

## **NORTH CENTRAL COMMUNITY SERVICES PROGRAM EXECUTIVE COMMITTEE MEETING MINUTES**

**June 26, 2025**

**1:00 p.m.**

**North Central Health Care**

Present:       X       Kurt Gibbs                               X<sup>(virtual)</sup> Renee Krueger  
                  X       Lance Leonhard                   X       Robin Stowe

Staff Present: Gary Olsen, Jason Hake, Vicki Tylka, Marnie Bredlau, Ben Petersen

Others Present: Dejan Adzic, Marathon County Deputy Corporation Counsel, Sarah Schlosser, Elizabeth McCrank, Eileen Guthrie, Paul Gilk, Don Dunphy

### Call to Order

- The meeting was called to order by Chair Gibbs at 1:03 p.m.

### Public Comment for Matters Appearing on the Agenda

- Eileen Guthrie, Don Dunphy, and Paul Gilk addressed the committee regarding the contractual relationship between North Central Health Care and Lincoln County regarding Pine Crest Nursing Home.

### Approval of Executive Committee Meeting Minutes

- **Motion**/second, Stowe/Leonhard, to approve the May 28, 2025 Executive Committee meeting minutes. Motion carried.

### Financial Update

- Mr. Hake provided a financial update for the months January through May. Highlights included a \$1.7 million net income with \$1.6 million attributed to MVCC due to a rate increase retroactive to July 1, 2024. A recent change to the supplemental payment is that it is now added onto the daily rate. NCHC has experienced a challenge with commercial insurance companies covering the Lakeside Recovery MMT program, a 28-day program, in that they do not like to pay for a fixed length of stay. We are actively working with the Aspirus Network and insurance companies to cover the full 28 days. Net income is \$5.3 million and to date health insurance continues to do well compared to 2024.

### Pine Crest Nursing Home Update

- The Lincoln County Board approved the sale of Pine Crest Nursing Home effective August 1, 2025. North Central Health Care is working closely with Lincoln County and the purchasing company for a smooth transition.

Overview and Update on NCHC's Compliance Program, including current initiatives, process improvements, and emerging compliance matters as they relate to organizational risk, with the intent of informing and providing context for the Executive Committee's subsequent closed session discussion

- Mr. Petersen provided a general update including regulatory oversight, and challenges of the programs within the Compliance Program. The full scope of how those areas and challenges impact us as an organization with regard to risk will be discussed in more detail during the closed session.

Approval to submit letter of intent for Crisis Urgent Care and Observation Facility (CUCOF)

- A CUCOF is an observation facility that provides 24/7 mental health substance use care. The services provided are more intensive than crisis stabilization but less intensive than hospitalization. Step 1, in a two-step process, is submitting a letter of intent. After reviewing the program in depth, if it is determined that NCHC is a good fit for this program, a request to submit an application would be brought to the Committee for approval (step 2).
- **Motion**/second, Leonhard/Stowe, to approve staff submitting a letter of intent for Crisis Urgent Care and Observation Facility. Motion carried.

Discussion with possible action on North Central Health Care's contractual relationship with Pine Crest Nursing Home in light of the potential sale and threat of litigation which could impact the sale

- Mr. Olsen explained the challenges NCHC has experienced over the past year with the uncertainty of the future of Pine Crest Nursing Home. Since the last meeting of this Committee, Lincoln County Board approved the sale of Pine Crest effective 8/1/2025. NCHC is working closely with Lincoln County and the buyer on a successful transition to meet this date.
- Due to these challenges, and with the desire to continue to support Lincoln County, a partner for over 50 years, consideration is requested to end the current management agreement of Pine Crest effective 12/31/2025. However, should the current sale not go through and Lincoln County would determine to continue to operate Pine Crest, NCHC would enter into discussions with Lincoln County to continue the management of Pine Crest under a new long-term agreement effective 1/1/2026.
- **Motion**/second, Leonhard/Stowe, to provide notice relative to termination of the operating agreement, as called for within the current agreement, with the understanding that should the currently envisioned sale not be effectuated, NCHC stands ready to reengage representatives from Lincoln County regarding a new management agreement to protect the interests of both Lincoln County and NCHC. Motion carried.

Discussion with Possible Action 2026 Budget Schedule Timeline and Schedule

- Due to many demands on Directors, Managers, and staff, plus the additional efforts needed to assist with the sale of Pine Crest Nursing Home in a short amount of time, it is requested to push the approval of the 2026 budget from the August meeting to the September 24 meeting of the Executive Committee.

- It is NCHC's intent to keep tax levy for all three counties flat for 2026.
- The 2026 Budget Revenue & Expenses Guidelines will be brought to the July meeting of the Executive Committee for approval.
- **Motion**/second, Leonhard/Stowe, that the Committee understands that NCHC staff will deliver to the Executive Committee, no later than August 1, 2025, the formal tax levy request relative to the 2026 budget and that that will satisfy the requirements under the Tri-County Agreement. Motion carried.

#### Presentation by UW Extension, Sarah Schlosser and Elizabeth McCranks and Approval of Strategic Planning Process

- As NCHC looks to the future, we're looking to ensure setting NCHC up for long term sustainability while continuing to deliver high quality person-centered care, all while trying to align our mission, vision and core values for the constantly evolving needs of human services and healthcare. In order to accomplish this, we feel we need to have a well-developed strategic plan that will help guide us, our services, our priorities, and help shape how we allocate our resources and measure our progress. We've asked UW Extension to help with this process.
- Ms. Schlosser and Ms. McCranks provided an overview of their proposal.
- **Motion**/second, Leonhard/Stowe, to authorize staff to move forward with finalizing and executing the agreement with UW Extension not to exceed \$5,000 for the contract for strategic planning. Motion carried.

#### Update and Possible Action Regarding Vocational Supportive Employment Program

- The vocational supportive employment program is for the developmentally and disabled. NCHC has historically operated this program in each of our counties. Last year the program in Lincoln County transitioned to another provider when our employee resigned. Our employee in Langlade County recently gave notice and the transition of that program, along with Marathon County's program, to Aligned Employment is being recommended at this time. This is consistent with the desire of this governing body to return to and focus on our core programs.
- Mr. Leonhard requested he receive a brief transition memo to include a timeline, who services will be provided by, and any budget impact.
- **Motion**/second, Leonhard/Stowe, that staff make all necessary transitions as provided in the memo and as discussed. Motion carried.

#### Approval of Executive Director Work Plan

- Mr. Olsen will provide an update on his work plan at each meeting of the Committee. Any comments or changes to the work plan are welcomed.
- **Motion**/second, Stowe/Leonhard, to approve the updated Executive Director Work Plan. Motion carried.

### Closed Session

Dejan Adzic, Marathon County Deputy Corporation Counsel, provided an explanation of the purposes of the two closed sessions slated. The first closed session is to discuss pending litigation with counsel, and the second is to discuss with counsel and the Compliance Officer certain compliance-related matters including regulatory issues that may arise out of those and any lawsuits, as well as any investigations and specific individuals that will be discussed. The Compliance Officer has already disposed in open session as much information as he could without addressing specifics. Also, we did not settle with the DOL, therefore counsel will be discussing next steps, where litigation will be going, case strategy, counsel opinions, etc. All these things, if discussed in open session, would have negative consequences on the entity because it would give a window into our internal strategies and pending litigation, as well as our strategy related to compliance, and what kind of actions that may be taken to ameliorate certain risks that the organization may be facing. Accordingly, counsel believes both of these items would be appropriate for closed session discussions based on the statutes identified.

- **Motion**/second, Leonhard/Stowe, pursuant to Wis. Stat 19.85(1)(g) for purpose of “[c]onfering with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation which it is or is likely to become involved”, to wit:
  1. Update from legal counsel on outcome of DOL mediation and future case strategy as it pertains to *Chavez-DeRemer v. North Central Health Care*, 24-cv-320-wmc
  2. Update from legal counsel on pending litigation, current legal issues and analysis, and future case strategy as it pertains to *Emmerich v. North Central Health Care Facility*, Marathon County Circuit Court Case No. 2024CV000495.
  3. Update from legal counsel on pending litigation and future case strategy as it pertains to Lisa A. Peterson vs North Central Health Care et al, Marathon County Case No. 25CV345
  4. Provide case updates on other pending employment law cases currently before DWD or EEOC.
- Roll call vote taken. All indicated aye. Staff were allowed to remain in the closed session. Meeting convened in closed session at 2:50 p.m.
- **Motion**/second Stowe/Leonhard, to return to open session (roll call vote unnecessary) and Possible Announcements and/or Action Regarding Closed Session item
  - Meeting returned to open session at 3:37 p.m.
  - No action taken.
  - Counsel will continue to provide updates.
- **Motion**/second, Leonhard/Stowe, pursuant to Wis. Stat. 19.85(1)(g), for purpose of “[c]onfering with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation which it is or is likely to become involved”, and pursuant to Wis. Stat. 19.85(1)(f) for the purpose of “[C]onsidering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary investigation of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would likely to have substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations”, to wit: Presentation of a quarterly report on compliance and quality to the

Executive Committee the contents of which will involve discussion of events or occurrences which may have future legal implications on the organization and the legal evaluation of those implications and which contents also involve discussions regarding specific individuals and their role in certain compliance related matters, issues and or investigations.

- Roll call vote taken. All indicated aye. Mr. Petersen and Mr. Adzic remained in closed session. Meeting convened in closed session at 3:40 p.m.
- **Motion**/second, Stowe/Leonhard, to Return to Open Session (Roll Call Vote Unnecessary) and Possible Announcements and/or Action Regarding Closed Session item. Motion carried.
  - Meeting returned to Open Session at 5:31 p.m.
  - No action taken.
  - No announcements.

#### Next Meeting Date, Time, Location and Future Agenda Items

- Next meeting Wednesday, July 30, 2025 at 1:00 p.m. in the NCHC Eagle Board Room

#### Adjournment

- **Motion**/second, Stowe/Leonhard, to adjourn the meeting at 5:35 p.m. Motion carried.

*Minutes prepared by Debbie Osowski, Senior Executive Assistant*