than could be physically in the building is not needed or we would need to have the ability to convert to semi-private rooms. Reducing beds from 188 to 154 will save \$69,360 annually.
 - Pine Crest census was around 130 prior to Covid and is currently in the mid-90s. Anticipate some recovery but not to justify the current number of licensed beds. Also, considering the recent CliftonLarsonAllen market study as well as factoring in Aspirus recently acquiring a local hospital, we anticipate stronger referrals may be forthcoming. Reducing beds to 120 would yield an annual savings of \$81,600 and allow for post-Covid census recovery.

- MVCC nursing tower will have 96 beds with an additional 58 on the 2nd floor of the current MVCC. Memory care continues to increase and the 2nd floor could expand with more memory care if needed.
- Once licensed beds are reduced the opportunity to acquire additional beds is difficult i.e., buying beds from other nursing homes that are closing.
- If approved, the recommendation will be presented to the NCCSP Board and if approved, the recommendation will be presented to each County Board.
- Committee recommended the skilled nursing bed licensure recommendations be presented to the NCCSP Board for consideration.
- Discussion and Possible Direction on the Nursing Home Operations Committee
 - Initially one Nursing Home Operations Committee (NHOC) was established and includes membership from Marathon and Lincoln Counties. NHOC looks at the operations. The physical plant is the responsibility of each county.
 - Discussion has focused on whether there should be a separate NHOC for each county.
 - Lincoln County Board and community members are passionate about Pine Crest Nursing Home. While they are not interested in discontinuing the management of the nursing home, they would like more specifics about the operations and the opportunity to ask more informal questions rather than high level i.e., dashboard.
 - The Committee charter indicates the purpose is to align the nursing homes together and benefit on efficiencies i.e., pharmacy, CCIT, strategic planning, performance expectations, etc.
 - Operational reports and discussion can be adjusted to include more personal detail. Committee members will be asked what they would like to include and adjust meetings accordingly.

Discussion on the Direction of the North Central Health Foundation

- North Central Health Foundation (NCHF) has recently struggled to find footing and gain ability to raise funds in community. There was an attempt to revitalize the Foundation through a shared Executive Director position, but were unsuccessful in filling the position and then Covid hit. Funds are limited and mostly undesignated. Given the nature of the organization we are recommending consideration to move the NCHF to the Community Foundation and no longer operate NCHF through NCHC leadership. The intent is not to change its use but be managed by the Community Foundation.
- **Motion**/second, Leonhard/Stowe, to have NCHC staff and Corporation Counsel Office continue to evaluate how to affect a transfer of funds from NCHF to the Community Foundation for ongoing management and collection. Motion carried.

Educational presentations/Outcome Monitoring Reports

- CEO Report
 - As of today, there are 3 staff with symptoms and a total of 33 staff out. We continually monitor the Covid rate in our counties and follow CDC guidelines. When the rate is above 10% which significantly impacts operations. Currently Langlade and Lincoln counties are above 10% positivity rate. No direction yet on a mandated vaccine from CDC and OSHA.

- Nursing tower has been under construction since October 2020. We received DHS final approval yesterday. We anticipate the City of Wausau to give us occupancy approval soon and have plans to occupy the new tower with residents beginning on October 11. A Ribbon Cutting event is being planned for October 5.
- 2022 budget planning is progressing which includes updating our operational plan and verifying resources are identified.
- Organizational Dashboard was reviewed. Highlights included the vacancy rate trending below target and positively impacting the year-to-date score. In June and July 90 new hires were onboarded. Patient experience has been a focus of staff and is seeing positive results. Both MVCC and Pine Crest have received a 4 Star Rating (of 5 Stars). Out of County placements are doing well even with challenges to our physical building and anticipate improvement with the new facility in 2022.
- August Financials
 - Month to date actual has a positive variance to revenue of 3.2%. Much has come with efficiencies gained with Cerner. Expenses are under budget. We are working on why contracted services and drug expenses have increased and looking into efficiencies in physician services and bringing in new hires. Financials are stable overall with a slight uptick in supplies especially for Covid-related items.
 - The Adult Behavioral Health Hospital variance is related to a budget based on a higher census than current experience. Youth Behavioral Health Hospital has full occupancy, 8, today for the first time. In Community Living we are making changes to Lincoln Industries by moving Adult Day Services to the community by year end and moving pre-vocational services out of the space also. We will no longer be providing operations in the Forest Street Apartments after identifying that services provided did not match the offerings and clientele. Residents will be moving out by end of month.
 - Both MVCC and Pine Crest continue to experience challenges with inability to admit new residents. Funding comes through Medicare which is most impacted by enhanced precautions. Aquatics had a strong month but also have challenges due to impact on referral services due to Covid.
- Board Work Plan
 - We are back on track with most of the items.

Discuss the NCHC 2022 Budget and Priorities from the Executive Committee and Possible Recommendations

- Staff continue to work through the 2022 budget process. Our budget request is a 10% increase in levy from each county.
- The request for increased levy is a result of several factors. The growth in program operations continues to be challenged with small operating margins, our master facility plan has caused operational challenges with shutting down programs for months at a time, there have been no increases in levy for a number of years and yet NCHC has consistently asked to provide more, and wages continue to be a challenge.
- 2022 will be a year of building and setting up the operations for success.

- Committee agreed that no increases for years has made a significant impact in addition to the challenges from Covid and related high expenses and understands the reasons for the request for increase in levy. Marathon County will see if ARPA funds could be utilized for costs associated with the pandemic on NCHC and help find a solution.
- Additional detail on what is driving costs would be helpful as the 2022 budget is reviewed.

Next Meeting Date & Time, Location and Future Agenda Items

- NCCSP Board of Directors Meeting, September 30, 2021, 3:00 p.m. at North Central Health Care Wausau Board Room.
- Ideas for future discussion and educational presentations to the NCCSP Board – None

Announcements

- None

Adjournment

- **Motion**/second, Stowe/Leonhard, to adjourn the meeting at 4:48 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

MEMORANDUM

DATE: October 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:**

- The CW Psychiatry Program has ~650 applicants this year from almost 30 countries. Although applicants are from all over the world, many have strong ties to Wisconsin and Central Wisconsin specifically. We will be interviewing ~30 applicants for our three spots this year beginning on November 17th.
- CW Psychiatry Residents will hold their 2021 retreat at NCHC later this month and topics covered will include Psilocybin, Ketamine, Transcranial Magnetic Stimulation, and Cerner process refinement. The educational series will be followed by team building and wellness activities.
- MCW-CW medical school is also amid recruitment and have ~1500 applicants with >300 from Wisconsin, the most ever local applicants for the school.

2) **Patient Care and Provider Quality (Behavioral Health):**

- The Wisconsin Department of Health Services has reached out to discuss utilizing our Youth Crisis Stabilization Facility to assist children and adolescents continue to remain in a safe, supportive, treatment environment while long term placement is sought. Referrals will come directly from the Winnebago Mental Health Institute, be based on a daily rate, and will further demonstrate how NCHC can help support the mental health treatment community of our region.
- Crisis Intervention Training (CIT) was completed by outpatient and community treatment staff with local law enforcement agencies. As described by the National Alliance on Mental Illness, CIT programs create connections between law enforcement, mental health providers, emergency services and individuals with mental illness and their families. Through collaborative community partnerships and intensive training, CIT improves communication, identifies mental health resources for those in crisis and ensures officer and community safety.
- As part of the CIT training, Deputy Jack White of CART led a series of NCHC program tours which included approximately 30 local officers. Tours included visiting Clubhouse, Hope House and NCHC Wausau (Crisis/BHS and Outpatient/Community Treatment). At each location the groups were able to interact with team members, get an overview of services, see the space, ask questions, and have open conversations about services offered and mental health in general.

- GoodwillNCW recently shared an inspiring story on the success James from Antigo achieved in returning to the work force after losing his vision in an accident. In a video posted by Goodwill, Christine Seidler, an employment supervisor from NCHC Antigo, describes the role NCHC played in supporting James in his achievement. The video is viewable on YouTube: <https://www.youtube.com/watch?v=WUS5irrce50>

MEMORANDUM

DATE: October 21, 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. Infection Control and Lab Services

Flu season is here, and staff have put together several flu clinics until mid-November to get this completed. We also continue to have COVID-19 vaccine clinics to accommodate staff or residents that would like new vaccine series and to allow for boosters once approved.

As we wait for a final directive regarding the potential of a vaccine mandate, the team continues to remain attentive to all the ever-changing COVID requirements and remain in the planning phase to be able to react if nursing home staff are required to become vaccinated.

2. Behavioral Health Services (BHS)

Joint Commission work continues, and the BHS team has been diligently working on the required plan of corrections. All Evidence of Standards Compliance (ESC) plans have been submitted and are in process. We anticipate all will be accepted and the changes needed have already been implemented. Our 45-day deficiency survey is overdue; however, we feel we are ready.

3. Long- Term Care

The Ribbon Cutting and Open House event for Mount View and the Aquatic Therapy Center was on Oct 5th and was a huge success. The team did a tremendous job getting the building show ready for this event. We received many wonderful compliments and positive feedback.

The tower moves are in process which began on Oct 12th. The team started on the 3rd floor and will complete the rest of the floors by the end of this month. We expect the Gift Shop to open November 1st. Laural, our Volunteer Services Manager, is working hard to secure volunteers to help off-set staffing needs to offer regular hours of operation. Many are excited about the Bistro opening as we heard a lot of great feedback from the community tours and open house. The Bistro is still in the planning phase, and we anticipate opening early November as well.

As expected, the team has found some workflows that need to be addressed but the team is coming with great ideas to be able to maximize efficiencies.

It is so wonderful to drive to work in the morning and see the lights on and residents in the common areas!

We continue to look for ways to align both Nursing Homes and look for efficiencies. We are currently looking into shared staff models and hope to be able to pilot soon.

Positions we are considering are the Wound Nurse and Quality roles. We already have a combined QAPI and feel that the teams can better share best practices and provide consistency. We are also reviewing pharmacy costs and standardizing our admission agreements with the goal of standardization and cost savings opportunities.

4. Clinical Excellence and Quality

We continue to see great gains within the nursing homes regarding falls. Both MV and PC had months with the resident falls in the low teens which is a drastic decrease. The Doctorate student continues to focus her efforts with the falls program as we continue to make the necessary changes.

MEMORANDUM

DATE: October 19, 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. Information Management System (IMS) Update:

- The IMS (Information Management Services) Team continues to drive towards resolution on issues identified during our pre- and post-go live Cerner Millennium implementation. Until NCHC officially transitions to Cerner's Support Team, IMS will remain engaged with Cerner's Implementation Consultants, to tackle the evolving issues list, in the core functional areas (e.g., Clinical, Registration/Scheduling, and Billing).
- Dialog surrounding the anticipated opening of the new Nursing Home Tower and the necessary MatrixCare configuration/set-up to accommodate resident moves sparked involvement from the IMS Team and an engagement with MatrixCare Consultants.
- The IMS department experienced turnover in late August/early September and began recruiting candidates for the open Informatics Analyst positions. Attracting and onboarding qualified candidates to NCHC and IMS Team is a recognized effort in the coming months.
- In addition to user security (e.g., management and maintenance) across NCHC's various software applications, the IMS team has begun logging tickets within and accepting tickets from CCITC's TrackIt help desk software. Leveraging the TrackIt tool helps position the IMS Team for future reporting and analysis.

2. Health Information Management (HIM) Update:

- The HIM Department welcomed a new employee to the team in October.
- We added two temporary positions focused strictly on Chart retention and destruction in preparation of our move to the new facility.
- The department has been working diligently on several things:
 - Chart retention and destruction
 - Scanning backlog
 - Keeping up on record requests and audits
- Our goals for this next month are:
 - Complete all CCS scanning for re-certification (occurs in December)
 - Modify existing onboarding process/checklist
 - Edit HIM Handbook (make Cerner changes)

MEMORANDUM

DATE: October 28, 2021
TO: North Central Community Services Program Board
FROM: Jennifer Peaslee, Compliance Officer
RE: Recent State, Federal, and Accreditation Reports:


Youth Hospital Recertification and Joint Commission Plan of Correction Update

On Wednesday, September 22, the Division of Quality Assurance (DQA) performed a required, on-site survey for the purposes of recertifying the Youth Hospital. This is the first survey since the Youth Hospital opened. NCHC holds certification under Wisconsin Administrative Code DHS 61.79. DQA is responsible for regulating and licensing programs and facilities that provide health, long-term care, mental health, and substance abuse services.

Survey activities included an in-person tour of the program area, policy review, and interviews with management. In addition, the surveyors reviewed a random sample of 8 staff records and 6 client records. Ultimately, the goal of survey activities is to determine compliance with regulatory requirements and are completed prior to issuing recertification. A total of one deficiency was identified requiring a plan of correction. The requirement for the number of psychology time per patient admitted for inpatient treatment was not met.

A plan of correction was created in response to the deficiency identified and is due back to DQA on 11/1/21. The plan of correction includes creation of a schedule specifying psychology hours and a documentation system for these services within the medical record. A system for ongoing monitoring for compliance has been identified and will be implemented to ensure we are meeting the requirements on an ongoing basis.

In addition, we have successfully submitted our full plan of correction or "Evidence of Standards Compliance" to The Joint Commission. They have confirmed receipt of our plan and will begin analysis of the information and use this to ultimately issue a decision for reaccreditation. We continue to wait for our required Medicare Deficiency Survey which was expected to occur prior to 9/19/21. The reason for the delay for this survey is a result of barriers relative to the pandemic, preventing surveyors from performing timely returns. Successful completion of our return survey and acceptance of our plan of correction is expected to result in continuation of accreditation for another three years.

Policy Title: Complaints and Grievances Policy	 North Central Health Care Person centered. Outcome focused.
Policy #: 105-0019	Program: Administration 105
Date Issued: 42/12/2020 10/28/2021	Policy Contact: Compliance Officer

Related Forms

[Grievance Form](#)

1. Purpose

This policy provides guidance for utilizing NCHC's centralized structure to report and respond to Consumer Complaints, and Grievances. The policy prescribes guidelines and requirements for compliance with regulatory requirements related to Consumer rights and the successful resolution of NCHC's Grievance investigation process through this policy and its related policies. Responding to Complaints and Grievances effectively is critical to delivering good customer service and service recovery and a method for identifying opportunities for improvement. This policy outlines the grievance resolution system for all programs providing services to individuals that NCHC serves.

2. Definitions

Client Rights Specialist/Grievance Official: means "a person designated by a program or a coalition of programs to facilitate informal resolution of concerns where requested and to conduct program level reviews of grievances and make proposed factual findings, determinations of merit and recommendations for resolution which are provided to the program manager and the client." This person receives and tracks grievances to resolution; leads any necessary investigations; maintains the confidentiality of all individuals and information associated with grievances as necessary or requested; issuing grievance decisions; and coordinating with state and federal agencies as necessary considering specific allegations. The individual serving in this position is employed in an area that is not directly involved in service delivery. In the event of any conflicts of interest, there will be another person assigned.

Complaint: A verbal concern raised by a Consumer, on their own behalf or by a representative, regarding the quality of care or services during or after the episode of care provided by staff, practitioners or contracted agents of the organization that can be immediately resolved by staff present at the time the concern is raised. This can also include information obtained from patient satisfaction surveys, unless written with request for resolution in which cases qualifies as a grievance-

Consumer: Any individual patient, client or resident receiving services or care from NCHC.

Emergency: A situation in which, based on the information available at the time, there is reasonable cause to believe that a Consumer or a group of Consumers is at significant risk of physical or emotional harm due to the circumstances identified in a Grievance or concern.

Formal Grievance Process: The process of formally addressing Grievances through the formal process as outlined in this and other applicable policies, following the prescribed time frames and processes.

Founded: There has been a determination by the person conducting the review at any level of the Grievance process that a concern is substantiated or that a violation of a right guaranteed under applicable regulation or law has occurred.

Grievance: An oral or written Complaint that is not immediately resolved at the time of the Complaint by staff present. A Grievance may be made by the Consumer on their own behalf or by a patient's representative.

Grievant: The individual that is expressing the Complaint or Grievance. This may or may not be the Consumer.

Grievance Committee: An ad hoc committee whose focus is the resolution of an individual Grievance. The committee consists of individuals pertinent to the Grievance. The committee is created as needed by the Grievance Official.

Informal Resolution Process: The process which offers Consumers and persons or Representatives on their behalf, the option of seeking informal resolutions of their Complaints. The Formal Resolution Process may be resumed or started at any time.

Representative: (could be any of the following)

- An individual chosen by the Consumer to act on behalf of the Consumer to support decision-making; access medical, social, or other personal information; manage financial matters; or receive notifications; or
- A person authorized by State or Federal law (including but not limited to agents under power of attorney, representative payees, and other fiduciaries) to act on behalf of the Consumer to support the Consumer in decision-making; access medical, social or other personal information; manage financial matters; or receive notifications. Staff must verify the validity of these types of representatives.

Program Manager: The individual in charge of the operation of any NCHC program who has the authority to approve and implement decisions made through the Complaint and Grievance Process.

Staff Present: Any NCHC staff present at the time of the Complaint or Grievance who can immediately address the patient's Complaint or others including administration, supervisors or other appropriate staff that can quickly be at the patient's location to resolve the Complaint.

Unfounded: There has been a determination by the person conducting the review at any level of the investigation process that the concern is without merit, or that guaranteed rights have not been violated.

3. Policy

North Central Health Care (NCHC) is responsible for protecting the rights of all Consumers utilizing NCHC services. Further, NCHC fully supports a Consumer's right to voice Complaints or Grievances without discrimination or fear of reprisal. Included in these rights is the provision for an effective and timely mechanism to resolve Complaints and Grievances. The NCCSP Board of Directors delegates responsibility for ensuring an effective program for the resolution of Complaints and Grievances to the Corporate Compliance Officer and generally NCHC's Management Team. Responding to Complaints and Grievances effectively is critical to delivering good customer service, service recovery, and a method for identifying opportunities for

Policy Title: Complaints and Grievances Policy

Author(s): Jennifer Peaslee

Owner: Compliance Officer

Next Review Date: December 2022

Approver: NCCSP Board

improvement. The Corporate Compliance Officer is responsible for overseeing an effective and well-organized centralized structure to report and respond to Consumer Complaints and Grievances. This structure includes written policies, a client rights specialist, an informal and formal resolution process, protections for clients and advocates and client instruction and ensures that all employees who have patient contact are aware of the requirements of this policy and corresponding procedures and documents.

4. General Procedure

- 4.1. During the admission process all Consumers and/or their Representatives are given a Patient's Rights & Responsibilities brochure and will be informed of NCHC's internal Grievance process including whom to contact, and how to initiate a Complaint.
- 4.2. Staff Present must take reasonable and appropriate steps upon receiving a Complaint or Grievance to mitigate the issue, especially in Emergency situations, to ensure the Consumer's immediate safety and to address it in a timely, reasonable, and consistent manner.
- 4.3. Any individual responding to a Complaint or Grievance must follow the Complaint and Grievances Procedure.
- 4.4. Data trending and compliance with this policy will be audited and analyzed by the Compliance Officer on an ongoing and regular basis.
- 4.5. Current and closed Complaints and Grievances along with their disposition will be reported monthly to the Corporate Compliance Committee and Bi-Monthly to the NCCSP Board of Directors.

5. References

5.1 **CMS:** 42 CFR 482.13(a)(2), Patient's Rights

5.2 **Joint Commission:** RI.01.07.01, Rights of the Individual

5.3 **Other:** DHS 94, DHS 51.61, DHS Civil Rights Plan Compliance, Section 1557 of the Patient Protection and Affordable Care Act of 2010, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and the Age Discrimination Act of 1975

Related Policies, Procedures and Documents

- Complaints & Grievance Procedure
- Employee Grievance Policy
- Employee Complaints Procedure
- Abuse, Neglect, Misappropriation, Exploitation, Resident to Resident Altercation, Injury of Unknown Origin and Caregiver Misconduct Policy
- Section 1557 Affordable Care Act Discrimination Grievance Procedure
- Complaint Resolution Procedure, Nursing Home Operations
- Civil Rights Service Delivery Discrimination Complaint Instructions & Form #F-00166 (Available in English, Hmong, Spanish)


Policy Title: Complaints and Grievances Policy

Author(s): Jennifer Peaslee

Owner: Compliance Officer

Next Review Date: December 2022

Approver: NCCSP Board

Policy Title: Employee Grievance <u>Policy</u>	 North Central Health Care Person centered. Outcome focused.
Policy #: 205-1109	Program: Human Resources 205
Date <u>Revised</u>Issued: <u>07/01/2020</u> <u>10/28/2021</u>	Policy Contact: HR Coordinator

Related Forms

[Employee Grievance Form](#)

1. Purpose

To provide a mechanism where employees can file a grievance related to issues or concerns of employee discipline, termination, or workplace safety.

This policy is applicable to all direct care providers and staff working at NCHC, including students, interns and contracted staff. The standards of this policy are to be complied with by staff while they are employed in any NCHC facility during regularly scheduled work times.

2. Definitions

Grievance: Any dispute or misunderstanding regarding the actions of NCHC officials which relate to employee discipline, termination, and work place safety

Employee Discipline: May result when an employee's actions do not conform with generally accepted standards of good behavior, an employee violates a policy or rule, an employee's performance is not acceptable, or the employee's conduct is detrimental to the interests of NCHC. Disciplinary action may call for any of the following steps depending on the problem and the number of occurrences:

- Written warning
- Suspension (with or without pay)
- Termination of employment

There may be circumstances when one or more steps are bypassed. Certain types of employee problems are serious enough to justify either a suspension or termination of employment without going through progressive discipline steps. North Central Health Care reserves the right, in its sole discretion, to impose disciplinary action as may be appropriate to the circumstances.

Employee Discipline shall not include the following items:

- Placing an employee on administrative leave pending an internal investigation;
- Counseling, meetings or other pre-disciplinary action;
- Actions taken to address work performance, including use of a performance improvement plan or job targets;
- Demotion, transfer or change in job assignment; or
- Other personnel actions taken by NCHC that are not a form of progressive discipline.

Policy Title: Employee Grievance Policy
Author(s): ~~Chris Block~~ Jarret Nickel
Owner: HR ~~Director~~ Manager

Next Review Date: 12/01/2021
Approver: Operations Executive

Employee Termination: An involuntary separation from employment because of action taken by the employer to terminate or discharge an employee from employment for rule misconduct or performance reasons.

Employee Termination shall not include the following personnel actions:

- Voluntary resignation;
- Layoff or failure to be recalled from layoff at the expiration of the recall period;
- Reduction in workforce or job transfer;
- Completion of temporary employment, seasonal employment, contract employment, or assignment;
- Retirement;
- Job abandonment, “no-call, no-show”, or other failure to report to work; or
- Termination of employment due to medical condition, lack of qualification or license, or inability to perform job duties.

Workplace Safety: Conditions of employment affecting an employee’s physical health or safety, the safe operation of workplace equipment and tools, safety of the physical work environment, personal protective equipment, workplace violence, and training related to the same.

3. Policy

North Central Health Care will provide a detailed procedure for employees to file a grievance related to any concerns with discipline, termination, and/or workplace safety that is in compliance with Wisconsin State statutes and allows grievances to be appealed up to the Board of Directors.

4. General Procedure: Employee Grievance Procedure

5. References

5.1. CMS: None

5.2. Joint Commission: None

5.3. Other: Section 66.0509(1m), Wis. Stats

Related Policies, Procedures and Documents

None


Policy Title: Employee Grievance Policy

Author(s): ~~Chris Block~~ Jarret Nickel

Owner: HR ~~Director~~ Manager

Next Review Date: 12/01/2021

Approver: Operations Executive

Procedure Title: Title of Procedure <u>Employee Grievance Procedure</u>	 North Central Health Care Person centered. Outcome focused.
Procedure #: 101000205-0009 (205-1109)	Program: Human Resources
Date Issued <u>Revised:</u> 07/01/2020 <u>10/28/2021</u>	Procedure Contact: HR Coordinator

Parent Policy: [Employee Grievance Policy](#)

Parent Procedure (if there is one): None

Related Forms

[Grievance Form](#)

1. Scope

This policy is applicable to all direct care providers and staff working at NCHC, including students, interns and contracted staff. The standards of this policy are to be complied with by staff while they are employed in any NCHC facility during regularly scheduled work times.

2. General Procedure

2.1. Employees should first discuss complaints or questions with their immediate supervisor. Every reasonable effort should be made by supervisors and employees to resolve any questions, problems or misunderstandings that have arisen before filing a grievance.

2.2. Any written grievance filed in Step 1 of the grievance procedure must be filed with the Employee's Executive using the [Grievance Form](#)

2.3. Steps of the Grievance Procedure

- **Step 1 – Written Grievance Filed with the Executive**
The employee must prepare and file a written grievance with their Executive or his/her designee with a copy to the Operations Executive, within ten (10) business days of when the employee knows, or should have known, of the events giving rise to the grievance. The written grievance shall be submitted using the *Written Grievance Form* and give a detailed statement concerning the subject of the grievance, the facts of which the grievance is based and indicate the specific relief sought. The Executive or his/her designee will investigate the facts giving rise to the grievance and inform the employee and the Operations Executive of his/her decision, in writing, within five (5) business days of receipt of the grievance if possible. The written response shall contain a statement of the date the meeting between the Executive or his/her designee and the Grievant occurred, the decision to sustain or deny the grievance, and the deadline for the Grievant to appeal the grievance to the next step of this procedure. In the event the grievance involves the Executive, the employee may initially file the grievance with the Operations Executive or his/her designee, thereby waiving Step 1 of the procedure moving directly to Step 2. Any request to waive Step 1 must be made to the Operations Executive and

Procedure Title: Employee Grievance Procedure

Author(s): ~~Chris Bleek~~Jarret Nickel **Next Review Date:** 12/01/2021

Owner: HR ~~Manager~~Director **Approver:** Operations Executive

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approved

- **Step 2 – Review by the Operations Executive**

If the grievance is not settled at Step 1, the employee may appeal the grievance to the Operations Executive, in writing to the Operations Executive or his/her designee, within five (5) business days from the Executive or his/her designee's decision at Step 1. The notice of appeal shall contain a statement of appeal and why further consideration is being sought. The Operations Executive or his/her designee will review the matter and inform the employee and the Executive of his/her decision, in writing, within five ~~(5)business~~ 5) business days of receipt of the grievance.

- **Step 3 – Impartial Hearing Officer**

If the grievance is not settled at Step 2, the employee may request in writing, within five (5) business days from the Operations Executive decision, a request for a hearing by an Impartial Hearing Officer. The appeal should be sent to the Operations Executive. North Central Health Care shall select the Impartial Hearing Officer with the expenses of the hearing being split evenly between NCHC and the grievant. The Impartial Hearing Officer shall not be a NCHC employee. The hearing shall be held at a mutually agreeable time in a public building. All reasonable efforts will be made to schedule the hearing within 90 days of receipt of hearing request. Employees may be accompanied by a representative of their choice during the Impartial Hearing process. All testimony shall be taken under oath. In all cases, the Grievant shall have the burden of proof to support the grievance. The rules of evidence shall not be strictly followed, but no factual conclusions may be based solely on hearsay evidence.

- **Hearing Procedure**

Neither the complainant nor NCHC can discuss the case with the Impartial Hearing Officer in advance of the formal hearing. If oral arguments are heard, a court reporter or audio recording will be obtained, with any costs shared between NCHC and Grievant. Oral arguments will be allowed a maximum of one hour for Grievant and NCHC each to present necessary information at the hearing. The Grievant will go first for both the initial statement and presentation of witnesses. The Impartial Hearing Officer has discretion to allow additional witnesses with time given to both parties equally. The Impartial Hearing Officer will only consider information provided to both parties and at the hearing. After receiving the evidence and closing the hearing, the Impartial Hearing Officer shall issue a written response to the parties involved. The Impartial Hearing Officer shall have the power to issue a written response to the grievance. The response shall contain findings of fact, analysis and recommendation, and decision whether NCHC acted in a manner that was arbitrary and capricious. The Impartial Hearing Officer shall have no power to issue any remedy and shall only determine whether NCHC acted in an arbitrary and capricious manner.

- **Step 4 – Review by the Governing Body**

If the grievance is not resolved after Step 3, the employee or NCHC shall request within fourteen (14) business days of receipt of the written decision from the Impartial Hearing Officer a written review by the NCHC Board. No formal hearing will be required and the NCHC Board shall not take testimony or evidence; it may only determine whether the Impartial Hearing Officer reached an arbitrary or incorrect result based on a review of the written record before the hearing officer. The NCHC Board may request additional written submittals of the parties on matters which were raised before the Impartial Hearing Officer or, at its discretion, meet with the parties to review the matter. The preparation of the written record shall be at the expense of the party seeking appeal and the appealing party

Procedure Title: Employee Grievance Procedure

Author(s): ~~Chris Bleck~~ Jarret Nickel **Next Review Date:** 12/01/2021

Owner: HR ~~Manager~~ Director **Approver:** Operations Executive

shall supply a copy of the written record to the other party without charge. The matter will be scheduled for the NCHC Board's next regularly scheduled meeting. The Impartial Hearing Officer's determination may be affirmed, modified, or reversed by a majority vote of the NCHC Board. The NCHC Board's decision shall be final and binding on the parties. There shall be no subsequent right of appeal.

2.4. The NCHC Board will inform the employee of its findings and decision in writing and provide a copy of the decision to the Operations Executive within five (5) business days of the NCHC Board meeting.

2.5. An employee may not file a grievance outside of the time limits set forth in the procedure above without mutual agreement of the parties involved. If the employee fails to meet the deadlines set forth above, the grievance will be considered resolved. If it is impossible to comply with the deadlines due to meeting notice requirements or meeting preparation, the grievance will be reviewed at the next possible meeting date. An employee must process his/her grievance outside of normal work hours, unless the employee elects to use accrued paid time (vacation, comp time etc.) in order to be paid for time spent processing his/her grievance during normal work hours through the various steps of the grievance procedure.

3. Responsibilities

3.1. Employees: None

3.2. Managers: None

4. References

4.1. CMS: None

4.2. Joint Commission: None

4.3. Other: Section 66.0509(1m), Wis. Stats.


Related Policies, Procedures and Documents

None

Procedure Title: Employee Grievance Procedure

Author(s): ~~Chris Bleck~~ Jarret Nickel **Next Review Date:** 12/01/2021

Owner: HR ~~Manager~~ Director **Approver:** Operations Executive

Policy Title: Occurrence Reporting	 North Central Health Care <small>Person centered. Outcome focused.</small>
Policy #: 200-2100	Program: Quality and Compliance 200
Date Issued: 06/01/2020 <u>10/28/2021</u>	Policy Contact: Compliance Officer

Related Forms: N/A

1. Purpose

The purpose of occurrence reporting at North Central Health Care is to increase awareness of events that signal harm or potential harm to our patients, staff, or visitors and to provide a method for improving the quality and safety of the services provided. In addition, a reporting system is one method employees can use to raise concerns for the expressed purpose of follow up and improvement. The NCCSP Board of Directors delegates responsibility for ensuring an effective system that allows reporting of events in the organization to the Compliance Officer and generally NCHC's Management Team. The Compliance Officer is responsible for overseeing an effective and well-organized centralized structure to report, evaluate, and respond to reports received in the organization.

This policy is applicable to all direct care providers and staff working at NCHC, including students, medical learners, and contracted staff. The standards of this policy are to be complied with by staff while they are employed in any NCHC facility during regularly scheduled work times.

2. Definitions

Adverse Event: An adverse event is any undesirable experience or outcome associated with the use, misuse, or omission of a medical product or intervention in the course of treatment or care delivery. The event is serious and shall be reported when the outcome occurs.

Near Miss: Any process variation that did not affect an outcome, however if repeated in the future carries the chance of an adverse effect. An example would be a medication error that was caught before it was administered to a patient or a visitor who slips on a wet floor but catches themselves before the fall.

Occurrence: Any incident that is not consistent with routine operation and that may potentially or actually result in injury, harm or loss to any patient/client/resident, visitor, volunteer or employee of NCHC. An occurrence can include near misses, significant or sentinel events.

Reviewer: someone responsible for the review and follow up of an occurrence.

Root Cause Analysis: Root cause analysis is a process for identifying the factors that underlie variation in performance. A root cause analysis focuses primarily on systems and processes, rather than on individual performance. The purpose of a root cause analysis is to identify any opportunities for improvement in processes or systems that decrease the likelihood of such events in the future. A root cause analysis will result in the identification and implementation of sustainable and effective systems-based improvements and actions to make care safer.

Significant Event: an unexpected event, incident or condition that could have or did result in harm and did or would have required additional intervention or the risk thereof. The phrase, "or the risk thereof" includes any process variation for which a recurrence would carry a significant chance of a serious adverse outcome.

Sentinel Event: an event that has resulted in an unanticipated death or major permanent loss of function (not primarily related to the natural course of the patient's illness or underlying condition) that reaches a patient and results in:

- Death or Permanent harm or Severe Temporary harm (critical, potentially life-threatening harm lasting for a limited time with no permanent residual, but requires transfer to higher level of care/monitoring for a prolonged period of time, transfer to a higher level of care for a life-threatening condition, or additional major surgery)
- Please also refer to the [Joint Commission Sentinel Event Policy](#) for further definition

Submitter: someone who submits an occurrence report.

3. Policy

Reporting of all Occurrences, near misses, and adverse events, including any that meet the definition of significant or sentinel events, are to be reported through an online reporting system designed to facilitate the notification, communication and response to near misses and occurrences.

- A. Any staff member who is involved in or discovers an Occurrence has a responsibility to report it. Based on the severity of the occurrence, call 911 as needed for assistance.
- B. Occurrence reports must be completed before the end of the working shift, or within 24 hours if approved by a supervisor. An email notification will be sent to the appropriate individuals for review and follow up.
- C. There are certain types of occurrences including significant/sentinel events, which also require immediate notification of the administrator on call. Immediate notification of the administrator on call should be achieved by calling the Occurrence Reporting Hotline at 4488 or (715) 848-4488 if not located on the main campus. Significant and Sentinel Events will require a Root Cause Analysis as part of follow up to be completed within 30 days or sooner as required.
- D. Directors of each program area are responsible for the complete follow up and investigation into occurrences reported in their areas. Directors are responsible for any required governmental or additional reporting requirements for any Occurrence.

~~E.~~ Data trending and compliance with this policy will be audited and analyzed by the Compliance Officer on an ongoing and regular basis and reported as appropriate to the Compliance Committee on a monthly basis and bi-monthly to the NCCSP Board of Directors.

4. General Procedure

Staff are to refer to the Occurrence Reporting Procedure when they are required to be the Reviewer ~~Submitter~~ of an Occurrence.

5. References

5.1. CMS: 482.13(c)(2), 482.41(d)(2), 482.26(b)(2), 482.41(d)(2), 482.21(b)(2)(i), 482.21(a)(1)(2), 482.21(b)(1), 482.21(d)(2)(4), 482.21(e)(1), 482.21(c)(2), 482.23(c)(5), 482.25(b)(6), 482.13(g)(1)(i)(ii)

5.2. Joint Commission: Joint Commission Sentinel Event Policy, EC.04.01.01, IM.01.01.01, LD.03.09.01, LD.03.02.01, MM.07.01.03, PC.03.05.19

5.3. Other: N/A

Related Policies, Procedures and Documents

Adverse Medication Event Reporting and Monitoring

[Occurrence Reporting Procedure](#)

Root Cause Analysis



North Central Health Care

Person centered. Outcome focused.

**HOSPITAL
UTILIZATION REVIEW
PLAN
2022**

PURPOSE:

The Utilization Review Plan of North Central Health Care (NCHC) is developed by the Utilization Review Committee to ensure that quality inpatient care is provided in the most appropriate, cost-effective manner.

AUTHORITY:

The UR committee is responsible for identifying and addressing unusual patterns of care that do not meet best practice standards for quality of care. Ultimate responsibility for the safe and quality of care for patients treated in the hospital rests with the NCCSP Board of Directors. The specific responsibility for monitoring resource utilization of services provided is delegated to the Chief Executive Officer and Medical Staff.

COMPOSITION OF THE UR COMMITTEE:

The Utilization Review committee is composed of at least two physicians including the Chief Medical Officer who will serve as the UR Committee Chairperson, and non-physician members to represent departments including: utilization review, nursing, quality, compliance, and medical staff.

No person may participate in the case review of any care in which he/she was professionally involved in providing care. No review may be conducted by any person who has direct financial interest in the hospital.

FUNCTIONS OF THE COMMITTEE:

The committee will provide review for all patients including those entitled to Medicare and Medicaid benefits with respect to the medical necessity of:

- Admissions to both the adult and youth psychiatric inpatient hospitals
 - Can be done prior to, at or after admission
- Duration of Stay
 - Outlier cases based on extended length of stay
- Professional services furnished including pharmaceuticals
 - Outlier cases based on extraordinarily high costs

INTENDED OBJECTIVES:

- Continue utilization of InterQual to further support superior access management with respect to the medical necessity of admission
- Decrease readmissions by way of enhanced discharge planning
- Identification and correction of patterns of care and factors that may contribute to the under/over and/or inappropriate utilization of hospital resources and services through recommendations made by the committee for improvement
- Promote cost-efficient utilization of hospital resources and services in accordance with the patients' needs and preference
- Provide educational opportunities to engage the hospital medical staff in efforts such as clinical documentation improvement to further support appropriate utilization of resources
- Use of data to assess physician practice trends and patterns respective to length of stay and resource utilization for purposes of improving quality of care and service delivery

DESCRIPTION OF THE REVIEW PROCESSES:

Prospective review includes the review of medical necessity for the performance of services or scheduled procedures before admission. The hospital Utilization Review Case Manager coordinates prior authorizations as necessary as part of admission by submitting documentation to payors as necessary and required. All applicable billing and benefits are reviewed to determine eligibility by clerical personnel.

Concurrent reviews include a review of medical necessity decisions made while the patient is currently in an acute setting. The determination for continued need for inpatient stabilization or if the patient can be treated in a lesser setting is conducted during daily interdisciplinary rounds where physician review of clinical condition and recommendations are made on length of stay and discharge. Documentation of clinical justification for continued hospitalization is made in the record and consideration for the best setting of care is determined to include continued stay on the inpatient unit, or discharge to the CBRF or to outpatient care. In addition, the hospital UR Case Manager is responsible for ongoing communication with payors and facilitates provider to provider (peer to peer) consult if medical necessity or continued stay is being denied by the payor. The use of a screening tool, InterQual, is used to determine medical necessity for ongoing stays. All potential appeals are also conducted by the UR Case Manager.

Retrospective reviews involve a review of coverage after treatment is provided. All psychiatric hospital retrospective denials will be reviewed by the Utilization Review Committee. Denials are identified, tracked, and monitored for trends. Feedback will be provided to medical staff based on outcomes. This type of review may also include appealing a denial with a payor.

FEEDBACK LOOP TO THE EXECUTIVE MANAGEMENT TEAM, MEDICAL STAFF, AND BOARD OF DIRECTORS

The Chairperson of the Utilization Review Committee is charged with reporting back the activities and outcomes of Utilization Review to the Executive Team, Medical Staff, and Board of Directors.

Meeting minutes are prepared, distributed, and reviewed at the next meeting and approved by the committee. Minutes will include the names of committee members present, date and duration of the meeting, a summary of review of admissions, length of stay and outliers, cases discussed, any focused reviews conducted, and the recommendations of such reviews/actions.

The proceedings of the Utilization Review Committee to include any findings and recommendations from case review and corresponding documents are held confidential, in accordance with state statutes and federal laws including HIPAA. To ensure this, all patient references will be identified only by medical record number, and physician references will be assigned a confidential code number.

ONGOING REVIEW, REVISION, AND APPROVAL OF THE PLAN:

The Utilization Review Plan must be reviewed annually and updated, or modified as necessary, based upon ongoing evaluation of the utilization review and

quality improvement activities. The evaluation of the Utilization Review Plan and its effectiveness in allocating resources must be documented and the results reported to the Medical Staff, Administration, and the Governing Board.

**This Utilization Review Plan is hereby approved as of
December 16, 2021, by:**

Jill Meschke
Interim Chief Executive Officer, NCHC

Kurt Gibbs
Chair, NCCSP Board of Directors

Dr. Robert Gouthro
Chief Medical Officer, NCHC



MEMORANDUM

DATE: October 18, 2021
TO: North Central Community Services Program Board Executive Committee
FROM: Jill S. Meschke, Interim Chief Executive Officer, Chief Financial Officer
RE: CEO Report – October 2021

The following is an updated format for the CEO report normally provided to the Board. My hope is that it addresses the high-level updates at NCHC, but I would be pleased to take suggestions as to the content below.

Moment of Excellence

Mount View Care Center began transitioning into Suite B, the new nursing home tower. Residents from Lakeview Heights and Southern Reflections moved into the third-floor last week. This week Northwinds Vent residents will move and South Shore residents will follow next week. This has been a massive undertaking and has required partnership across not only NCHC, but also with Marathon County Maintenance and Facilities, CCIT, and many other people.

Since Our Last Meeting

Dejan Adzic and I have been working with the Wisconsin Department of Administration to apply and contract for the \$5 million included in the state budget to aid in the construction and renovation of NCHC's acute care behavioral health spaces. The Building Commission meets Wednesday, October 20 and will hopefully be approving our request at that time.

Related to the new acute care behavioral health spaces, contracts have been presented, and some executed, to provide inpatient services to adults and youth in counties outside of the tri-county area. There has been strong interest in potential admissions into crisis stabilization facilities and drafting of those contract terms are beginning.

Design has been largely completed for the first floor of Suite A (old Mount View Care Center). This space will include the following programs: Outpatient Therapy and Psychiatry, Community Treatment workspaces, Pharmacy, Lab, the Medical College of Wisconsin Residency program, Administration, and several conferences rooms for group therapy and other meeting needs.

Industry News

Much discussion continues related to Covid-19 vaccination. Our residents at Mount View Care Center and Pine Crest Nursing Home have been provided the Moderna vaccine if they have decided to be vaccinated. If Moderna boosters are approved for people 65 and older we will make those available to those residents. If they approve boosters for all Moderna recipients, we will make them available to our employees also.

NCHC is applying for phase four of the Provider Relief Fund. In addition, this application includes the potential for ARP rural distributions. This is a new opportunity for NCHC being that our primary address is not considered rural, but patients we serve do live in rural areas.

The State of Wisconsin budget has approved Medicaid rate increases for several populations served by NCHC including skilled nursing facilities, group homes, and supported apartments. Increases for skilled nursing facilities will average 12 percent, which will occur first in 2021 and then again in 2022. Residential rates are expected to increase by approximately 4 percent.

Dashboards

NCHC continues to have strong performance in vacancy rate but has seen turnovers move back up. Efforts continue to improve employee engagement and satisfaction. Turnover rate is unfavorable to targets in the Hospitals, the Group Homes, Outpatient, Pine Crest, and in Youth Community Treatment. In the Hospitals, a structural change to the managers of the programs is allowing for greater sharing of staff resources. Something similar is being evaluated for the nursing homes. In the other programs, unfavorable performance is due to a few resignations.

September shows some good progress in most quality measures. Hospital and nursing home readmissions remain low, and the nursing home star rating has increased to four. Employee injuries experienced a spike in September

Out of county placements outperform prior years; however, NCHC has several clients with lengthy stays out of county. These cases are those that NCHC is not able to support with internal resources. Being that diversions with short lengths of stay has dramatically decreased demonstrates strong progress in this measure.

The zero-harm measure for employees experienced a large unfavorable increase in September. This is due to Covid-19 exposures and symptom cases now being reportable to OSHA and the increase in those cases NCHC has experienced in September.

Financial Highlights

NCHC experienced a loss of (\$764,000) in September bringing the year-to-date loss to (\$4,100,000). The key drivers affecting the losses are as follows and are addressed in greater detail in the financial/CFO memo.

- Revenue in the skilled nursing facilities is comparable to plan due largely to one-time payments received earlier in the year. In the acute care behavioral health programs, revenue performance has been unpredictable due to unusual census swings. Contracts with neighboring counties will help to stabilize these numbers as they are implemented.
- The ability to maintain consistent and reliable staffing is a driving factor contributing to losses. Costs for overtime, call-time, and agency staff are far above plan and have further increased due to a spike in Covid-related absences in September.
- Favorability trends seen in benefit costs through the early part of the year are reversing. Although NCHC has strong financial performance compared to the market, self-funded costs are rising. We did explore changing from a self-funded model in 2022, but it was a far more expensive option.
- Long-term diversions continue to exceed plan. Due to the state-owned facilities' accounting methods, we expect some payback at the end of the year.
- Some additional expense lines were higher than expected due to the need to expend grant funding prior to the end of the grant period on September 30.
- NCHC's cash position worsened in September, and we had to use contingency cash reserves. These reserves are held as liquid cash in the bank.

NCHC is going to be raising our rates in several key areas including the skilled nursing facilities, hospitals and crisis stabilization facilities, and outpatient. We have not raised rates for several years. Analysis is underway to determine the most appropriate market-competitive rates for these services. Notification process rules apply that we are working through.

Current Challenges

The national worker shortage trend has impacted NCHC as we have trouble filling positions directly affecting patient care. During the pandemic, workers had to stay home with quarantined children who were in-home learning. This has given rise to the need for additional flexibility, the embrace of alternative careers, and single-income households. NCHC has experienced a high rate of retirements, which matches the national trend. Finally, employees out of work with Covid-related restrictions have impacted us. Remaining employees are experiencing burnout. To keep them, NCHC is forced to compete with other local organizations with pay, benefits, and improved working conditions.

A weakened cash position caused by sustained net losses and the timing of cash inflows and outflows have created new challenges. Cash is being monitored closely and two investments reaching maturity will be brought back to liquid at the end of the month.

Considerations and Decisions

Leaders at NCHC have been working to plan for 2022 operations and financials through the budget process. During those conversations, we have determined the need for the Board to weigh in on the future of the Community Corner Clubhouse and the Homelessness Initiative. Additionally, Marathon County's Adult Day Service program loses its current space at the end of the year, and I am asking the Board to consider options for the location of this program.

The Board will revisit the budget in October's meeting. Additional presentation information will be available for that conversation.

Conclusion

Progress continues for a variety of initiatives at NCHC. We appreciate the time and commitment of the Board of Directors. Thank you.

2021 Board Work Plan

Objective	Accountability	Start Date	Measure(s) of Success	Interim Updates	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Establish Facility Use Agreements	Board	Jan-20	Signed Facility Use and/or Lease Agreements with each of the three counties	Legacy agreements are in place. The updated base Lease Agreement for Marathon County is near finalization. Supporting Exhibits to the Agreement are still in development.	Open												
Prepare Local Plan	Board	Jan-20	Adopt a 3 Year Local Plan at the Annual Board Retreat	The Human Services Research Institute report completion and community engagement will continue to be on hold into 2021 due to COVID-19.	Open												
Facilitated Discussion on Diversity and Inclusion	Board	Jul-20	Adopted Diversity, Equity, and Inclusion Plan	An internal employee directed committee will be formed to develop recommendations and a plan to the Board in 2021.	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	CEO is working to setup quarterly stakeholder meetings with each of the three county partners to provide program updates and seek feedback on service needs.	Open												
CEO Appraisal	Executive Committee	Jan-21	Executive Committee reviews appraisal with CEO		Closed												
Annual Report	Board	Mar-21	Annual Report released and presentations made to County Boards		Open												
Accept the Annual Audit	Board	Apr-21	Acceptance of the annual audit by the NCCSP Board in April	Completed June 24	Closed												
County Fund Balance Reconciliation	Board	Apr-21	Fund balance presentation and Adoption by NCCSP Board	Completed June 24	Closed												
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	Completed June 24	Closed												
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	Completed June 24	Closed												
Recommend Annual Budget to Counties	Board	May-21	Budget recommendation to the Counties by October 1st	The draft budget will be presented to the NCHC Board at the October 28 meeting. Recommendations to Counties to occur following that meeting.	Open												
Annual Review of Board End Statements	Board	May-21	Adoption of End Statements with any modifications by June 1st	Completed June 24	Closed												
Selection of Independent Certified Public Accounting Firm	Executive Committee	May-21	Engagement Letter approved by Executive Committee by October 1st	For review in October.	Open												
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		Open												
Review and Approve Policy Governance Manual	Board	Aug-21	Approve Policy Governance manual at the September Board meeting		Open												
Review and Approve Board Development and Recruitment Plan	Governance Committee	Aug-21	Board Development and Recruitment Plan reviewed and approved by the NCCSP Board		Open												

2021 Board Work Plan

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 Performance Standards	Executive Committee	Sep-21	Adopt Annual Performance Standards		Open												
Approve Annual Quality and Safety Plan	Board	Oct-21	Approve plan in December	Scheduled for the December 16 meeting	Open												
Review CEO Succession Plan	Board	Oct-21	Review and update CEO succession plan		Open												
Review and Approve CEO Compensation Plan	Executive Committee	Nov-21	Approve CEO Compensation Plan for the upcoming year by December		Open												
Approve Utilization Review Plan	Board	Nov-21	Approve plan in December	Scheduled for the December 16 meeting	Open												
Board Development Plan and Calendar	Governance Committee	Nov-21	Approve Board Development Plan and Calendar for the upcoming year at the December meeting		Open												

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%	5.8%	5.3%	6.1%	6.5%				6.8%	7.8%
Turnover Rate	↘	20-23% (1.7%-1.95%)	2.8%	2.4%	3.3%	2.9%	2.3%	3.0%	3.3%	1.4%	2.5%				32.0%	N/A
Organization Diversity Composite Index	↗	Monitoring	0.69	0.66	0.67	0.63	0.65	0.68	0.67						0.66	N/A
SERVICE																
Patient Experience (Net Promoter Score)	↗	55-61	52.2	73.8	65.6	59.6	60.4	59.6	56.7	61.2	57.0				63.4	61.0
QUALITY																
Hospital Readmission Rate	↘	10-12%	10.8%	14.3%	14.4%	14.4%	9.1%	2.1%	4.8%		5.0%				9.4%	11.8%
Nursing Home Readmission Rate	↘	10-12%	10.5%	17.8%	12.8%	10.3%	12.5%	10.0%	12.5%	12.0%	7.7%				12.5%	13.5%
Nursing Home Star Rating	↗	★★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★★				★★★	★★★
Zero Harm - Patients	↘	Monitoring	0.84	1.06	0.84	0.85	1.19			0.62	0.57				0.90	0.74
Zero Harm - Employees	↘	Monitoring	2.26	2.97	5.94	3.08	3.18	1.21	1.98	1.14	6.97				3.19	2.84
COMMUNITY																
Out of County Placements	↘	230-250	236	140	169	96	143	192	109	126	127				149	269
Client Diversity Composite Index	↗	Monitoring	0.31	0.46	0.47	0.45	0.43	0.00							0.45	N/A
FINANCE																
Direct Expense/Gross Patient Revenue	↘	64-67%	76.8%	70.2%	70.0%	72.0%	73.8%	80.5%	73.7%	82.1%	81.0%				75.6%	72.4%
Indirect Expense/Direct Expense	↘	44-47%	41.3%	34.7%	38.6%	36.9%	37.2%	40.5%	44.7%	31.0%	34.6%				37.4%	39.0%
Net Income	↗	2-3%	-15.7%	0.1%	-6.9%	-5.1%	-7.6%	1.1%	-15.5%	-4.0%	-11.0%				-6.7%	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 Count
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 base 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%	6.5%	6.8%	7.8%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.5%	32.0%	N/A
		Organization Diversity Composite Index	↗	Monitoring		0.66	N/A
	Service	Patient Experience (Net Promoter Score)	↗	55-61	57.0	63.4	61.0
	Quality	Hospital Readmission Rate	↘	10-12%	5.0%	9.4%	11.8%
		Nursing Home Readmission Rate	↘	10-12%	7.7%	12.5%	13.5%
		Nursing Home Star Rating	↗	★★★★	★★★★	★★★	★★★
		Zero Harm - Patients	↘	Monitoring	0.57	0.90	0.74
		Zero Harm - Employees	↘	Monitoring	6.97	3.19	2.84
	Community	Out of County Placements	↘	230-250	127	149	269
		Client Diversity Composite Index	↗	Monitoring		0.45	/
	Finance	Direct Expense/Gross Patient Revenue	↘	64-67%	81.0%	75.6%	72.4%
		Indirect Expense/Direct Expense	↘	44-47%	34.6%	37%	39.0%
		Net Income	↗	2-3%	-11.0%	-6.7%	0.4%

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Adult Community Treatment	People	Vacancy Rate	↘	7-9%	0.0%	3.9%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	18.7%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	100.0*	71.9%
	Quality	Zero Harm - Patients	↘	Monitoring	0.09	0.18
		% of Treatment Plans Completed within Required Timelines	↗	96-98%		92.7%
		Employment rate of Individual Placement and Support (IPS) Clients	↗	46-50%	60.3%(44/73)	55.9%
	Community	% of Eligible CCS and CSP Clients Admitted within 60 Days of Referral	↗	60-70%		35.6%
		Average Days from Referral to Initial Appointment	↘	55-60 days		69.9 days
		Hospitalization Rate of Active Patients	↘	Monitoring	1.99%	3.24%
	Finance	Direct Expense/Gross Patient Revenue	↘	86.7-90.2%	84.1%	78.3%
		Net Income	↗	\$10,457-\$15,686 Per Month	\$18,722	\$65,711

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Adult Crisis Stabilization CBRF	People	Vacancy Rate	↘	5-7%	0.0%	0.7%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	22.1%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	50.0*	46.3%
	Quality	Zero Harm - Patients	↘	Monitoring	10.64	7.40
		% of Patients who kept their Follow-up Appointment	↗	90-95%	100 (3/3)	92.7%
	Community	% of Patients Admitted within 24 hours of Referral	↗	90-95%	100% (25/25)	100.00%
	Finance	Direct Expense/Gross Patient Revenue	↘	30.9-32.2%	123.1%	60.9%
		Net Income	↗	\$1,747-\$2,620 Per Month	(\$84,255)	(\$17,461)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Adult Inpatient Psychiatric Hospital	People	Vacancy Rate	↘	7-9%	4.4%	6.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	6.9%	39.1%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	60.0	41.3%
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	3.42
		Hospital Readmission Rate	↘	10-12%	5.9%	9.2%
		Average Days for Initial Counseling Appointment Post-Hospital Discharge	↘	8-10 days		24.2 days
		Average Days for Initial Psychiatry Appointment Post-Hospital Discharge	↘	8-10 days		16.7 days
		Average Days since previous Detox Admission	↗	330-360 days		571.8 days
	Community	Out of County Placements	↘	150-170	71	119
	Finance	Direct Expense/Gross Patient Revenue	↘	78.2-81.4%	114.3%	102.1%
		Net Income	↗	\$13,382-\$20,073 Per Month	(\$178,449)	(\$166,408)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Aquatic	People	Vacancy Rate	↘	5-7%	9.1%	5.9%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	38.9%
	Service	Patient Experience (Net Promoter Score)	↗	83-87	/	85.9
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	6.21
	Finance	Direct Expense/Gross Patient Revenue	↘	43.8-45.6%	65.6%	67.3%
		Net Income	↗	\$2,174-\$3,261 Per Month	(\$24,085)	(\$16,198)

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	57.1*	79.0
	Quality	Average Attendance Per Work Day	↗	20-25	18	19
		% of Members Working 15 or More Hours Per Month	↗	80-85%	38% (28/74)	23.8%
	Community	Active Members Per Month	↗	110-120	74	89
	Finance	Direct Expense/Gross Patient Revenue	↘	58.6-61.0%	151.0%	88.1%
		Net Income	↗	\$536-\$804 Per Month	(\$22,953)	(\$10,207)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Crisis and Emergency Services	People	Vacancy Rate	↘	7-9%	0.0%	5.7%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	31.7%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	/	36.4
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	9.45
		% of Crisis Assessments with Documented Linkage and Follow-up within 24 hours	↗	70-75%		59.4%
		Avoid Hospitalizations (NCHC and Diversions) with a length of stay of less than 72 hours	↘	5-10%	28.6%	4.4%
	Community	Out of County Placements Days	↘	230-250	127	149
		Court Liasion: % of Eligible Individuals with Commitment and Settlement Agreements who are Enrolled in CCS or CSP withn 60 days	↗	80-85%		47.3%
	Finance	Direct Expense/Gross Patient Revenue	↘	167.6-174.4%	489.6%	252.6%
		Net Income	↗	\$5,370-\$8,055 Per Month	(\$47,807)	(\$25,039)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Day Services	People	Vacancy Rate	↘	7-9%	3.6%	2.4%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	9.7%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	92.9*	92.1
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	0.52
	Finance	Direct Expense/Gross Patient Revenue	↘	89.3-92.9%	93.9%	99.0%
		Net Income	↗	\$5,103-\$7,654 Per Month	(\$18,996)	(\$28,766)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Group Homes	People	Vacancy Rate	↘	7-9%	6.7%	5.1%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	3.5%	42.0%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	100.0*	84.2
	Quality	Zero Harm - Patients	↘	Monitoring	2.15	1.74
	Finance	Direct Expense/Gross Patient Revenue	↘	66.3-69.0%	87.4%	76.6%
		Net Income	↗	\$2,939-\$4,408 Per Month	\$6,781	\$26,436

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Mount View Care Center	People	Vacancy Rate	↘	7-9%	5.0%	10.6%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	1.7%	31.6%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	00.0*	48.6
	Quality	Nursing Home Readmission Rate	↘	10-12%	4.2%	9.5%
		Zero Harm - Residents	↘	Monitoring	4.21	3.25
		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%	76.7%	70.3%
		Net Income	↗	\$30,636-\$45,954 Per Month	(\$102,862)	(\$95,475)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Outpatient Services	People	Vacancy Rate	↘	7-9%	5.4%	3.4%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	2.8%	14.7%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	42.9*	58.1
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	1.09
		Average Days for Initial Counseling Appointment Post-Hospital Discharge	↘	8-10 days		21.8 days
		Average Days for Initial Psychiatry Appointment Post-Hospital Discharge	↘	8-10 days		16.1 days
		Day Treatment Program Completion Rate	↗	40-50%	N/A	N/A
		OWI - 5 Year Recidivism Rate	↘	13-15%	14.8%	13.9%
	Community	Same Day Cancellation and No-Show Rate	↘	15-18%		17.3%
		% of Patients Offered an Appointment within 4 Days of Screening by a Referral Coordinator	↗	20-25%		16.2%
		Post-Jail Release Access Rate (Within 4 Days of Release)	↗	20-25%		19.7%
		Average Number of Days from Referral to Start of Day Treatment	↘	16-20 days	N/A	N/A
		Hospitalization Rate of Active Patients	↘	Monitoring	0.97%	1.06%
	Finance	Direct Expense/Gross Patient Revenue	↘	93.4-97.2%	135.1%	122.0%
		Net Income	↗	\$12,534-\$18,802 Per Month	(\$114,671)	(\$26,000)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Pine Crest Nursing Home	People	Vacancy Rate	↘	7-9%	11.0%	10.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	3.8%	38.2%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	50.0*	50.0
	Quality	Zero Harm - Residents	↘	Monitoring	2.19	3.43
		Nursing Home Readmission Rate	↘	10-12%	13.3%	14.8%
		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%	80.1%	69.9%
		Net Income	↗	\$20,559-\$30,839 Per Month	(\$230,240)	(\$155,970)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Riverview Terrace (RCAC)	People	Vacancy Rate	↘	7-9%	0.0%	5.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	91.2%
	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	\$5,349	\$5,655

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Supported Apartments	People	Vacancy Rate	↘	7-9%	5.3%	7.8%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	0.0%	18.2%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	0.0*	77.8
	Quality	Zero Harm - Patients	↘	Monitoring	0.47	0.70
	Finance	Direct Expense/Gross Patient Revenue	↘	38.5-41.0%	59.3%	45.4%
		Net Income	↗	\$3,364-\$5,046 Per Month	(\$66,706)	(\$29,158)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Youth Community Treatment	People	Vacancy Rate	↘	7-9%	8.1%	7.8%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	5.9%	35.5%
	Service	Patient Experience (Net Promoter Score)	↗	55-61	50.0*	85.7
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	0.05
		% of Treatment Plans Completed within Required Timelines	↗	96-98%		96.3%
	Community	% of Eligible CCS and CSP Clients Admitted within 60 Days of Referral	↗	60-70%		27.4%
		Average Days from Referral to Initial Appointment	↘	55-60 days		97.6 days
		Hospitalization Rate of Active Patients	↘	Monitoring	1.99%	0.46%
	Finance	Direct Expense/Gross Patient Revenue	↘	77.2-80.4%	77.6%	74.6%
		Net Income	↗	\$14,139-\$21,208 Per Month	\$28,242	\$43,816

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Youth Crisis Stabilization Facility	People	Vacancy Rate	↘	5-7%	9.1%	8.4%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	9.1%	22.7%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	N/A	N/A
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	0.00
		% of Patients who kept their Follow-up Outpatient Appointment	↗	90-95%		
	Community	% of Patients Admitted within 24 hours of Referral	↗	90-95%		
	Finance	Direct Expense/Gross Patient Revenue	↘	127-130%	65.09%	710.5%
		Net Income	↗	\$1,692-\$2,538 Per Month	(\$7,579)	(\$7,579)

Department	Domain	Outcome Measure	↕	Target Level	Current Month	Current YTD
Youth Psychiatric Hospital	People	Vacancy Rate	↘	7-9%	13.3%	7.2%
		Turnover Rate	↘	20-23% (1.7%-1.9%)	6.9%	37.8%
	Service	Patient Experience (Net Promoter Score)	↗	42-47	100.0*	80.0
	Quality	Zero Harm - Patients	↘	Monitoring	0.00	9.20
		Hospital Readmission Rate	↘	10-12%	3.0%	12.5%
		Average Days for Initial Counseling Appointment Post-Hospital Discharge	↘	8-10 days		16.2 days
		Average Days for Initial Psychiatry Appointment Post-Hospital Discharge	↘	8-10 days		12.9 days
	Community	Out of County Placements	↘	50-60	56	29
	Finance	Direct Expense/Gross Patient Revenue	↘	61.8-64.4%	86.9%	91.6%
		Net Income	↗	\$4,973-\$7,459 Per Month	(\$81,993)	(\$84,701)

MEMORANDUM

DATE: October 18, 2021
TO: North Central Community Services Program Board Executive Committee
FROM: Jill S. Meschke, Interim Chief Executive Officer, Chief Financial Officer
RE: Financial Performance for September 2021

North Central Health Care experienced a (\$763,826) loss September and (\$4,109,748) year-to-date. Net patient revenue shortfalls and staffing challenges are the two largest contributors to losses. Net patient revenue is 15.6 percent behind plan through September while total revenue is 8.6 percent behind plan. Overall, personnel expenses approximate plan. Total operating expenses are 2.5 percent favorable to plan year-to-date.

Cash position was unfavorable in September with NCHC losing \$2 million of liquid cash. This is due to the month-to-date net loss and timing of collection of outstanding accounts receivable. Several strategies are being employed to improve cash balance; however, the variable nature of cash inflows and outflows is largely inherent in NCHC's business model.

Programmatic Analyses

- Acute Care Psychiatric Hospitals

The adult and youth acute care psychiatric hospitals experienced a loss of (\$260,443) September and (\$2,260,338) year-to-date. Daily census at the adult hospital averaged 9.1 per day September and 9.5 per day third quarter. However, census was variable and ranged from 4 to 15 per day. At the youth hospital, census averaged 4.4 per day September and 3.0 per day third quarter. Census varied from 2 to 8 per day. Contracts with neighboring counties should aid in more consistently meeting census targets.

Personnel costs exceed plan due to overtime and call time as Covid-related absences and open positions require staff to be mandated overtime. Additionally, earlier year trend of favorability in benefit costs has reversed. Plans related to staffing include managers working with employees to increase engagement and support planning. Managers are being more selective in the employees they hire. For 2022 a training calendar is being developed to provide monthly access to clinical education and some open nursing FTEs are being converted to tech positions to ensure unit safety and daytime programming capabilities. Long-term diversions continue to exceed plan. Due to the state-owned facilities' accounting methods, we expect some payback at the end of the year.

- Crisis, Emergency, and Stabilization Services

Crisis services and the adult and youth stabilization facilities experienced a loss of (\$139,641) September and (\$485,299) year-to-date. Both adult and youth stabilization facilities had variable census results in September, but with youth stabilization now operating, additional opportunities for billing exist.

Personnel costs in crisis services in September included significant overtime and call time to over 4 FTE, of which three are hired and in training. The stabilization facilities had higher than planned personnel costs due to Covid-related absences, and two FMLA leaves. Supply expenses in the stabilization facilities were high due to the need to expend available grant funds by September 30.

- Outpatient Services

Outpatient experienced a loss of (\$114,671) September and (\$234,004) year-to-date. Losses are driven by revenue not meeting target; however, September revenue increased \$22,000 from August.

Several actions are addressing revenue shortfalls including a new Antigo provider building caseload and switching group therapy slots to individual patient appointments, which increases the overall number of services being provided. To increase psychiatry services, referrals are being accepted from the community whereas previously only internal referrals were accepted. Cerner billing errors continue to be corrected and individual training occurs to decrease errors moving forward. Productivity reports are being built to monitor billable hours by provider.

- Community Treatment

Adult and youth community treatment have income of \$46,965 September and \$985,747 year-to-date. This is behind plan. Losses are driven by revenue not meeting target; however, September revenue increased \$21,000 from August.

Expenses for September were high compared to prior months due to the need to spend CST Supplemental Funding by September 30 to avoid losing funds. These funds were used to purchase group supplies, training for all youth staff, and items to support consumer goals. CLTS and CCS contracted services were high for September but covered by Medicaid. Productivity reports are being developed to monitor billable hours by provider. This is an important tool in managing revenue and holding providers accountable to productivity standards.

At Community Corner Clubhouse, expenses are being managed and are under budget. Revenue is lower than target and actions to increase attendance and active members per month have been unsuccessful. CCS is a revenue source for Clubhouse, but not all members are eligible.

- Community Living and Residential Services

Community living experienced a loss of (\$68,108) September, which approximates the overall loss year-to-date.

Personnel costs including overtime have increased in September due to increased difficulty in staffing programs. Staff retention is as experienced in the past; however, recruitment is challenging.

The Forest Jackson supported apartment is slated for closure. Notice was served to all residents with an end date of September 30. Office space in the building is rented until October 31. One member being served by NCHC remains at the property and restricts our ability to discontinue services. Staff will transition to fill vacancies at other properties. Heather Street group home renovation is complete adding a bed to the facility. The bed has been filled and at the end of September the property is full of a census of 8 residents. In general, all seven residential site properties are full and have a wait list. The additional service of housing counseling has been added to our contract with Inclusa.

- Adult Day and Prevocational Services

ADS and prevocational services experienced a loss of (\$18,995) September and (\$258,895) year-to-date. This is due to revenues being lower than plan. Several members did not rejoin programming in 2021 due to Covid-19 for safety reasons. Daily census continues to improve as clients return. The program continues to experience challenges with outbreaks and clients being out due to exposures at home and in the community.

Additionally, housing shortages are state-wide. Three clients in September lost housing due to closures and evictions due to behaviors. NCHC was able to relocate two into our residential facilities. To date, seven clients have been impacted in this manner.

In the prevocational programs, a lack of return to full programming has impacted services as several partners have not returned to unrestricted access. Several partner sites have not permitted prevocational clients to return yet.

Expenses are favorable to plan month- and year-to-date.

- Mount View Care Center Skilled Nursing

Mount View experienced a loss of (\$102,862) September and (\$859,278) year-to-date. 2021 Supplemental Payments received helped revenue reach year-to-date targets. Overages in personnel, contracted services, and drugs expenses contribute to losses.

Mount View started the month slow with 9 Medicare residents on September 1. Medicare part A grew to 17 by month's end. Census of 121 residents per day remained under target due to limiting admissions due to Covid-19 and tower transition plans. Medicare part B utilization was low at 24 percent. Therapy continues to run screens every other week on all units. Residents are doing well on their nursing functional maintenance programs reducing need for additional therapy.

Personnel expenses were high in September due to staff being out with Covid-related absences, the Labor Day holiday, vacations, and FMLA. Vacation days are higher than average with staff trying to use hours they could potentially lose at year end. Additionally, benefit costs have seen increases in September. There are 4 CNA FTE open and 3.5 nursing FTE open.

Provider contracted services were high due to Dr. Tange having 23 hours on call and Dr. Smith's rounding hours. Mount View used very little agency staff in September. Nursing supply costs are being closely managed by par levels. Supplies were over budget somewhat in September due to the need to purchase small items for the tower (carts,

garbage cans, hampers, etc.) Drug costs per day are approximately 3 percent higher than prior years.

- Pine Crest Nursing Home

Pine Crest has experienced a loss of (\$230,967) September and (\$1,404,454) year-to-date. 2021 Supplemental Payments received helped revenue reach year-to-date targets. Overages in personnel, contracted services, and drugs expenses contribute to losses.

Census fluctuated at Pine Crest from 88 residents per day to 94 residents per day in September. Medicare residents for the month started slow averaging 6 per day but grew to 12 per day by month end. Progress is being made to make ANI contract payers available to Pine Crest.

Personnel expenses were high in September due to staff being out with Covid-related absences, the Labor Day holiday, vacations, and FMLA. Additionally, benefit costs have increased in September, which is a plan expected to continue. Agency staff use was required to supplement employed staff to provide adequate care. Year-to-date, Pine Crest has incurred \$598,396 for agency staff expense. There are 5 CNA FTE open and 3.2 nursing FTEs open. Pine Crest is hosting open interviews October 27. Two hospitality aides are working to complete the CNA training program to transition into the CNA role.

- Pharmacy

Pharmacy has a profit of \$91,694 September and \$605,415 year-to-date. Revenue and drug costs are below plan due to those items being reflected in the skilled nursing facilities. Prescription volumes average 357 daily, which is approximately 2 percent above the four-year trend.

- Support and Other Programs

Aquatics services has experienced a loss of (\$24,085) September and (\$145,781) year-to-date. Membership decline due to Covid restrictions is the driving factor.

Demand Transportation has a loss of (\$15,336) September and a gain of \$34,535 year-to-date. High gasoline and repair prices are problematic to the program.

Adult Protective Services has an income of \$66,852 September and \$29,144 year-to-date. Revenue and expenses approximate plan.

Support programs have a loss of (\$1,315,202) September and (\$11,718,429) year-to-date. These costs are allocated into the program results above. Costs are favorable to plan \$111,503 September and \$1,006,809 year-to-date.

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

	MTD Actual	MTD Budget	\$ Variance	% Variance	YTD Actual	YTD Budget	\$ Variance	% Variance
Direct Revenues								
Patient Gross Revenues	7,085,194	8,113,388	(1,028,194)	-12.7%	63,453,893	74,294,062	(10,840,168)	-14.6%
Patient Contractual Adjustments	(2,447,250)	(2,847,556)	400,306	-14.1%	(22,768,948)	(26,064,734)	3,295,786	-12.6%
Net Patient Revenue	4,637,944	5,265,832	(627,888)	-11.9%	40,684,945	48,229,327	(7,544,382)	-15.6%
County Revenue	409,215	427,764	(18,549)	-4.3%	3,831,328	3,849,877	(18,549)	-0.5%
Contracted Service Revenue	79,242	99,888	(20,645)	-20.7%	805,799	918,206	(112,407)	-12.2%
Grant Revenues and Contractuals	271,630	333,635	(62,005)	-18.6%	2,663,905	3,004,918	(341,012)	-11.3%
Appropriations	568,910	502,687	66,223	13.2%	4,590,406	4,524,183	66,223	1.5%
COVID-19 Relief Funding	-	-	-	0.0%	26,750	-	26,750	0.0%
Other Revenue	782,843	552,481	230,361	41.7%	7,203,781	4,973,833	2,229,948	44.8%
Total Direct Revenue	6,749,784	7,182,288	(432,503)	-6.0%	59,806,915	65,500,344	(5,693,429)	-8.7%
Indirect Revenues								
County Revenue	170,209	171,802	(1,593)	-0.9%	1,531,878	1,546,217	(14,339)	-0.9%
Contracted Service Revenue	2,290	3,000	(710)	-23.7%	20,290	27,000	(6,710)	-24.9%
Grant Revenues and Contractuals	-	-	-	0.0%	31,900	-	31,900	0.0%
Appropriations	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	35,445	38,967	(3,522)	-9.0%	309,085	398,030	(88,945)	-22.3%
Allocated Revenue	-	-	-	0.0%	-	(1)	1	-100.0%
Total Indirect Revenue	207,944	213,769	(5,825)	-2.7%	1,883,736	1,971,246	(87,510)	-4.4%
Total Operating Revenue	6,957,728	7,396,056	(438,328)	-5.9%	61,690,651	67,471,590	(5,780,939)	-8.6%
Direct Expenses								
Personnel Expenses	3,823,234	3,360,070	(463,164)	-13.8%	30,552,386	31,090,898	538,513	1.7%
Contracted Services Expenses	819,328	850,815	31,487	3.7%	7,528,601	7,944,047	415,445	5.2%
Supplies Expenses	128,376	56,150	(72,227)	-128.6%	722,077	512,749	(209,328)	-40.8%
Drugs Expenses	508,481	479,307	(29,174)	-6.1%	4,679,355	4,588,705	(90,650)	-2.0%
Program Expenses	116,259	70,847	(45,412)	-64.1%	682,775	654,138	(28,637)	-4.4%
Land & Facility Expenses	68,757	71,658	2,900	4.0%	600,212	633,468	33,256	5.2%
Equipment & Vehicle Expenses	59,238	61,979	2,741	4.4%	450,135	602,071	151,936	25.2%
Diversions Expenses	51,869	79,500	27,631	34.8%	1,210,473	715,500	(494,973)	-69.2%
Other Operating Expenses	164,669	169,341	4,671	2.8%	1,531,334	1,552,499	21,165	1.4%
Total Direct Expenses	5,740,212	5,199,666	(540,546)	-10.4%	47,957,349	48,294,076	336,727	0.7%
Indirect Expenses								
Personnel Expenses	1,141,365	1,098,846	(42,519)	-3.9%	9,894,976	10,301,300	406,324	3.9%
Contracted Services Expenses	6,604	3,500	(3,104)	-88.7%	74,000	31,500	(42,500)	-134.9%
Supplies Expenses	75,077	71,440	(3,636)	-5.1%	698,640	727,362	28,722	3.9%
Drugs Expenses	9,209	-	(9,209)	0.0%	20,420	-	(20,420)	0.0%
Program Expenses	11,901	15,663	3,762	24.0%	194,452	180,560	(13,892)	-7.7%
Land & Facility Expenses	289,619	351,110	61,491	17.5%	2,871,929	2,676,530	(195,400)	-7.3%
Equipment & Vehicle Expenses	102,270	85,313	(16,957)	-19.9%	948,233	806,132	(142,101)	-17.6%
Diversions Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	350,040	571,385	221,346	38.7%	3,252,969	4,615,996	1,363,027	29.5%
Allocated Expense	-	-	-	0.0%	-	-	-	0.0%
Total Indirect Expenses	1,986,084	2,197,257	211,173	9.6%	17,955,620	19,339,380	1,383,760	7.2%
Total Operating Expenses	7,726,296	7,396,923	(329,372)	-4.5%	65,912,968	67,633,456	1,720,488	2.5%
Metrics								
Indirect Expenses/Direct Expenses	34.6%	42.3%			37.4%	40.0%		
Direct Expense/Gross Patient Revenue	81.0%	64.1%			75.6%	65.0%		
Non-Operating Income/Expense								
Interest Income/Expense	(3,651)	(30,833)	27,182	-88.2%	(53,207)	(277,500)	224,293	-80.8%
Donations Income	(1,090)	-	(1,090)	0.0%	(55,267)	-	(55,267)	0.0%
Other Non-Operating	-	-	-	0.0%	(4,095)	-	(4,095)	0.0%
Total Non-Operating	(4,741)	(30,833)	26,092	-84.6%	(112,570)	(277,500)	164,930	-59.4%
Net Income (Loss)	(763,826)	29,966	(793,793)	-2649.0%	(4,109,748)	115,634	(4,225,382)	-3654.1%
Net Income	-11.0%	0.4%			-6.7%	0.2%		

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

	<u>Current YTD</u>	<u>Prior YTD</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	(96,455)	2,081,270
Accounts Receivable		
Net Patient Receivable	7,844,102	5,822,922
Outpatient WIMCR & CCS	3,832,499	4,463,750
Nursing Home Supplemental Payment	691,617	1,236,450
County Appropriations Receivable	66,223	457,755
Net State Receivable	419,089	462,727
Other Accounts Receivable	405,759	1,007,737
Inventory	429,333	446,283
Prepaid Expenses	601,094	860,123
Total Current Assets	<u>14,193,261</u>	<u>16,839,017</u>
Noncurrent Assets		
Investments	8,044,192	12,093,552
Contingency Funds	1,000,000	1,000,000
Patient Trust Funds	85,982	91,756
Pool Project Receivable	-	1,732,590
Net Pension Assets	7,280,177	-
Nondepreciable Capital Assets	33,700,131	22,105,243
Net Depreciable Capital Assets	<u>28,382,009</u>	<u>20,278,515</u>
Total Noncurrent Assets	<u>78,492,492</u>	<u>57,301,656</u>
Deferred Outflows of Resources (Pensions)	<u>18,262,408</u>	<u>22,152,585</u>
TOTAL ASSETS	<u><u>110,948,160</u></u>	<u><u>96,293,257</u></u>

	Current YTD	Prior YTD
LIABILITIES		
Current Liabilities		
Current Portion of Capital Lease Liability	27,987	29,249
Trade Accounts Payable	517,746	407,120
Accrued Liabilities		
Salaries and Retirement	1,828,044	2,264,864
Compensated Absences	2,318,457	2,787,908
Health and Dental Insurance	503,000	670,000
Bonds	-	360,000
Interest Payable	87,350	209,013
Other Payables and Accruals	669,707	1,736,432
Payable to Reimbursement Programs	100,000	220,000
Unearned Revenue	(1,941,859)	(190,772)
Total Current Liabilities	4,110,431	8,493,813
Noncurrent Liabilities		
Net Pension Liability	2,506,809	9,445,451
Long-Term Portion of Capital Lease Liability	26,968	53,553
Long-Term Projects in Progress	38,289,521	19,674,794
Long-Term Debt and Bond Premiums	9,115,076	9,148,147
Patient Trust Funds	47,423	62,038
Total Noncurrent Liabilities	49,985,797	38,383,983
Deferred Inflows of Resources (Pensions)	22,225,906	11,508,078
TOTAL LIABILITIES	76,322,134	58,385,875
NET POSITION		
Net Investment in Capital Assets	62,082,140	42,383,757
Pool Project Restricted Capital Assets	-	1,732,590
Unrestricted		
Board Designated for Contingency	1,000,000	1,000,000
Board Designated for Capital Assets	-	1,480,891
Undesignated	(24,346,366)	(8,957,552)
Net Income / (Loss)	(4,109,748)	267,697
TOTAL NET POSITION	34,626,027	37,907,383
TOTAL LIABILITIES AND NET POSITION	110,948,160	96,293,257

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

Cash, Beginning of Period (August 31)		2,137,206
Operating Activities		
Net Income (Loss)	(763,826)	
Adjustments to Reconcile Net Income		
Depreciation	404,621	
Interest Expense	19,389	
(Increase) or Decrease in Current Assets		
Inventories	-	
Accounts Receivable	(1,903,592)	
Prepaid Expenses	106,729	
Increase or (Decrease) in Current Liabilities		
Accounts Payable	(123,872)	
Accrued Current Liabilities	197,604	
Net Change in Patient Trust Funds	16,603	
Unearned Revenue	<u>267,667</u>	
Net Cash from Operating Activities		(1,778,678)
Investing Activities		
Net Change in Contingency Funds	-	
Purchases of Property and Equipment	12,655	
Disposal of Assets	-	
Pool Project Receivable	-	
Net Change in Long-Term Projects in Progress	112,782	
Net Change in Undesignated Equity	<u>(599,714)</u>	
Net Cash from Investing Activities		(474,277)
Financing Activities		
Bonds and Interest	19,294	
Net Change in Purchase/Sale of Investments	<u>-</u>	
Net Cash from Financing Activities		<u>19,294</u>
Net Increase (Decrease) in Cash During Period		<u>(2,233,661)</u>
Cash, End of Period (September 30)		(96,455)

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

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
BEHAVIORAL HEALTH SERVICES								
Adult Behavioral Health Hospital	4,707,508	5,156,662	(449,155)	6,205,177	6,142,192	(62,985)	(1,497,669)	(512,140)
Adult Crisis Stabilization Facility	728,299	1,111,107	(382,807)	885,453	785,191	(100,262)	(157,153)	(483,069)
Lakeside Recovery MMT	136,388	763,111	(626,723)	99,749	797,643	697,893	36,639	71,170
Youth Behavioral Health Hospital	1,149,779	1,619,047	(469,268)	1,912,447	2,254,051	341,604	(762,668)	(127,664)
Youth Crisis Stabilization Facility	312,039	572,589	(260,550)	414,831	760,629	345,798	(102,792)	85,248
Crisis Services	2,170,639	2,286,345	(115,706)	2,395,993	2,417,076	21,082	(225,355)	(94,624)
Psychiatry Residency	227,457	340,434	(112,978)	269,258	210,148	(59,111)	(41,802)	(172,088)
	9,432,108	11,849,295	(2,417,188)	12,182,908	13,366,929	1,184,021	(2,750,801)	(1,233,167)
COMMUNITY SERVICES								
Outpatient Services (Marathon)	3,214,396	3,189,558	24,838	3,732,087	3,544,397	(187,691)	(517,691)	(162,853)
Outpatient Services (Lincoln)	783,280	989,407	(206,127)	580,260	990,910	410,650	203,020	204,523
Outpatient Services (Langlade)	609,579	1,387,482	(777,903)	528,912	1,151,657	622,745	80,667	(155,158)
Community Treatment Adult (Marathon)	3,764,336	3,964,949	(200,613)	3,450,923	3,664,118	213,196	313,413	12,583
Community Treatment Adult (Lincoln)	764,570	776,361	(11,791)	604,071	610,172	6,102	160,499	(5,689)
Community Treatment Adult (Langlade)	448,439	507,134	(58,695)	330,949	424,336	93,387	117,490	34,692
Community Treatment Youth (Marathon)	4,085,312	4,255,117	(169,805)	4,048,906	3,918,821	(130,085)	36,406	(299,890)
Community Treatment Youth (Lincoln)	1,308,739	1,959,114	(650,375)	1,143,810	1,409,869	266,060	164,929	(384,315)
Community Treatment Youth (Langlade)	1,123,726	1,320,449	(196,724)	930,717	1,036,492	105,775	193,008	(90,949)
Community Corner Clubhouse	123,748	224,171	(100,423)	215,612	241,095	25,483	(91,864)	(74,940)
	16,226,125	18,573,743	(2,347,618)	15,566,246	16,991,867	1,425,621	659,879	(921,997)
COMMUNITY LIVING								
Adult Day Services (Marathon)	523,073	600,806	(77,733)	420,817	447,562	26,745	102,256	(50,988)
Prevocational Services (Marathon)	392,424	400,462	(8,038)	455,613	605,936	150,323	(63,189)	142,284
Lincoln Industries	532,882	956,429	(423,547)	807,241	1,004,487	197,246	(274,359)	(226,302)
Day Services (Langlade)	259,907	223,101	36,806	283,510	235,981	(47,529)	(23,603)	(10,723)
Prevocational Services (Langlade)	-	-	-	-	-	-	-	-
Andrea St Group Home	404,113	392,136	11,977	353,879	307,384	(46,495)	50,234	(34,519)
Chadwick Group Home	438,741	481,185	(42,444)	363,430	361,496	(1,934)	75,310	(44,378)
Bissell Street Group Home	442,683	424,411	18,272	319,048	341,064	22,016	123,635	40,288
Heather Street Group Home	348,515	343,223	5,292	359,765	310,364	(49,401)	(11,250)	(44,109)
Jelinek Apartments	562,833	589,098	(26,265)	535,229	533,977	(1,252)	27,604	(27,518)
River View Apartments	545,676	498,099	47,577	487,546	409,397	(78,150)	58,130	(30,573)
Forest Street Apartments	117,086	264,242	(147,155)	344,944	354,655	9,711	(227,858)	(137,444)
Fulton Street Apartments	174,653	189,408	(14,754)	294,950	214,028	(80,922)	(120,297)	(95,676)
Riverview Terrace	265,171	268,909	(3,739)	214,263	261,273	47,010	50,908	43,271
Hope House (Sober Living Marathon)	3,514	4,682	(1,168)	49,822	37,297	(12,525)	(46,308)	(13,693)
Homelessness Initiative	10,364	403	9,961	21,211	4,982	(16,228)	(10,847)	(6,267)
Sober Living (Langlade)	35,899	38,757	(2,858)	67,123	96,512	29,389	(31,223)	26,531
	5,057,534	5,675,352	(617,818)	5,378,391	5,526,394	148,003	(320,857)	(469,815)
NURSING HOMES								
Mount View Care Center	14,094,098	14,050,840	43,258	14,953,376	13,723,040	(1,230,336)	(859,278)	(1,187,078)
Pine Crest Nursing Home	8,752,946	8,398,618	354,329	10,156,674	9,233,894	(922,779)	(1,403,727)	(568,451)
	22,847,044	22,449,457	397,587	25,110,050	22,956,934	2,153,116	(2,263,005)	2,550,703
Pharmacy	6,135,018	6,524,996	(389,978)	5,529,603	6,207,764	678,161	605,415	288,183
OTHER PROGRAMS								
Aquatic Services	806,263	1,136,552	(330,289)	952,045	959,461	7,416	(145,782)	(322,872)
Birth To Three	433,713	577,397	(143,684)	391,989	577,397	185,408	41,724	41,724
Adult Protective Services	596,152	604,743	(8,591)	567,007	758,436	191,429	29,145	182,837
Demand Transportation	265,168	357,555	(92,387)	230,633	288,273	57,640	34,535	(34,748)
	2,101,296	2,676,248	(574,951)	2,141,675	2,583,567	441,893	(40,378)	(133,059)
Total NCHC Service Programs	61,799,125	67,749,090	(5,949,965)	65,908,873	67,633,456	1,724,583	(4,109,748)	(4,225,382)

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

	Marathon	Langlade	Lincoln	Total
Total Operating Expenses, Year-to-Date	46,973,705	3,671,617	15,263,551	65,908,873
General Fund Balance Targets				
Minimum (20% Operating Expenses)	9,394,741	734,323	3,052,710	13,181,775
Maximum (35% Operating Expenses)	16,440,797	1,285,066	5,342,243	23,068,106
Risk Reserve Fund	250,000	250,000	250,000	
Total Fund Balance				
Minimum Target	9,644,741	984,323	3,302,710	13,931,775
Maximum Target	16,690,797	1,535,066	5,592,243	23,818,106
Total Net Position at Period End	44,497,717	3,560,789	13,740,619	61,799,125
Fund Balance Above/(Below)				
Minimum Target	34,852,976	2,576,465	10,437,909	47,867,350
Maximum Target	27,806,920	2,025,723	8,148,376	37,981,020
<i>County Percent of Total Net Position</i>	<i>72.0%</i>	<i>5.8%</i>	<i>22.2%</i>	
Share of Cash Reserves and Investments	6,442,711	515,558	1,989,469	8,947,737
<i>Days Invested Cash on Hand</i>	<i>38</i>	<i>38</i>	<i>36</i>	<i>37</i>
<i>Targeted Days Invested Cash on Hand</i>	<i>90</i>	<i>90</i>	<i>90</i>	<i>90</i>
Required Invested Cash to Meet Target	15,443,410	1,207,107	5,018,154	21,668,671
Invested Cash Reserves Above/(Below) Target	(9,000,699)	(691,549)	(3,028,685)	(12,720,933)

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

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	1,410,473	1,376,902	33,571	3,732,087	3,544,397	(187,691)	(2,321,614)	(154,119)
Community Treatment-Adult	3,704,625	3,904,949	(200,324)	3,450,923	3,664,118	213,196	253,702	12,872
Community Treatment-Youth	4,085,312	4,255,117	(169,805)	4,048,906	3,918,821	(130,085)	36,406	(299,890)
Day Services	915,497	1,001,268	(85,771)	876,430	1,053,498	177,068	39,067	91,297
Clubhouse	54,748	155,171	(100,423)	215,612	241,095	25,483	(160,864)	(74,940)
Homelessness Initiative	10,364	403	9,961	21,211	4,982	(16,228)	(10,847)	(6,267)
Hope House Sober Living	3,514	4,682	(1,168)	49,822	37,297	(12,525)	(46,308)	(13,693)
Riverview Terrace	265,171	268,909	(3,739)	214,263	261,273	47,010	50,908	43,271
Demand Transportation	265,168	357,555	(92,387)	230,633	288,273	57,640	34,535	(34,748)
Aquatic Services	549,505	879,793	(330,289)	952,045	959,461	7,416	(402,541)	(322,873)
Pharmacy	6,135,018	6,524,996	(389,978)	5,529,603	6,207,764	678,161	605,415	288,183
	17,399,395	18,729,746	(1,330,351)	19,321,535	20,180,980	859,445	(1,922,140)	(470,906)
Shared Services								
Adult Behavioral Health Hospital	2,057,933	2,386,607	(328,674)	4,591,831	4,545,222	(46,609)	(2,533,898)	(375,283)
Youth Behavioral Health Hospital	823,086	1,170,345	(347,259)	1,415,211	1,667,998	252,787	(592,125)	(94,471)
Residency Program	375,748	251,921	123,827	199,251	155,509	(43,742)	176,497	80,085
Crisis Services	430,254	564,467	(134,213)	1,773,035	1,788,636	15,601	(1,342,781)	(118,612)
Adult Crisis Stabilization Facility	538,942	822,219	(283,277)	655,235	581,041	(74,194)	(116,293)	(357,471)
Youth Crisis Stabilization Facility	23,479	423,716	(400,237)	306,975	562,865	255,890	(283,496)	(144,347)
Lakeside Recovery MMT	100,927	564,702	(463,775)	73,815	590,256	516,441	27,113	52,666
Residential	2,947,220	3,090,489	(143,268)	2,971,010	2,751,081	(219,929)	(23,790)	(363,198)
Adult Protective Services	141,909	148,267	(6,358)	419,585	561,243	141,657	(277,676)	135,300
Birth To Three	324,018	431,361	(107,343)	292,846	431,361	138,515	31,171	31,171
	7,763,516	9,854,094	(2,090,578)	12,698,794	13,635,212	936,418	(4,935,278)	(1,154,160)
Total NCHC Programming	25,162,911	28,583,840	(3,420,929)	32,020,329	33,816,192	1,795,863	(6,857,418)	(1,625,066)
Base County Allocation	2,713,582	2,726,719	(13,137)				2,713,582	(13,137)
County Appropriation	2,527,126	2,460,904	66,223				2,527,126	66,223
Excess Revenue/(Expense)	30,403,619	33,771,463	(3,367,844)	32,020,329	33,816,192	1,795,863	(1,616,710)	(1,571,981)

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

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	309,594	513,428	(203,834)	580,260	990,910	410,650	(270,665)	206,817
Community Treatment-Adult	757,852	769,611	(11,759)	604,071	610,172	6,102	153,782	(5,657)
Community Treatment-Youth	1,308,739	1,959,114	(650,375)	1,143,810	1,409,869	266,060	164,929	(384,315)
Lincoln Industries	532,882	956,429	(423,547)	807,241	1,004,487	197,246	(274,359)	(226,302)
	<u>2,909,068</u>	<u>4,198,582</u>	<u>(1,289,515)</u>	<u>3,135,381</u>	<u>4,015,438</u>	<u>880,058</u>	<u>(226,313)</u>	<u>(409,457)</u>
Shared Services								
Adult Behavioral Health Hospital	417,149	483,772	(66,623)	930,777	921,329	(9,448)	(513,628)	(76,071)
Youth Behavioral Health Hospital	166,842	237,232	(70,390)	286,867	338,108	51,241	(120,025)	(19,150)
Residency Program	76,165	51,065	25,100	40,389	31,522	(8,867)	35,776	16,233
Crisis Services	87,214	114,419	(27,205)	359,399	362,561	3,162	(272,185)	(24,043)
Adult Crisis Stabilization Facility	109,245	166,666	(57,421)	132,818	117,779	(15,039)	(23,573)	(72,460)
Youth Crisis Stabilization Facility	4,759	85,888	(81,129)	62,225	114,094	51,870	(57,465)	(29,259)
Lakeside Recovery MMT	20,458	114,467	(94,008)	14,962	119,646	104,684	5,496	10,676
Residential	-	-	-	-	-	-	-	-
Adult Protective Services	28,765	30,054	(1,289)	85,051	113,765	28,714	(56,286)	27,426
Birth To Three	65,290	86,920	(21,630)	59,009	86,920	27,911	6,281	6,281
	<u>975,887</u>	<u>1,370,483</u>	<u>(394,596)</u>	<u>1,971,496</u>	<u>2,205,725</u>	<u>234,228</u>	<u>(995,609)</u>	<u>(160,368)</u>
Total NCHC Programming	3,884,955	5,569,065	(1,684,111)	5,106,877	6,221,163	1,114,286	(1,221,923)	(569,825)
Base County Allocation	652,690	655,850	(3,160)			-	652,690	(3,160)
County Appropriation	<u>450,029</u>	<u>450,029</u>	<u>-</u>			<u>-</u>	<u>450,029</u>	<u>-</u>
Excess Revenue/(Expense)	<u>4,987,673</u>	<u>6,674,944</u>	<u>(1,687,271)</u>	<u>5,106,877</u>	<u>6,221,163</u>	<u>1,114,286</u>	<u>(119,204)</u>	<u>(572,985)</u>

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

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	292,511	1,068,879	(776,368)	528,912	1,151,657	622,745	(236,401)	(1,012,769)
Community Treatment-Adult	441,722	500,384	(58,662)	330,949	424,336	93,387	110,773	52,111
Community Treatment-Youth	1,123,726	1,320,449	(196,724)	930,717	1,036,492	105,775	193,008	(3,715)
Sober Living	20,971	23,757	(2,786)	67,123	96,512	29,389	(46,151)	(48,937)
Day Services	259,907	223,101	36,806	283,510	235,981	(47,529)	(23,603)	13,203
	<u>2,138,837</u>	<u>3,136,571</u>	<u>(997,734)</u>	<u>2,141,210</u>	<u>2,944,977</u>	<u>803,766</u>	<u>(2,374)</u>	<u>(1,000,107)</u>
Shared Services								
Adult Behavioral Health Hospital	305,909	354,766	(48,857)	682,569	675,641	(6,928)	(376,661)	(425,518)
Youth Behavioral Health Hospital	122,351	173,970	(51,620)	210,369	247,946	37,576	(88,019)	(139,638)
Residency Program	55,854	37,448	18,407	29,618	23,116	(6,502)	26,236	44,643
Crisis Services	63,957	83,907	(19,951)	263,559	265,878	2,319	(199,603)	(219,553)
Adult Crisis Stabilization Facility	80,113	122,222	(42,109)	97,400	86,371	(11,029)	(17,287)	(59,396)
Youth Crisis Stabilization Facility	3,490	62,985	(59,495)	45,631	83,669	38,038	(42,141)	(101,636)
Lakeside Recovery MMT	15,003	83,942	(68,940)	10,972	87,741	76,768	4,030	(64,909)
Residential	87,080	91,313	(4,233)	87,782	81,284	(6,498)	(703)	(4,936)
Adult Protective Services	21,095	22,040	(945)	62,371	83,428	21,057	(41,276)	(42,221)
Birth To Three	44,405	59,116	(14,711)	40,134	59,116	18,983	4,272	(10,439)
	<u>799,256</u>	<u>1,091,709</u>	<u>(292,453)</u>	<u>1,530,407</u>	<u>1,694,191</u>	<u>163,784</u>	<u>(731,151)</u>	<u>(1,023,603)</u>
Total NCHC Programming	2,938,093	4,228,279	(1,290,186)	3,671,617	4,639,168	967,551	(733,524)	(2,023,710)
Base County Allocation	465,057	467,308	(2,252)				465,057	462,805
County Appropriation	<u>157,640</u>	<u>157,640</u>	<u>-</u>				<u>157,640</u>	<u>157,640</u>
Excess Revenue/(Expense)	<u>3,560,789</u>	<u>4,853,227</u>	<u>(1,292,438)</u>	<u>3,671,617</u>	<u>4,639,168</u>	<u>967,551</u>	<u>(110,828)</u>	<u>(1,403,266)</u>

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

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Operational Results	12,969,098	12,925,840	43,258	14,953,376	13,723,040	(1,230,336)	(1,984,278)	(1,187,078)
County Appropriation	1,125,000	1,125,000	-				1,125,000	-
Excess Revenue/(Expense)	14,094,098	14,050,840	43,258	14,953,376	13,723,040	(1,230,336)	(859,278)	(1,187,078)

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

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Operational Results	8,422,335	8,068,006	354,329	10,156,674	9,233,894	(922,779)	(1,734,338)	(568,451)
County Appropriation	330,611	330,611	-				330,611	-
Excess Revenue/(Expense)	8,752,946	8,398,618	354,329	10,156,674	9,233,894	(922,779)	(1,403,727)	(568,451)

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

Bank	Length	Maturity Date	Interest Rate	Amount
BMO Harris	273 Days	10/26/2021	0.05%	500,000
Abby Bank	365 Days	11/1/2021	0.40%	500,000
PFM Investments	367 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%	308,192
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
PFM Investments	365 Days	7/13/2022	0.25%	248,000
People's State Bank	365 Days	8/21/2022	0.40%	500,000
Abby Bank	365 Days	8/29/2022	0.30%	500,000
Abby Bank	730 Days	2/25/2023	0.40%	500,000
CoVantage Credit Union	730 Days	3/8/2023	0.60%	500,000
Abby Bank	730 Days	7/19/2023	0.40%	500,000
Invested Funds				8,044,192
Weighted Average	397 Days		0.53%	

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

	<u>MTD</u>	<u>YTD</u>
Behavioral Health Hospitals		
Administrative Write-Off	37,600	170,927
Bad Debt	-	1,197
Outpatient & Community Treatment		
Administrative Write-Off	56,311	144,245
Bad Debt	-	1,430
Nursing Home Services		
Administrative Write-Off	-	44,462
Bad Debt	-	33,127
Aquatic Services		
Administrative Write-Off	2,641	15,112
Bad Debt	-	149
Pharmacy		
Administrative Write-Off	12	1,622
Bad Debt	-	-
Other Services		
Administrative Write-Off	10,230	39,659
Bad Debt	-	(88)
Grand Total		
Administrative Write-Off	106,794	416,028
Bad Debt	-	35,815



2022 BUDGET PROPOSAL

Thursday, October 28, 2021



STRATEGY & BACKGROUND

Financial Strategy

- Sustainability
- Increase Access to Services
- Targeted Rate Increases
- Reduce the Ratio of Indirect to Direct Expense
- Reduce the Ratio of Direct Expense to Gross Patient Revenue
- Service Campus Renovation Debt
- Operationalize Efficiencies

Definitions

- Direct Expense: Expenses directly charged and specific to a program.
- Indirect Expense (Overhead): Expenses related to non-revenue-generating (support) programs.
- Direct Services: Programs specifically located in each county.
- Shared Services: Programs to which all three counties share access, revenue, and expense.
- Gross Revenue: Charges recognized for services provided.
- Net Revenue: Reimbursement received from payers for services provided.
- Contractual Adjustments: The difference between charges and payer reimbursement.

Direct Care Service Lines

Behavioral Health Services

- Adult Acute Care Hospital
- Adult Crisis Stabilization
- Crisis and Emergency Services
- Lakeside Recovery MMT
- Youth Acute Care Hospital
- Youth Crisis Stabilization

Skilled Nursing Facilities

- Mount View Care Center
- Pine Crest Nursing Home

Other Services

- Demand Transportation
- Aquatic Services
- Adult Protective Services

Community Behavioral Health Services

- Outpatient Services
- Community Treatment – Adult
- Community Treatment – Youth
- Community Corner Clubhouse

Community Living Services

- Adult Day Services
- Prevocational Services
- Lincoln Industries
- Residential Services – Group Homes
- Residential Services – Supported Apartments
- Sober Living

Pharmacy



2022 BUDGET HIGHLIGHTS

2022 Budget General Highlights

- Mount View Care Center average daily census of 136.
- Pine Crest Nursing Home average daily census of 99.
- Medicaid rates increase in both Skilled Nursing Facilities by 12 percent July 2021 and July 2022.
- Adult Acute Care Hospital average per day census of 12.
- Youth Acute Care Hospital average per day census of 6.
- Daily rate increases in hospitals from \$1,475 to \$1,550.
- Adult Crisis Stabilization Facility average daily census of 7.
- Youth Crisis Stabilization Facility average daily census of 6.
- Budgeted 2 percent merit increase for employees.
- Overall reduction of 36.1 FTEs.
- Wisconsin Retirement System contribution rate decrease to 6.50%.
- Benefits costs flat through 2022.
- Expense for diversions at same level as 2021.
- Facility transitions continue; debt service begins.
- Projection for 16 beds of Lakeside Recovery open July 2022.



CHANGES SINCE SEPTEMBER BOARD OF DIRECTOR'S MEETING

Changes since September BOD Meeting

- NCHC Executive Management Team reviewed every budget again = \$450,000 additional revenues and savings identified
- Levy increases not approved by Marathon County = \$650,000 greater net loss
 - \$450,000 requested to support MMT
 - \$200,000 requested to support TCM
- Net budget additional loss of \$200,000 = total 2022 budgeted loss of \$2,750,000



COMPARISON TO 2021 8+4 FORECAST

2022 Budget vs. 2021 8+4 Forecast

Behavioral Health Services

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Net Patient Service Revenue	10,801,557	6,272,998	4,528,559
Base County Allocation	1,538,852	1,538,852	-
Other Revenue	1,294,099	1,019,895	274,204
Appropriations	3,756,204	3,117,907	638,297
EXPENSE			
Salaries & Wages	6,933,838	5,637,797	(1,296,041)
Benefits Allocation	2,749,267	2,614,699	(134,568)
Program, Supplies, & Other Expenses	1,352,346	2,495,252	1,142,906
Contracted Services	542,450	1,143,116	600,666
Equipment, Facility, & Utilities Expenses	607,876	215,663	(392,213)
	<u>5,204,935</u>	<u>(156,875)</u>	<u>5,361,810</u>

2022 Budget vs. 2021 8+4 Forecast Behavioral Health Services

- Acute Care Psychiatric Hospitals: Improve revenue 30 percent with consistent census; improve expense 16 percent by managing staffing, use of employed psychiatrists, and managing out of county placements
- Crisis & Stabilization Services: grow revenue 34 percent and expense 18 percent to operate youth services for the full year
- Return of Lakeside Recovery MMT

2022 Budget vs. 2021 8+4 Forecast

Community Behavioral Health Services

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Net Patient Service Revenue	16,223,672	14,074,319	2,149,353
Base County Allocation	3,556,318	3,574,317	(17,999)
Other Revenue	4,100,266	3,584,087	516,179
Appropriations	92,000	92,000	-
EXPENSE			
Salaries & Wages	8,134,026	6,393,609	(1,740,417)
Benefits Allocation	3,225,141	2,975,395	(249,746)
Program, Supplies, & Other Expenses	989,106	900,423	(88,683)
Contracted Services	6,170,488	5,932,219	(238,269)
Equipment, Facility, & Utilities Expenses	108,379	88,193	(20,186)
	<u>5,345,116</u>	<u>5,034,884</u>	<u>310,232</u>

2022 Budget vs. 2021 8+4 Forecast Community Behavioral Health Services

- Outpatient Services: grow revenue 20 percent through grid utilization optimization and opening psychiatry services to community referrals; increase expense 22 percent due to merit and benefit expenses
- Community Treatment: increase revenue 9 percent through productivity monitoring and standards; increase expense 11 percent by due to merit and benefit expenses

2022 Budget vs. 2021 8+4 Forecast

Community Living Services

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Net Patient Service Revenue	4,972,242	5,047,930	(75,688)
Base County Allocation	20,000	20,000	-
Other Revenue	1,054,468	1,327,212	(272,744)
EXPENSE			
Salaries & Wages	3,248,237	2,795,337	(452,900)
Benefits Allocation	1,287,926	1,300,687	12,761
Program, Supplies, & Other Expenses	886,009	834,562	(51,447)
Contracted Services	42,025	45,542	3,517
Equipment, Facility, & Utilities Expenses	118,199	83,794	(34,405)
	<u>464,314</u>	<u>1,335,220</u>	<u>(870,906)</u>

2022 Budget vs. 2021 8+4 Forecast Community Living Services

- Residential Services: hold revenue consistent by managing resident census; increase expense 9 percent to stabilize staffing through merit and benefits
- Adult Day and Prevocational Services: plan for revenue reductions of 16 percent due to Covid-related loss of clients; increase expense 12 percent to stabilize staffing through merit and benefits

2022 Budget vs. 2021 8+4 Forecast

Skilled Nursing Facilities

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Net Patient Service Revenue	25,478,588	20,860,125	(4,618,463)
Other Revenue	3,400,000	6,131,995	2,731,995
Appropriations	1,940,815	1,940,815	-
EXPENSE			
Salaries & Wages	11,159,758	10,759,697	(400,061)
Benefits Allocation	4,424,844	5,008,368	583,524
Program, Supplies, & Other Expenses	1,993,910	2,322,149	328,239
Contracted Services	1,282,400	2,218,273	935,873
Equipment, Facility, & Utilities Expenses	144,200	197,166	52,966
	<u>11,814,291</u>	<u>8,427,282</u>	<u>(3,387,009)</u>

2022 Budget vs. 2021 8+4 Forecast Skilled Nursing Facilities

- Mount View Care Center: grow revenue 9 percent by maintaining a consistent census and rate increases; reduce expense 9 percent by managing overtime and call pay
- Pine Crest Nursing Home: grow revenue 3 percent by maintaining a consistent census and rate increases; reduce expense 5 percent by reducing agency staff use

2022 Budget vs. 2021 8+4 Forecast

Other Services

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Net Patient Service Revenue	679,683	600,495	79,188
Other Revenue	1,183,010	1,212,439	(29,429)
Appropriations	881,522	881,522	-
EXPENSE			
Salaries & Wages	1,001,091	790,774	(210,317)
Benefits Allocation	396,933	369,339	(27,594)
Program, Supplies, & Other Expenses	162,090	254,170	92,080
Contracted Services	405,100	610,038	204,938
Equipment, Facility, & Utilities Expenses	296,486	295,201	(1,285)
	<u>482,515</u>	<u>374,934</u>	<u>107,581</u>

2022 Budget vs. 2021 8+4 Forecast

Other Services

- Adult Protective Services: hold revenue and expense consistent
- Aquatics Services: grow revenue 16 percent through service and rate increases; increase expense 13 percent for staff merit and benefits
- Demand Transportation: increase revenue 45 percent by resuming services and managing outside contracts; increase expense 33 percent due to staff, gasoline, and maintenance costs

2022 Budget vs. 2021 8+4 Forecast

Pharmacy

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Net Patient Service Revenue	7,424,896	7,586,812	(161,916)
Other Revenue	477,314	487,473	(10,159)
EXPENSE			
Salaries & Wages	815,458	694,548	(120,910)
Benefits Allocation	323,329	323,633	304
Program, Supplies, & Other Expenses	5,124,444	5,352,683	228,239
Contracted Services	85,700	94,421	8,721
Equipment, Facility, & Utilities Expenses	96,755	97,605	850
	<u>1,456,524</u>	<u>1,511,395</u>	<u>(54,871)</u>

2022 Budget vs. 2021 8+4 Forecast Pharmacy

- Pharmacy: approximates 2021 forecasted performance

2022 Budget vs. 2021 8+4 Forecast

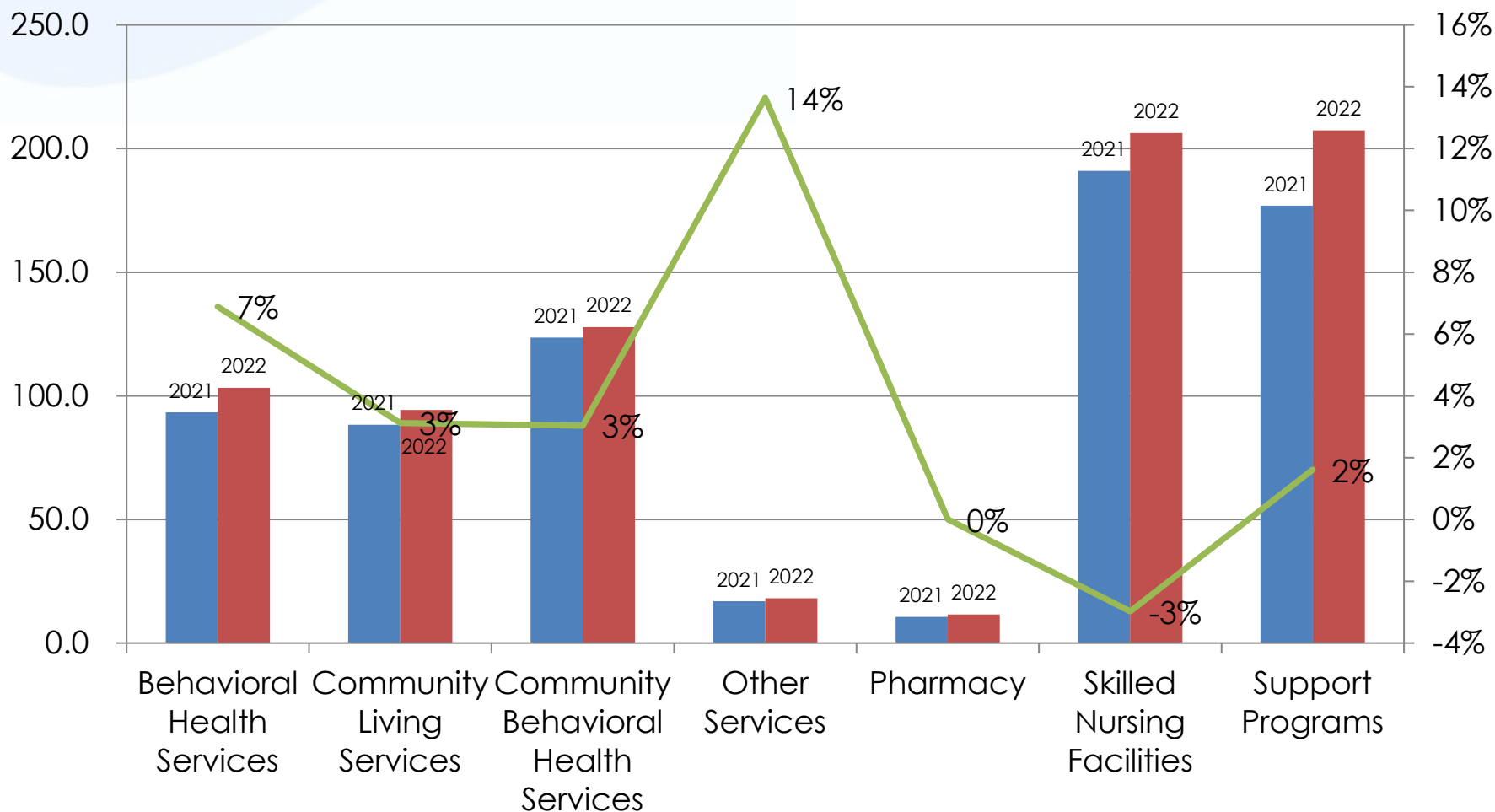
Support Services

	<u>2022 Budget</u>	<u>2021 8+4 Forecast</u>	<u>Difference</u>
REVENUE			
Other Revenue	2,675,744	2,613,368	62,376
EXPENSE			
Salaries & Wages	10,909,364	8,838,379	(2,070,985)
Benefits Allocation	4,325,563	4,130,187	(195,376)
Program, Supplies, & Other Expenses	6,867,013	5,349,765	(1,517,248)
Contracted Services	830,940	736,946	(93,994)
Equipment, Facility, & Utilities Expenses	6,260,560	4,917,194	(1,343,366)
	<u>(26,517,696)</u>	<u>(21,359,103)</u>	<u>(5,158,593)</u>

2022 Budget vs. 2021 8+4 Forecast Support Services

- Increase of expenses 24 percent
 - Mount View Care Center depreciation
 - Interest expense on debt service
 - Reclassification of positions from direct service programs to support programs
 - Information technology costs such as completing Microsoft 365 licensing
 - Staff merit increases and benefit costs

2022 Budget vs. 2021 8+4 Forecast Δ in FTEs





APPROPRIATIONS (COUNTY LEVY)

Appropriation Funding

Budget Year	Total Levy	% Change from PY	Levy as % of Budget
2011	10,387,306		18.9%
2012	9,037,920	-13.0%	16.0%
2013	8,812,753	-2.5%	15.1%
2014	8,762,305	-0.6%	15.0%
2015	8,834,788	0.8%	15.1%
2016	8,924,688	1.0%	14.7%
2017	7,671,118	-14.0%	12.4%
2018	7,631,118	-0.5%	11.4%
2019	6,305,832	-17.4%	9.0%
2020	6,120,541	-2.9%	6.9%
2021	6,120,541	0.0%	6.0%
2022	6,120,541	0.0%	6.8%



CAPITAL PROJECTS




North Central
Health Care

Person centered. Outcome focused.

Capital Purchases

Program	Project Name	Capital Cost
Accounting	Drill Point Reporting Tool	7,300
Accounting	Microix Requisitions Tool	7,500
IMS	OnShift Scheduling	16,500
IMS	Computer Replacements	175,000 *
IMS	Data Center Upgrades	200,000
Nutrition Services	Soft Serve Ice Machine	12,600
Aquatic Services	Becsys7 Controller	8,100
Aquatic Services	Wave200XI	9,200
Mount View Care Center	32 Resident Beds	85,000
Mount View Care Center	2 Vital Sign Machines	5,000
Mount View Care Center	600# Full Body Lift with Scale	4,300
Mount View Care Center	400# Sit to Stand Lift with Scale	4,300
Mount View Care Center	2 Hoyer Lifts	8,600
Mount View Care Center	2 Sit to Stand Lifts	8,600
In-House Transportation	Small Bus	65,000
In-House Transportation	Passenger Car or Van	27,000
		<hr/> 644,000

* \$100,000 if ordered computers arrive in 2021.

Policy Title: Physician Compensation	 North Central Health Care Person centered. Outcome focused.
Policy #: 105-0025	Program: 105 Administration
Revision Date: 09/30/2021	Policy Contact: CEO

Related Forms:

1. Purpose

This policy is applicable to all physicians working at NCHC, including contract, locums and employed staff. This policy's goal is to avoid regulatory violations, ensure that every arrangement meets Fair Market Value (FMV) standards, reasonably control costs, monitor risky arrangements and includes regular auditing to ensure adherence to guidelines. In addition, this policy seeks to establish a mechanism to ensure sufficient compensation at fair market value levels for the retention and retainment of the highly qualified physicians necessary to maintain high quality service to patients, support clinical needs, meet operational priorities, and remain competitive within the local market.

2. Definitions

Benefits: Physician benefits normally funded by NCHC include health, dental, disability and life insurance plans and the employer's portion of a retirement contribution under the WRS retirement plan, as amended from time-to-time. Additional benefits which may be provided to physicians in addition to gross salary and normally funded employee benefits listed include professional liability insurance, which also provides tail coverage, a contractually specified allowance for professional licensure, professional society dues, and continuing education.

Commercial Reasonableness (CR): Arrangement must be reasonable and necessary for legitimate business purposes. Even when arrangements have a legitimate business purpose, they may not meet CR. Arrangement must be a sensible, prudent business arrangement for both parties even in the absence of any potential referrals. An arrangement may be commercially reasonable even if it does not result in profit for one or more of the parties.

Fair Market Value (FMV): "The value in arms-length transaction, consistent with the general market value (GMV) of the transaction." GMV means "with respect to compensation for services, the compensation that would be paid at the time the parties enter into the service arrangement as the result of bona fide bargaining between well-informed parties that are not otherwise in a position to generate business for each other."

- Salary surveys by themselves do not constitute FMV
- Compensation set at or below a stated percentile is not always FMV

Total Compensation: shall consider the salary, bonuses, benefits, pension, deferred compensation, insurance, recruitment incentives, and other benefits offered to the Physician. NCHC shall ensure that the total compensation offered to the Physician correlates to services performed and that the compensation is consistent and competitive with compensation structures offered by NCHC's regional partners and competitors.

Volume or Value Standard: “Remuneration under the employment cannot be determined in a manner that takes into account (directly or indirectly) the volume or value of referrals by the referring physician.” Two-part test to determine volume or value of referrals.

3. Policy

- 3.1. Written Agreements:** All physician agreements must be in writing and must comply with this policy.
- 3.2. Compliance with State & Federal Fraud & Abuse Laws:** North Central Health Care intends to follow all applicable laws including but without limitation, Stark Law, and the Anti-Kickback statute with respect to all physician employment agreements.
- 3.3. Compliance with Fair Market Value (FMV) & Commercial Reasonableness:** Amounts paid to physicians under a written agreement shall not be greater than FMV for the services provided, shall not be based upon value or volume of referrals or any referral relationship between parties and shall be commercially reasonable even if no referrals were made to the employer by the physician. Determination of FMV is outlined below in the general procedure.
- 3.4. Benefits & Expenses:** Except as otherwise noted in the written agreement, employed physicians will be entitled to the same benefits as other NCHC employees. The employer shall pay all expenses of the employee generated while performing their duties as outlined in the employment agreement in accordance with policies and procedures.
- 3.5. Compensation Philosophy:** Physician agreements that include additional benefits not otherwise standard to employees will outline how & under what parameters the following (including but not limited to) will be paid in the contract: incentive pay, conversion factors, compensation caps, relocation bonuses, signing bonuses, educational loan repayment, medical directorships, CMEs, licensure, dues, vacation time, on-call pay, advanced practitioner oversight. All are subject to the terms of this policy.
- 3.6. Approval Process:** Physician agreements shall be considered approved if in accordance with this policy. Additional review and approval may be required for any physician contract/arrangement that deviates from the standard set forth in this policy and should be reviewed by legal and the Compensation Committee prior to execution.
- 3.7. Monitoring:** A routine schedule shall be identified for reviewing all agreements and shall be included as part of the annual Compensation Committee work plan objectives to ensure compliance with this policy and to make sure they are compliant with the latest laws, regulations, best practices, and organizational needs.

4. General Procedure:

- 4.1. Fair Market Value Determination:** To establish that total compensation paid under the agreement is consistent with fair market value, NCHC will require an independent, third-party evaluation of FMV. This evaluation must include comparisons to one or more recognized independent standards.
- This evaluation will occur every three years or less with a regular review of the market indices as a guide to any notable fluctuation.
 - Given NCHC's rural locations, unique market region, and knowledge that third party FMV figures generally includes data sources with distinctly different market forces, we will combine the following to determine our compensation pay parameters:
 - the independent evaluation of fair market value with a minimum sample of three local and similar like organizations and like positions including non-

- profit and for-profit posted salary ranges
- Locums and Contracted Physician Contracts will be reviewed individually and in accordance with this policy.

4.2 Compensation Committee Determination

- Most arrangements will fall within these parameters and set criteria for such. If we are outside the pre-determined range as outlined above the arrangement must be reviewed and approved through the Compensation Committee and clear documentation as to why the arrangement is outside the parameters must be included. This documentation must include, at minimum, empirical evidence, and documentation of FMV determination and sampling of local market. The following reasons may influence whether an arrangement is outside the pre-defined parameters such as:
 - No success in hiring process at a stated compensation range. Position advertised by no responses or rejections of offers based on the limited compensation provided.
 - Evidence that the competition is paying more, or offering additional benefits, outside the parameters as set forth in the policy.
 - Physician has a unique specialty or experience that set them apart from other candidates.
 - Compensation incentives based on productivity.
 - Local and regional shortage of the position.

5. References

5.1.CMS: N/A

5.2. Joint Commission: N/A

5.3. Other: Stark Law (41 U.S.C 1395nn), Anti-Kickback Statute (42 U.S.C. 1320a-7b(b)), The False Claims Act (31 U.S.C. 3729-3733, IRS Regulations, Guidance (42 Code of Federal Regulations § 411.351), Guidance (42 Code of Federal Regulations § 411.354)

5.4. Other: U.S. Department of Justice, Criminal Division, Evaluation of Corporate Compliance Programs (Updated June 2020)

6. Related Policies, Procedures and Documents

Compensation Policy Administration Manual
 Anti-Kick Back Statute
 Stark Law
 Contract Review & Approval
 Fraud and Abuse Policy



North Central Health Care

Person centered. Outcome focused.

COMPENSATION ADMINISTRATION MANUAL

**Effective
October 1, 2021**

NORTH CENTRAL HEALTH CARE

Compensation Administration Manual

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PHILOSOPHY

The purpose of the North Central Health Care (NCHC) Compensation Program is to ensure that pay is established and administered according to competitive, equitable, and effective principles. Established policies and procedures provide manager/supervisors with guidelines for the day-to-day administration of compensation for North Central Health Care employees.

The principles of our compensation philosophy are as follows:

- Our pay programs will be competitive with the external labor markets in which we compete for employees, while maintaining internal equity across jobs and for our employees within those jobs.
- We strive to offer a strong 'total rewards' package made up of competitive base pay relative to market, insurance benefits (health, dental, life, disability), a very good retirement savings plan, and a respectful, modern, and open work environment.
- We target the market percentile which is being utilized by competitors for base pay in the markets in which we need to attract and retain employees.
- For non-step scale positions, individual performance has an impact on individual pay in relation to the market midpoint; however, is not the only factor.
- Management strives to make fiscally responsible decisions in the long-term best interests of NCHC and recognizes that employees may differ in their opinions on exactly how this is accomplished.
- We establish and maintain equitable compensation administration guidelines and set financially responsible compensation budgets annually and expect our manager/supervisors to manage these accordingly.
- North Central Health Care will not make compensation decisions based upon race, color, gender, religion, creed, age, disability, national origin, lifestyle, or any other basis prohibited by state or federal law.

The effective administration of compensation at NCHC is a shared responsibility. Employees have the responsibility to understand our compensation policies and generally how the administrative guidelines work. It is the responsibility of the manager/supervisors of NCHC to believe in and ensure the consistent application of the compensation philosophy in all of their compensation decisions, while responsibly observing their annual salary budget, which is established by senior management and approved by the Board of Directors. Our manager/supervisors are responsible for accurately evaluating performance and recognizing performance differentiations with appropriate pay decisions. It is the Compensation Committee's responsibility to administer the Organization's compensation policies and procedures consistently and impartially, and to ensure that equal employment opportunity principles are followed for each employee at NCHC, or candidate for employment, regarding compensation.

The compensation philosophy and related administration guidelines outlined in this manual are regularly reviewed and evaluated by the Compensation Committee. Modifications will be made as necessary and communicated appropriately to all employees of NCHC.

Questions concerning the policies and procedures contained in this program should be referred to the Human Resources Department.

JOB DOCUMENTATION

Definition

Job documentation refers to the collection and maintenance of job content information. Formal job descriptions are used to describe duties and responsibilities required for each job at the Organization.

The description focuses on the job, not the person assigned to the job. Evaluation of the individual's performance is a separate issue covered under our Performance Evaluation process.

Job descriptions reflect the organization level, as well as the type and scope of the work required.

Purpose

A job description is used to describe every job. It is intended to document the minimum requirements to be fully functional in the job, as it exists at the present time.

Written job descriptions are used as the basis for assigning jobs to a job grade and pay range. Accurate and complete job descriptions must be prepared and maintained. The importance of job descriptions is stressed to all manager/supervisors and employees at NCHC.

Salary adjustments for current employees or hiring rates for new employees are authorized only with a current job description.

As a job changes, the job description will be updated to reflect such changes.

Responsibilities

Current job documentation for all jobs reporting to a manager/supervisor (direct and indirect) is the responsibility of that manager/supervisor. Usually in conjunction with the performance evaluation process (or other annual time determined by the manager/supervisor), individual job descriptions are reviewed with the person/employees in the job and updated. Revisions are forwarded promptly to the Human Resource Department. The Human Resources Department is responsible for ensuring the consistency and accuracy of the information, and to keep formal copies and background information on file for all jobs.

A copy of each job's description is available to employees through their manager/supervisor or the Human Resource Department.

Job descriptions are kept current and up-to-date through periodic reviews by manager/supervisor and employees in the job.

- **New jobs** – To hire for a new job, a job description will need to be developed in partnership with Human Resources along with an assignment of job and salary grade. Once the job description is complete it will need to be submitted with a position review form which is the responsibility of the requesting manager/supervisor. If necessary, the Compensation Committee may be involved.
- **Revised jobs** – As a job changes, a revised job description may be needed. Job descriptions will be reviewed on at least an annual basis, usually in conjunction with the performance evaluation process. If changes are minor, the manager/supervisor notes the changes on the current job description and forwards it to the Human Resources Department who will make the changes to the controlled job description.

If there are major changes in the duties and responsibilities of a job, a new position review form must be completed. The position review form must be forwarded to the Human Resources Department,

who will assist in developing a new job description and determine the appropriate job group and pay range. If there is a question on how the new position will be evaluated internally, the Human Resources Director will recommend and confer with the Compensation Committee to determine if the new job should be placed in a different job group and salary range. The manager/supervisor will be notified regarding the new job description and salary range change, if any, and will in turn inform the affected person/employees.

- **Vacant jobs** – If a job becomes vacant, a review of the current job description shall be completed by the manager/supervisor and the Human Resources Department to determine if there should be any changes prior to an individual being hired to fill the position. Revisions should be made before any action is taken to fill the position.

JOB PRICING AND SALARY RANGE STRUCTURE

Definition

Job pricing is the process of comparing compensation for our jobs at NCHC to that of the external market. Job groups are determined through a process of evaluating jobs based upon internal and external conditions and grouping similarly valued jobs together. The market value/demand for jobs within a job group is a primary (though not exclusive) factor when determining the pay ranges in the salary structure.

The salary range structure consists of two major classifications, step scale and non-step scale. For positions within NCHC's step scale an employee will be hired at the appropriate step based on years of experience when beginning employment. Employees in step scale positions will be reviewed the first pay period in January and July for eligibility to move to the next step. For employees in non-step scale positions hourly/salary ranges have been identified based on the market rate with a minimum on 90% and a maximum of 110%.. All ranges step scale and non-step scale are normally adjusted annually.

Purpose

North Central Health Care is committed to providing a salary range structure that is responsive to the external market and is internally equitable. Data will be collected from a variety of reputable sources and analyzed on a regular basis to determine market movement of jobs and current salary trends.

Responsibilities

The Human Resources Director is responsible for gathering, analyzing, and recommending changes to the salary range structure based on market data and salary trend information. This information will then be presented to the Compensation Committee for their input, then to the CEO for incorporation into the annual operating budget as approved by the Board of Directors.

Process

On an annual basis, the Human Resources Director gathers information regarding trends in general pay movement (i.e., estimates of salary adjustments in our recruiting areas, anticipated annual adjustments, local market conditions, etc.). The Human Resources Director discusses the results with the Compensation Committee, who then makes a recommendation to the CEO for changes to the salary range structure consistent with the overall operating budget for the year.

For non-step scale positions the Human Resources Director conducts a salary range analysis on an annual basis. A salary range analysis identifies where each person falls relative to his or her current salary range. For step scale positions a review of the scale is completed on an annual basis to identify if market rates have changed. Any outstanding issues are reported to the Compensation Committee for recommendations and action planning. The Human Resources Director communicates these decisions to the appropriate manager/supervisor for consideration when conducting annual salary planning.

A full review of market data for NCHC's jobs will be conducted at least once every three years. The Compensation Committee reviews market data and develops a comparison to current market and actual salaries. If warranted, changes in salary range structure will be recommended to the CEO.

Salary Range Structure Step Scale

The Salary Range Structure for step scale positions consists of a series of steps based on years of experience or licensure. Positions have a set number of steps depending on position complexity and each employee is reviewed at least annually for appropriate position within step scale.

- **Step 1- First step in all step scale positions, this is the lowest wage an employee would be hired at if all qualifications are met for the position.**
- **Steps 2-10 (Max could be less)** - A progressive scale that an employee moves through or is hired into based on years' experience at date of hire or time of review. An example would be an employee at 1 year 11 months experience the first pay period in January would not be eligible to move to the next step until the next review in July.
-
- **Top of Range** – Individual base compensation will not exceed this amount, this is reserved for employees with tenure at NCHC and is earned through annual merit increases past max of scale.

Salary Range Structure Non-Step Scale

The salary range structure for non-step scale positions consists of a series of pay grades either on an hourly basis (non-exempt) or annual basis (exempt). The salary range structure has a minimum, mid, and max for each position.

- **Minimum** – This is the lowest wage a qualified candidate or employee would be hired at or move to for the position. The minimum is 90% of the mid-rate.
- **Mid** – This is the mid-point for wage and in most cases the market rate point for the pay grade and position. The mid-point is usually reserved for candidates or employees that meet preferred experience or qualifications.
- **Max** - This is the maximum amount an individual can make in the defined position and pay grade. The maximum is usually reserved for candidates exceeding preferred experience or with longevity at NCHC.

PAY ADJUSTMENTS

Definition

Pay adjustment refers to policies and procedures that support the administration of compensation within an assigned salary range and result in the delivery of actual compensation dollars to employees of NCHC. Pay adjustments change the actual compensation dollars paid to a person within an assigned salary range. The various types of adjustments are included in this section.

Purpose

To ensure credibility and achievement of NCHC compensation objectives, an effective pay adjustment system must be developed and maintained with guidelines and procedures communicated to manager/supervisor and employees of NCHC on a timely basis. The guidelines and procedures of the compensation system are intended to ensure that our **annual budget, market value for each job, step scale, and demonstrated individual performance** are the primary (though not exclusive) considerations when recommending wage adjustments.

Responsibilities

Each manager/supervisor is responsible in partnership with the Human Resources Department for initiating pay adjustments for the employees reporting to them. Pay adjustment recommendations are forwarded to their Executive, who reviews/edit/approves them. These are then forwarded to the Human Resources Department for payroll processing.

The Human Resources Department is responsible for:

- Administering appropriate pay adjustments as budgeted and within established salary ranges.
- Resolving and coordinating pay adjustment recommendations not consistent with Organization guidelines (may involve Compensation Committee if necessary).
- Preparing timely recommendations for annual pay adjustment guidelines.
- Ensuring that a formal performance evaluation precedes all annual pay adjustments.
- Monitoring the day-to-day administration of salaries and compensation decisions for consistency with the compensation program's objectives.
- Maintaining this Compensation Administration Manual and communicating all compensation program changes as authorized by the Compensation Committee.

General Guidelines

The specific process for each type of pay adjustment is detailed in the next section; however, the following are general guidelines for all types of adjustments:

- All non-step scale position pay adjustment recommendations outside of NCHC annual pay increase must be submitted on a wage review form and submitted to the Human Resources Director.
- Pay adjustment recommendations shall not be written on performance evaluation forms.
- Pay adjustment recommendations shall take into account the internal equity of the proposed salary compared to that of other employees assigned to that same job and in the same salary range. Pay adjustments should conform to the guidelines outlined in this guidebook and ranges established each year by the Compensation Committee.
- Performance evaluations must be completed for all annual pay adjustments prior to the actual delivery of an increase on a person's paycheck. If a manager/supervisor does not complete this process timely, their own eligibility for a pay adjustment will be prospectively deferred until the first full pay period after they are completed (no retroactive pay increases).
- Employees not at work at the time of a pay adjustment (i.e. due to leave of absence, etc.), but not due to normal vacation or paid time off, will receive their pay adjustment effective the date the employee would have received if they had been working.
- Pay adjustments should be submitted at least one week prior to the pay period effective date.
- Pay adjustments of any kind shall not be communicated to a person prior to the manager/supervisor receiving approval of that action from the Human Resources Director.

New Hires

The hiring rate is identified through the annual NCHC pay scale with employees hired based on appropriate level of experience noted in the above sections in this manual. The proposed rate should not create inequities within NCHC. It is extremely important to maintain a careful balance between the needs of the Organization, market competitiveness, and the desires and expectations of the job applicant. New hires are approved by the hiring manager/supervisor's Executive. Additions to staff that are not included in the department's annual budget for employees need to be approved by submitting a reclassification request form by the hiring manager.

Steps in Hiring Process:

1. The hiring manager/supervisor completes a Hiring Requisition form and seeks appropriate approvals as needed. The job description is reviewed and updated as needed by the hiring manager/supervisor. The Hiring Requisition and updated job description are then forwarded to the Human Resources Department for processing.
2. If the job is not in a salary range, the hiring manager/supervisor will confer with the Human Resources Director to place it in a job grade and pay range. The Compensation Committee will provide final approval for the new pay range.
3. Individuals are interviewed and a candidate is selected by the hiring manager/supervisor and a Human Resources Department representative.
4. Proposed rates must be within the wage scale and follow the step scale if appropriate. If the position is a non-step scale position the offer will need compensation committee approval if above 100%. Due to circumstances requiring a quick response if the compensation committee is unable to meet in one week from proposed offer date, the Operations Executive & CFO will approve the offer.

5. After approval of the hiring rate, Human Resources extends an offer to the candidate and proceeds with the hiring process.

Annual Pay Adjustments

Annual pay increases are intended to ensure that job performance which meets or exceeds expectations is recognized and rewarded, within the salary range established for each job. Generally, these adjustments are usually made in Q1 of fiscal year. Some adjustments to this date may be warranted based on date of hire, transfer, promotion, demotion, or other employment action that may affect timing.

Steps:

1. Annual pay increase guidelines are approved by the Compensation Committee with final approval coming from the CEO. These plans are communicated to the Human Resources Director, and then to manager/supervisors with compensation adjustment responsibility.
2. Annual pay adjustments are generally based on a matrix which takes into account the annual operating budget approved each year, an employee's position within the pay range, and individual performance evaluation results. Step scale positions are handled outside of annual pay adjustments unless the individual is at or past the last step in which case an annual adjustment will take place.
3. Although pay adjustments are based primarily on the items listed above, there are other factors that may influence the timing and amount of a pay increase such as the value of the position in the marketplace, economic conditions, leaves of absence, etc. There may be times where pay increases are suspended for some individuals, jobs, departments, or the entire organization.
4. An annual pay increase shall not move a person past the maximum or top of the pay range.
5. Manager/supervisors with compensation responsibility prepare recommendations on annual pay increases according to the established guidelines for the year utilizing the procedures developed by the Human Resources Department. These are then completed and forwarded to the manager/supervisor's Executive for review and approval, and then to the Human Resources Director, who compiles the data organization-wide to ensure that internal equity and consistency have been appropriately considered. The results are then forwarded to the Compensation Committee for oversight review and approval. Adjustments that exceed the annual guidelines, or are otherwise exceptions to policy or procedure, will be discussed and resolved with the Compensation Committee if needed. Finalized annual pay adjustments are then forwarded to the Human Resources Director.
6. Following approval, the Human Resources Department distributes approved increases to each manager/supervisor for them to discuss with their employees individually on a timely basis.

Promotion

A promotion is the reassignment of a person from one job to another job that is at least one grade higher than the former job. A promotion is generally accompanied by an increase in pay.

Promotional increases are provided to recognize an increase in the scope and responsibility of an individual person's job and are usually given at the time the new responsibilities are assumed. Promotional increases generally are not given at the same time as an annual pay increase. The amount of the increase should:

- Be consistent with the objectives of the Compensation Program and be within the organization's operating budget for the year,
- Result in a pay level that is at or above the minimum of the new pay range for the job, and not to exceed 100% of the new market midpoint,
- Take into consideration the degree of increase in scope and responsibility of the new job,
- Take into consideration the person's pay level prior to the promotion,
- Meet the hiring rate that would be paid to a new hire of equivalent qualifications, and experience.
- Consider internal equity issues.

Steps:

The hiring manager/supervisor recommends an individual for promotion and a pay adjustment rate to their immediate supervisor, who ensures that salary budget guidelines and Compensation Program objectives are met.

1. The Human Resources Department reviews the pay adjustment recommendation to ensure that no internal inequities will result. However unlikely, it is possible that no increase would be given in a promotion situation, depending on internal equity considerations with other employees currently performing the same job.
2. If there are issues with the promotional adjustment, the Operations Executive will be involved. Issues not resolved at this level will be referred to the Compensation Committee.
3. Following appropriate approval, the hiring manager/supervisor will notify the employee of the promotion and promotional pay increase on a timely basis.

Equity and Administrative Adjustments

An equity adjustment is made to correct inequities due to internal or external conditions and may also be used to bring compensation to the minimum of the range or up to the level of other employees with the same experience, job, and work performance.

An administrative adjustment is used to correct unique situations which require a change in pay that is outside the normal guidelines, such as a significant increase in market pay rates.

Equity and administrative adjustments are considered exceptions and should be discussed with the Executive prior to the preparation of any recommendation.

Steps:

1. The manager/supervisor proposes an increase and forwards the recommendation to the Human Resources Director.

2. The Operations Executive reviews the request for internal equity and market value issues, as well as salary budget issues. The Compensation Committee may be involved if necessary.
3. The Human Resources Director communicates any pay adjustments to the appropriate manager/supervisor who will discuss it with the affected employee(s) on a timely basis.

Job Reclassification

As jobs change, there may be a need to classify them in a different job group, and therefore salary range. In most circumstances, no change in the compensation of the incumbent(s) will occur.

Steps:

1. The manager/supervisor completes a position review form indicating the new duties and responsibilities of the job and discusses it with their immediate supervisor and the Human Resources Department, taking into consideration their department's operating budget. The recommendation for a new job is forwarded to Human Resources Director to review and to approve the new job description.
2. The Human Resources Director assigns the job to a job group and salary range. If there are any questions about the job's placement, it may be referred to the Compensation Committee for a decision.
3. If the job is placed in a different salary range, the following pay adjustments may occur:
 - If the job is classified into a higher salary range and the incumbent(s) current pay is less than the minimum of the new salary range, a pay adjustment to bring the incumbent(s) to the minimum of the new salary range may be made but not to exceed 100% or midpoint.
 - If the job is within the new range, no adjustment will occur until the person's next scheduled performance evaluation. Exceptions to this may occur if equity becomes an issue.
 - If the job is classified into a lower salary range, the employee's pay may be adjusted accordingly not to be less than 100% of midpoint but not to exceed 110%.

Lateral Transfer

A lateral transfer is the reassignment of an employee from one job to another job in the same salary range, and normally does not involve a change in pay.

Lateral transfers provide employees with the opportunity to acquire new work experience and generally be exposed to a different work environment.

Demotion

Demotion is the reassignment of an employee from one job to another job in a lower salary range with a resulting decrease in the scope and responsibility of an individual's job.

Demotions may occur for the following reasons:

- Unsatisfactory job performance,
- Individually initiated (e.g., an individual that wishes to move from a supervisory position to a nonsupervisory position),
- Organization initiated (e.g., reorganization, reassignments, etc.).

These demotions may or may not be accompanied by a decrease in pay. We are most concerned when a demoted person's pay creates inequities with peers. Requests for demotions should be submitted to the Human Resources Director, who will, if necessary, discuss it with the Compensation Committee for a determination. If it is determined a decrease in pay is necessary, the new wage should not fall below 100% or midpoint of the new salary range.

Exceptions

Although unlikely, there may be circumstances where exceptions to the compensation guidelines are warranted. Exceptions to policy should be discussed with your immediate supervisor first, then your Executive, then the Operations Executive and/or Compensation Committee prior to the preparation of any recommendation.

Examples of exceptions are:

- Increases or decreases over 10%,
- Promotions granted before experience requirements are met or which exceed the guidelines,
- Demotions for performance which do not result in a decrease in pay,
- Annual pay adjustments outside the annual pay adjustment guidelines for the year,

MEMORANDUM

DATE: October 18, 2021
TO: North Central Community Services Program Board Executive Committee
FROM: Jill S. Meschke, Interim Chief Executive Officer, Chief Financial Officer
RE: North Central Health Foundation

Background

North Central Health Foundation, Inc. was incorporated under Section 501(c)(3) of the Internal Revenue Code October 1983. The purpose of the organization is to promulgate programs, encourage improvements, develop procedures, examine, and research methods, educate, and enlighten persons, assimilate institutions and resources, and generally to engage in all activities intended for the betterment of health care and its effect upon the physician and mental well-being of all inhabitants primarily within the Langlade, Lincoln, and Marathon Counties.

The bylaws were most recently restated December 2015. Gifts are categorized as designated or undesignated by donors. If funds are designated, they may only be used in the manner requested by the donor. Eleven to fourteen members make up the Board of Directors, one of whom shall be the Chief Executive Officer of North Central Health Care serving ex officio.

Financial Activity

The NCH Foundation played an active role during the 2019 through 2020 construction and funding of the Aquatic Therapy Center on North Central Health Care's Wausau campus. \$3 million of donations made for the construction of the pool were received and paid via the Foundation.

Currently, the NCH Foundation has a balance of \$315,993 of the following funds.

Just Like Us	10,173
Langlade Sober Living House	31,031
Stop, Starting It!	3,000
Clubhouse	465
Langlade Adult Day Services	19,000
Undesignated Funds	252,324

An average month nets between \$50 to \$100 of small donations.

Consideration of Options

Would the NCCSP Board like to make a recommendation to the NCH Foundation Board as to the future of the Foundation?

- Leave the Foundation operating as is.
- Hiring of an Executive Director for a trial period of two years to expand the Foundation was considered previously.
- Partnering with a local non-profit to take over management of the Foundation.