

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

June 30, 2022

3:00 p.m.

North Central Health Care

Present: X	Eric Anderson	X _(WebEx)	Randy Balk	EXC	Chad Billeb
	EXC Angela Cummings	X	Kurt Gibbs	X	Renee Krueger
	X Alyson Leahy	X	Lance Leonhard	ABS	Bruce McDougal
	X Dave Oberbeck	X	Robin Stowe	X	Gabe Ticho
	X Cate Wylie	EXC	Vacant		

Staff Present: Mort McBain, Tom Boutain, Jarret Nickel, Gary Olsen, Bobby Splinter, Patrice Lanning

Others Present: Kim Heller, Wipfli, Dejan Adzic, Marathon County Deputy Corporation Counsel, Kristi Palmer, Marathon County Finance_(WebEx)

Call to Order

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

Chairman's Announcements

- None

Public Comment for Matters Appearing on the Agenda

- None

Election of NCCSP Board Chair

- M. McBain called to accept nominations for the NCCSP Board Chair.
- **Motion**/second, Wylie/Stowe, to nominate K. Gibbs as NCCSP Board Chair.
- **Motion**/second, Leonhard/Wylie, to close nominations and cast a unanimous ballot for K. Gibbs as Chair. Motion carried.

Consent Agenda and Monitoring Reports

- **Motion**/second, Oberbeck/Leahy, to approve the May 26, 2022 NCCSP Board Minutes. Motion carried
- Regulatory Survey Update – J. Peaslee
 - A memorandum regarding two regulatory visits was included in the Board packet and a brief overview provided. No additional information was requested.

Board Discussion and Action

- Presentation of the 2021 Audit – K. Heller
 - The audit report reflects new auditing standard 134 this year. Last year a 1-year financial statement was completed due to the change in organizational structure with Pine Crest Nursing Home coming on Board as of January 1, 2020. This year's audit includes comparative financials with Pine Crest Nursing Home, Mount View Care Center, and the 51.42/437.
 - Acknowledged was the hard work of B. Splinter and the other financial staff this year. The report is a bit later than hoped with the new management team, change in CEO and CFO, COVID funding, and master facility plan project.
 - Several recommendations were provided including improving the review process for key account reconciliations and processes for tracking and reconciling property and equipment balances. Also recommended is to execute 'lease' agreements related to the facilities which are utilized by NCHC in all three counties. Another recommendation is for the allocation methods be reviewed with the oversight board on an annual basis, the policy be updated to add more specificity to the allocation methods, and the new management team to familiarize themselves with the allocation process and resulting reports as NCHC continues to work to improve its financial performance. With a new accounts receivable system resulting in an increase in AR balances, it is recommended NCHC consider a revenue cycle improvement process to reduce AR balances including consideration of an outside resource to assist.
 - Covid continued to impact business and provided challenges significantly impacting how services were provided and with workforce shortages at all levels.
 - State and federal governments have finally recognized they have significantly underfunded nursing homes and have provided some financial support during the pandemic.
- **Motion**/second, Wylie/Leonhard, to accept the audit and place on file for year ending 2021. Motion carried.
- **Motion**/second, Leonhard/Stowe, to postpone action on the 2021 Fund Balance Statement. Motion carried.

Executive Director Report – M. McBain

- Recruitment for an Executive Director continues. Applications received to date totals 17 and will be received until July 8. Executive Committee will review all submissions and schedule interviews with the top potential candidates.
- Two ARPA requests have been submitted to Marathon County. One request is for cost overruns on the construction project due to COVID with increased material costs, supply chain challenges, labor shortages, etc. The second request relates to operations and the fund balance.

Presentation of May Financials – G. Olsen

- Currently we are running a deficit of \$2 million and if it continues at this pace there will be a \$4 million deficit by year end. Executive Management Team, Directors, Managers are working diligently to reduce this deficit. Revenue is the key.
- We also lost a significant amount with the 2020 WIMCR submission, however, we received permission to submit an updated 2020 WIMCR report and are currently working on completing the 2021 WIMCR report.
- We have discussed increasing fees, as they have not been increased for a number of years. Details of these increases will be provided to the Executive Committee for consideration and approval. Concern was expressed about potential impact on care with an increase. The increase will impact those with insurance which is 17% of the population we serve.
- E. Anderson expressed high level of concern on the status of the 2022 budget and would like to know what the plan is to improve on a month-to-month basis, how changes will be executed, how this deficit will be funded, what the impact is on our communities, impact of bond ratings, improving cash on hand, and how are we going to fund the \$80+ million construction project? Would like to see reports of volumes and revenues. If this is the responsibility of the Board, serious conversations need to occur immediately.
- Executive Committee requested evaluations of every program (66 in total) which includes cost of programs, who is impacted, whether it is one of our core programs (those programs mandated by State Statutes 51.42) or non-core programs (those programs not mandated by State Statutes 51.42), funding of programs, options, and recommendations. Several evaluations have been completed and the Committee will be deciding the future of those services. Counties do not have the luxury to increase levy limits but if a program is needed by the community and is a non-core program with a negative cash flow, then the county will need to find the funding for it if they want the program to continue.
- According to the new Tri-County Agreement, the roles of the NCCSP Board and Executive Committee have changed dramatically. All of the heavy lifting is with the Executive Committee now and relies on the Executive Committee to make these determinations. It was agreed actions need to move quicker in addressing the financial situation. Additional conversations will need to occur on when action needs to be taken by the Executive Committee, the NCCSP Board, and/or the county boards. Also, an important role of the Board is to understand the community needs and make recommendations based on those needs.
- R. Balk echoed the same financial concerns and with the magnitude of the financial situation, all areas including salaries, benefits, self-funded health insurance, etc. should be reviewed.
- **Motion**/second, Krueger/Wylie, to accept the May financials. It is clearly noted that the Board wants additional information on financials. Motion carried.

Board Member Orientation - M. McBain

- Program Orientation
 - The following information was provided and to be included in the Board member binders:
 - Interim Executive Director Limited Term Employment Agreement
 - Addendum A – Duties of Interim Executive Director
 - Code of Conduct 2022
 - Employee Grievance Policy
 - Corporate Compliance Program Policy
 - Employee Compensation Policy
 - Occurrence Reporting Policy

Board Calendar and Future Agenda Items

- Next NCCSP Board meeting is scheduled for Thurs, July 28, 2022 at 3:00 p.m.

Adjourn

- **Motion**/second, Krueger/Leahy, to adjourn the meeting at 4:42 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO