



**OFFICIAL NOTICE AND AGENDA** of a meeting of the Board or a Committee:

A meeting of the North Central Community Services Program Board will be held at NCHC – Board Room, 1100 Lake View Drive, Wausau WI at **12:00 p.m.**, on **Thursday, March 26<sup>th</sup>, 2015**.

**AGENDA**

1. Call to order
2. Roll call
3. Consent Agenda
  - a. 2/26/15 Finance, Personnel & Property Committee meeting minutes
  - b. 2/26/15 Board meeting minutes
  - c. CEO's report
4. Chairperson's report: R. Nye
  - a. Action: approve report and minutes of the 2/05/15 and 3/10/15 Executive Committee meetings
5. Quality Committee Report: L. Scudiere
  - a. Organizational Quality Dashboard
  - b. Action: approve report and minutes of 1/15/15
6. Financial report: B. Glodowski
7. Annual Audit Report by Wipfli – Joint with Finance, Personnel & Property Committee
  - a. Action: approve February financials
  - b. Action: approve 2014 audit (mailed separately)
  - c. Action: approve report
8. Nursing Home Operations Committee (NHOC) Report: J. Burgener
  - a. Action: approve report and minutes of 3/13/15
9. Action: Resolution supporting Family Care
10. Update on state budget: G. Bezucha
11. Strategic Planning update: G. Bezucha
12. Future meeting agendas
13. Adjourn

- Action may be taken on any agenda item.
- In the event that any individuals attending this meeting may constitute a quorum of another governmental body, the existence of the quorum shall not constitute a meeting as no action by such body is contemplated.

Signed: /s/Gary Bezucha  
Presiding Officer or His Designee

**COPY OF NOTICE DISTRIBUTED TO:**

Wausau Daily Herald      Antigo Daily Journal  
Tomahawk Leader      Merrill Foto News  
Langlade, Lincoln & Marathon County Clerk Offices  
DATE 03/20/15 TIME 2:00 PM  
VIA: ☒ FAX ☒ MAIL BY: D. Osowski

**THIS NOTICE POSTED AT NORTH CENTRAL HEALTH CARE**

DATE 03-20-15 Time 2:00 PM By D. Osowski  
Anyone attending this meeting who needs some type of special accommodation in order to participate should call Administration at 715-848-4405. For TDD telephone service, call 715-845-4928.

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM  
FINANCE, PERSONNEL & PROPERTY COMMITTEE MEETING MINUTES**

February 26, 2015

11:00 a.m.

NCHC – Wausau Campus

Present:

X	Ron Nye	X	Jeff Zriny	X	Lee Olkowski
	Bob Weaver		John Robinson		

Also Present: Gary Bezucha, Brenda Glodowski, Michael Loy, Darla Opper

The meeting was called to order at 11:00 AM, roll call taken, and a quorum noted.

Minutes

**Motion**/second Nye/Zriny to approve the minutes of the 01/22/14 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- Expenses:
  - Overall expenses were below targets for January.
  - State Institutions and Food exceeded budget targets.
  - Salaries were higher in January due to 3 holidays being paid.
  - Payment to consulting firm working on our strategic planning.
- Revenues:
  - Hospital census was at target of 13, nursing home census averaged 210 compared to the target of 213. Medicare census averaged 27, which was above budgeted target of 26.
  - Outpatient revenue was low in January.
  - Both programs show a small gain for January.
  - Cash remains level compared to January of last year.
- **Motion**/second Zriny/Nye to approve the January financial statements. Motion carried.

CFO Report

- New report – Target vs Actual Summary Analysis to become part of monthly reporting.
- Accounts Receivable Action Plan – updated and report out monthly.
  - Number of open items need to be addressed, we are working with the vendor.
  - These items need to be resolved to get billing out the door, have set 3-31-15 as the due date for completion.
  - Several insurance companies require electronic billing, we need this to be up and running as paper claims are not accepted.
  - Aging by Payor by Program reporting is good, client reporting is not workable.
  - We are internally working the system; we may be able to resolve some issues but also requesting same of the vendor.

- CCS claims update – latest test cleared; now sending weekly batches.
- Audit report next month.

#### Employee Incentive for 2014

- Discussion
- Motion/second Zriny/Nye NCHC will not provide incentive for 2014 due to limited measurable gain. Motion carried.

#### Year End Analysis of Lease Agreements

- Reviewed year end information of current lease agreements.

#### Pharmacy Report

- Summary of pharmacy services for 2014, not too far off from target.
- Nursing Home is bulk of revenue; Community Treatment and Residential clients to begin utilizing our Pharmacy.

#### Investment Policy

- Committee reviewed the Investment Policy.
- **Motion**/second Zriny/Nye to concur and approve the Investment Policy. Motion carried.

#### Future Agendas

- Accounts Receivable

**Motion**/second Nye/Zriny to adjourn at 11:50 a.m. Motion carried.

*ddo*

## NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD MEETING MINUTES

February 26, 2015

12:00 p.m.

NCHC – Wausau Campus

Present:

X	Jean Burgener	X	Joanne Kelly	EXC	Holly Matucheski
X	Bill Metter	X	Bill Miller	X	Ron Nye
X	Lee Olkowski	EXC	Dr. Eric Penniman	EXC	John Robinson
X	Greta Rusch	EXC	Laura Scudiere	EXC	Dr. David Tange
EXC	Bob Weaver	X	Jeff Zriny		

Also Present: Gary Bezucha, Brenda Glodowski, Becky Schultz, Toni Simonson, Michael Loy, Debbie Osowski

The meeting was called to order 12:04 p.m. Roll call was taken and a quorum declared.

### Consent Agenda

- **Motion** Zriny, 2<sup>nd</sup> Olkowski to approve the 01/29/15 Finance, Personnel & Property Committee minutes and the 01/29/15 Board meeting minutes. Motion carried.
- A brief review of the anticipated impacts of the Governor's budget was provided as an addendum to the CEO report. Information in the budget is vague and confusing.
  - Increase in funding for elderly and transportation aides
  - Mental health crisis programs unable to determine due to confusing information
  - Streamlining mental health funding – unsure if this is positive or negative
  - Substance abuse treatment – expands Medicaid coverage
  - Family Care has substantial changes to the program as outlined in the memo from Mark Hillikier that was included in the Board packet
  - CMO's will cease to exist and become an HMO which would move them from the Dept. of Long Term care to the Commissioner of Insurance
- **Motion** Olkowski, 2<sup>nd</sup> Metter to approve the CEO report. Motion carried.

### Chairperson's Report

- Committee had a phone conference with the Strategic Planning consultants to review all program areas, goals, concerns, etc. All areas are on the table for discussion.
- **Motion** Kelly, 2<sup>nd</sup> Olkowski to approve the 2/10/15 Executive Committee minutes. Motion carried.

### Quality Committee Report

- Organizational Quality Dashboard was reviewed.
- **Motion** Olkowski, 2<sup>nd</sup> Zriny to approve the report. Motion carried.

### Financial Report

- There was a small gain for the month in both nursing home and human services programs; are slightly behind target, but anticipate improvement by end of February.

- Census in the hospital and nursing home are doing well and above targets for February.
- Accounts receivables were discussed at length in the Finance Committee meeting. Action plan is in place to make improvements in this area by 4<sup>th</sup> quarter. Working with vendor in getting the billing system working better which includes resolving 37 cases by 3/31/15.

#### Finance, Personnel & Property Committee Report

- January financials were reviewed.
- Significant discussion surrounding system conversion. Expectation is to see improvement in days in Accounts Receivable; will continue to monitor closely.
- Completed the annual review of the lease agreements with tenants. No changes noted.
- Reviewed profitability of pharmacy from 2014.
- Committee took action to not provide an employee incentive bonus this year due to low profitability. Will consider the incentive bonus again next year based on 2015 outcomes.
- **Motion** Olkowski, 2<sup>nd</sup> Burgener to approve report. Motion carried.

#### Nursing Home Operations Committee (NHOC) Report

- Committee meetings are looking to move from the 2<sup>nd</sup> Friday to the 4<sup>th</sup> Friday of the month mainly to provide time for financials to be completed and available for review prior to meetings.
- Census remains high in the nursing home.
- An Aspirus affiliation with Mount View Care Center has been approved. We are one of four area nursing homes with this affiliation.
- Tracking the impact Navi Health is having on the average length of stay is important. Length of stay has decreased by 25% with Navi Health and by 47% with Security Health. We will continue to work to increase census.
- Master Facility Plan was discussed. Staff was complimented on the planning so that residents would only be moved once during the construction phase.
- Committee will meet March 13 from 8 a.m. – Noon for strategic planning. Potential change in monthly meeting date would occur in April.
- **Motion** Burgener, 2<sup>nd</sup> Metter to approve the report and the minutes of the 02/13/15. Motion carried.

#### Medical Staff

- **Motion** Burgener, 2<sup>nd</sup> Rusch to approve the appointment of Mid-Level Practitioner privileges for:
  - Ruth Nelson-Lau, APNP
  - Betsy Bittman, M.D.
  - Leandrea Lamberton, M.D.

#### Strategic Planning Consultant

- Board felt it is important the consultants have awareness of the state budget prior to the Board Retreat and as much information be provided to them in advance.
- Board Retreat has been moved to **Wed, April 1, from 12:00 – 8:00 p.m.** at the Westwood Center.

Brian Schoeneck, Leading Age Wisconsin

- Presentation provided on Long Term Services and Supports: The Changing Landscape

**Motion** Metter, 2<sup>nd</sup> Miller to adjourn at 1:50 p.m. Motion carried.

*Minutes prepared by Debbie Osowski, Executive Assistant*

## CEO Report: March, 2015

1. **Nursing Home Renovation Project:** Bids on the project were received last week and came in considerably over target. As a result, we have had to reconfigure the project budget to stay within the prescribed limit of \$13.5 million. Working with Samuels Group, we have been able to complete that task with minimal changes to the originally planned project budget. Several “alternates” were included in the bid package to test which we would be able to complete within our \$13.5 million target range. Due to the fact that bids came in high we were only able to include one of those alternates; Legacies by the Lake renovations.
2. **Community Corner Clubhouse Move:** Renovations are progressing well on the new site for our Community Corner Clubhouse and they anticipate occupying the new space in late April. The new site is a much improved space at a cost equivalent to current occupancy costs and all of the renovation necessary has been funded through grants.
3. **Behavioral Health Integration Revisited:** In the process of preparing to participate in the Behavioral Health Integration Collaborative last year, we built quite a bit of infrastructure with community partners. With DHS pulling funding for this project last year, we have elected to explore what we can do on our own without funding from DHS because the intent of the project is still very important; integrating primary care with behavioral health care for improved overall care of people with mental illness. To that end, we are working with Bridge Community Clinic to explore opportunities to accomplish this. We will first explore opportunities to provide dental care for our nursing home residents, outpatient and community health clients. If that is successful, we will hope to expand to primary care for our outpatient and community mental health clients.
4. **SHIP Program:** The State of Wisconsin Department of Health Services has received a federal SHIP (State Health Improvement Plan) grant to develop and test an innovative payment and service delivery model to reduce program expenditures and improve quality of care. Development of a successful plan could potentially lead to a multi-million dollar grant to implement the plan. Toni Simonson and I have been asked to participate in a Mental Health Workgroup as part of the plan development and we will be working with the other workgroups over the next 12 months. There is no direct impact or benefit for NCHC in our participation; however this is a very important development that will impact the delivery of care statewide.

5. **JCAHO Survey:** We are anticipating having our first JCAHO (Joint Commission Accreditation of Healthcare Organizations) accreditation survey in June of this year. Because part of this survey is a hospital survey, the survey must be unannounced. However, we do know that it will take place in a timeframe of approximately either late June or early July. The survey will involve all areas of the organization with the exception of the nursing home. We are anticipating providing formal education to the board about the survey process and any potential involvement of governance at the April and May board meetings.
  
6. **Aquatic Therapy Program:** A final report has been received from USA Aquatics and that report will be reviewed by the Marathon County HHS Committee at its March meeting. It is also scheduled to go through a vetting process by a combined group of stakeholders on March 31. I will anticipate bringing the report and any potential recommendations to the April board meeting for review by our board. It will eventually go to the Marathon County Board to be acted upon. We have also been successful in initiating fund-raising for this project. To date we have commitments for approximately \$325,000. The goal is to raise \$1 million through philanthropy to supplement the funding the county will provide through its capital improvement program.
  
7. **Psychiatry Residency Program:** We are continuing to work with potential partners on gaining commitments to support this endeavor. We currently have solid commitments from NCHC, Bridge Community Clinic, Wood County, and Portage County. Ministry Health Care and Aspirus are still considering their level of support. The Marshfield Clinic has declined to participate. We had meetings with both the Forest County Potawatomi and the Lac du Flambeau tribes and see questionable support. We are also still waiting for the VA to commit to how they will support this endeavor.



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

**February 05, 2015**

**10:00 AM**

**NCHC – Wausau Campus**

PRESENT: Ron Nye, Lee Olkowski, Laura Scudiere (via phone)

ALSO PRESENT: Bill Metter, Jeff Zriny (via phone), Michael Loy, Gary Bezucha, Steve Schafer and Neil Shapiro of Schafer Consulting (via phone)

EXCUSED: Bob Weaver

## **AGENDA:**

1. The meeting was called to order by Ron Nye at 10:00 AM and a quorum was noted.
2. Strategic planning discussion consisted of:
  - Review/discussion of attached agenda.

Several items were noted/discussed:

- Getting out of the nursing home business is not on the table; financial performance of nursing home should be reviewed
  - Substance abuse services are critical to maintain
  - Residential AODA program is critical to establish
  - Must maintain expected services as stated in state statutes
  - Interested in exploring expansion into 'new territory'
  - Involvement with forming Accountable Care Organizations (ACOs)
  - Explore affiliations with other governmental functions to focus on community behavioral issues and improved relationships with justice system
  - Establish/improve working relationship with area hospitals/emergency rooms
  - The retreat will include reviewing the mission and vision of the organization
3. Adjourn: **Motion** by Olkowski, second by Nye to adjourn. Motion carried. Meeting adjourned at 10:40 AM.

*dko*

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

**March 10, 2015**

**10:30 AM**

**NCHC – Wausau Campus**

PRESENT: Ron Nye, Laura Scudiere, Lee Olkowski

ALSO PRESENT: Gary Bezucha

EXCUSED: Bob Weaver

### **AGENDA:**

1. The meeting was called to order by Ron Nye at 10:35 AM and a quorum was noted.
2. Minutes of 2/05/15 and 2/10/15 Executive Committee meetings: moved for approval by Laura Scudiere, seconded by Lee Olkowski and approved unanimously without changes.
3. CEO Report:
  - a. Aquatic Therapy Program: Final report from USA Aquatics should be available for April NCHC Board meeting. Fund raising committee has obtained commitments on \$275,000 for the project.
  - b. Nursing Home Renovation Project: Bids will be opened on 3/12/15 and will be able to report out on this to Nursing Home Operations Committee on Friday. Marathon County is working on the bond issue and we still anticipate that it will go to the County Board at the April meeting for final vote.
4. Contracts developed by Marathon County Governance Task Force: Three contracts have been developed by the governance task force and these will go to the NCHC Board for approval in either April or May. They include: 1) revised Joint County Contract, 2) revised Nursing Home Management Agreement and, 3) revised Marathon County Use Agreement. Drafts of these agreements are being reviewed next week by the Task Force.
5. Items to be included on agenda for 3/26/15 NCHC Board meeting:
  - a. Audit: for action
  - b. Update on state budget: information only
6. **Motion** for adjournment by Lee Olkowski, seconded by Laura Scudiere. The meeting was adjourned by Ron Nye at 11:15 AM

QUALITY OUTCOME DASHBOARD

DEPARTMENT: NORTH CENTRAL HEALTH CARE

FISCAL YEAR: 2015

PRIMARY OUTCOME GOAL	TARGET (Rating 2)	↑ ↓	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	2014
CLINICAL																
Nursing Home Readmission Rate	5-7%	↓	10.7%	5.5%											7.2%	4.8%
Psychiatric Hospital Readmission Rate	9-11%	↓	11.0%	9.3%											10.2%	10.0%
AODA Relapse Rate	18-21%	↓	17.9%	25.0%											20.0%	10.8%
NCHC Adverse Event Rate	3.8-4.0	↓	3.5	4.1											3.8	4.1
PEOPLE																
Injury Claims*	50-60	↓	24	18											18	n/a
Employee Turnover Rate*	20-23%	↓	22.4%	19.5%											19.5%	25.5%
SERVICE																
Client/Patient/ Resident Satisfaction Percentile Rank	58-66 Percentile	↑	66th	70th											71st	59th
Community Partner Satisfaction Percent Good/Excellent	75-80%	↑	\	68%											68%	71%
COMMUNITY																
Community Employment Rate	15.8-18%	↑	27.20%	25.2%											26.2%	n/a
NCHC Access Measure	90-95%	↑	98%	98%											98%	n/a
Recidivism Rate for OWI	27-32%	↓	31.37%	26.32%											30.00%	31.30%
FINANCE																
Direct Expense/Gross Patient Revenue	55-59%	↓	61%	51%											56%	59.7%
Days in Account Receivable	55-60	↓	80	79											79	79
Write-Off Percent of Gross Revenue	.5-.6%	↓	0.18%	0.27%											0.22%	n/a

KEY: ↑ Higher rates are positive

↓ Lower rates are positive

\* Monthly Rates are Annualized

## NCHC OUTCOME DEFINITIONS

CLINICAL	
<b>Nursing Home Readmission Rate</b>	Percent of Nursing Home Medicare residents rehospitalized within 30 days of admission to the Nursing Home.
<b>Psychiatric Hospital Readmission Rate</b>	Percent of patients who are readmitted within 30 days of discharge from the Inpatient Behavioral Health hospital.
<b>AODA Relapse Rate</b>	Percent for patients admitted to Ambulatory Detoxification or the Behavioral Health hospital for detoxification then readmitted within 30 days of discharge for repeat detoxification.
<b>NCHC Adverse Event Rate</b>	Rate of client/patient/resident occurrences that are considered adverse events per 1000 patient days/visits. Adverse events are occurrences with a high potential for harm, injury or adverse outcome due to human error, process failure or environmental factors.
PEOPLE	
<b>Injury Claims</b>	The number of employee injuries with associated worker's compensation claims. Monthly figures represent an annualized rate.
<b>Employee Turnover Rate</b>	Percent of employee terminations (voluntary and involuntary) of the total workforce. Monthly figures represent an annualized rate.
SERVICE	
<b>Client/Patient/Resident Satisfaction Percentile Rank</b>	Comparison rate (to other organizations in the Health Stream database) of the percent of level 9 and 10 responses to the Overall rating question on the survey.
<b>Community Partner Satisfaction Percent Good/Excellent</b>	Percentage of "Good and Excellent" responses to the Overall Satisfaction question on the survey.
COMMUNITY	
<b>Community Employment Rate</b>	Percent of Community Treatment, Prevocational, and Community Corner Clubhouse clients receiving vocational support/services who are employed.
<b>NCHC Access Measure</b>	% of clients obtaining services within the Best Practice timeframes in NCHC programs.
<b>Recidivism Rate for OWI</b>	Percentage of AODA clients who receive treatment at NCHC that have 2 or more OWI convictions.
FINANCE	
<b>Direct Expense/Gross Patient Revenue</b>	Percentage of total direct expense compared to gross revenue.
<b>Days in Account Receivable</b>	Average number of days for collection of accounts.
<b>Write-Off percent</b>	Write-offs as a percent of gross revenue

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

**January 15, 2015, 10:30 a.m.**

**NCHC – Wausau Campus**

Present: Darren Bienvenue, Holly Matucheski, Dr. Eric Penniman, Bill Miller

Excused: Laura Scudiere, Jean Burgener

Also present: Gary Bezucha, Becky Schultz, Gretchen Brown, Michael Loy, Toni Simonson, Dr. Gabriel Ticho, Dianna Schlicher

The meeting was called to order at 10:38 a.m.; roll call was noted and a quorum declared. Moments of excellence were shared.

### Minutes

- **Motion**/second by Miller/Bienvenue to approve the minutes of the December 1, 2014, meeting. Motion carried.

### Outcome Data/Safety

- **Motion**/Second by Matucheski/Bienvenue to approve the Outcome Data and Safety information as presented. Motion carried. Staff was commended on the readmission rates and quality metrics.
- Discussion was held on how safety data compares to national level/benchmarks.

### Closed Session

- **Motion**/second by Bienvenue/Miller to adjourn into Closed Session, 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 and to allow staff to remain. Motion carried and moved into closed session at 10:56 a.m. Roll Call taken, Yes=4, No=0.
- **Motion**/second by Miller/Bienvenue to approve the closed session minutes of December 1, 2014.
- **Motion**/second by Miller/Bienvenue to come out of closed session. Motion carried.
- No announcements from closed session.

### 2015 Quality Plan Update

- A revised 2015 Quality Plan was presented with recommendations from the December 1, 2014, meeting included.
- Discussed employee turn-over and community client employment measurements rate target revisions.
- **Motion**/second by Matucheski/Bienvenue to approve the 2015 Quality Plan.

#### Hospital Utilization Review Plan

- This is a requirement of all hospitals.
- The Committee will be provided regular reports on utilization review.
- The Plan helps to ensure continuity of care, medical necessity and appropriate length of stays.
- A Hospital Utilization Review Team will review cases/information and make recommendations.
- **Motion**/second by Bienvenue/Miller to approve the Hospital Utilization Review Plan. Motion carried.

#### Joint Commission Education

- Joint Commission accreditation will take place after June 1, 2015.
- Once accredited, NCHC can apply for “deemed” status with the Centers for Medicare & Medicaid Services (CMS) whereby scheduled state surveys would no longer occur because the Joint Commission survey process would replace the CMS survey. Deemed status does not apply to nursing home.
- NCHC is applying for accreditation in behavioral health programs.
- Leadership and the Board of Directors need to demonstrate that they are ensuring quality care that meets professional standards/safety at NCHC. Specific initiatives and reports that ensure these were reviewed.

#### Future Agenda Items

Human Resources will provide information outlining the validation of staff competency.  
Report on compliance auditing.

- **Motion**/second by Miller/Matucheski to adjourn at 11:58 a.m. Motion carried.

*dls*



## NORTH CENTRAL COMMUNITY SERVICES PROGRAM

### OFFICIAL NOTICE AND AGENDA of a meeting of the Board or a Committee

A meeting of the Finance, Personnel & Property Committee will be held at NCHC – Badger Room, 1100 Lake View Dr., Wausau, WI at 11:00AM, on Thursday, March 26, 2015.

### AGENDA

1. Call to order
2. Minutes of 02/26/2015 Finance, Personnel & Property Committee meeting
  - a. Action: approve of minutes
3. February financials
  - a. Action: approve financial statements
  - b. Write-offs (report only; no action)
4. CFO Report
5. Accounts Receivable Update
6. Future agendas
7. Adjourn

- Action may be taken on any agenda items.
- In the event that any individuals attending this meeting may constitute a quorum of another governmental body, the existence of the quorum shall not constitute a meeting as no action by such body is contemplated.

Signed: /s/Gary Bezucha  
Presiding Officer or His Designee

#### COPY OF NOTICE DISTRIBUTED TO:

Wausau Daily Herald                      Antigo Daily Journal  
Tomahawk Leader                      Merrill Foto News  
Langlade, Lincoln & Marathon County Clerk Offices  
DATE: 3-19-2015      TIME: 4:00 p.m.

VIA:   x        FAX   x        MAIL

BY: D. Oppen

#### THIS NOTICE POSTED AT

NORTH CENTRAL HEALTH CARE  
DATE: 03-19-2015      Time: 4:00 p.m.  
By: D. Oppen

Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative office at 848-4404. For TDD telephone service, call 845-4928.

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM  
FINANCE, PERSONNEL & PROPERTY COMMITTEE MEETING MINUTES**

February 26, 2015

11:00 a.m.

NCHC – Wausau Campus

Present:

X	Ron Nye	X	Jeff Zriny	X	Lee Olkowski
	Bob Weaver		John Robinson		

Also Present: Gary Bezucha, Brenda Glodowski, Michael Loy, Darla Opper

The meeting was called to order at 11:00 AM, roll call taken, and a quorum noted.

Minutes

**Motion**/second Nye/Zriny to approve the minutes of the 01/22/14 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- Expenses:
  - Overall expenses were below targets for January.
  - State Institutions and Food exceeded budget targets.
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- Revenues:
  - Hospital census was at target of 13, nursing home census averaged 210 compared to the target of 213. Medicare census averaged 27, which was above budgeted target of 26.
  - Outpatient revenue was low in January.
  - Both programs show a small gain for January.
  - Cash remains level compared to January of last year.
- **Motion**/second Zriny/Nye to approve the January financial statements. Motion carried.

CFO Report

- New report – Target vs Actual Summary Analysis to become part of monthly reporting.
- Accounts Receivable Action Plan – updated and report out monthly.
  - Number of open items need to be addressed, we are working with the vendor.
  - These items need to be resolved to get billing out the door, have set 3-31-15 as the due date for completion.
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- CCS claims update – latest test cleared; now sending weekly batches.
- Audit report next month.

#### Employee Incentive for 2014

- Discussion
- Motion/second Zriny/Nye NCHC will not provide incentive for 2014 due to limited measurable gain. Motion carried.

#### Year End Analysis of Lease Agreements

- Reviewed year end information of current lease agreements.

#### Pharmacy Report

- Summary of pharmacy services for 2014, not too far off from target.
- Nursing Home is bulk of revenue; Community Treatment and Residential clients to begin utilizing our Pharmacy.

#### Investment Policy

- Committee reviewed the Investment Policy.
- **Motion**/second Zriny/Nye to concur and approve the Investment Policy. Motion carried.

#### Future Agendas

- Accounts Receivable

**Motion**/second Nye/Zriny to adjourn at 11:50 a.m. Motion carried.

*ddo*



## MEMO

**TO:** North Central Health Care Finance Committee  
**FROM:** Brenda Glodowski  
**DATE:** March 17, 2015  
**RE:** Attached Financials

Attached please find a copy of the February financial statements for your review. To assist you in your review, the following information is provided.

### **BALANCE SHEET**

Accounts Receivable will continue to be a priority through this year. Progress is being made with reducing this area. Cash continues to remain adequate for operations.

### **STATEMENT OF REVENUE AND EXPENSES**

The month of February shows a gain of \$590,280 compared to a budgeted gain of \$117,322, resulting in a positive variance of \$472,958.

The hospital had a busy month, averaging almost 16 patients per day, compared to the target of 13. The CBRF has also had an increase in volume, resulting in increased revenue. The nursing home also exceeded targets for February, averaging almost 215 per day. The target is 213. The Medicare census averaged 34 per day, compared to the target of 26. Outpatient areas also had an improvement in revenue compared to January.

Overall expenses for February were well below targets. Overall employee benefits were below budget targets, with health insurance being a significant contributor to this. A credit was received from the state institutions, which helped reduce this expense for February. Utilities were under budget in February due to the milder weather. There are also a number of vacant positions, which contributed to salaries being below targets. Some of these have been filled, and will be reflected in the coming months.

Through February, the overall organization shows a gain of \$601,174 compared to the targeted gain of \$174,290. The Human Services Program shows a gain of \$531,238 and the Nursing Home shows a gain of \$69,936.

If you have any questions, please feel free to contact me.

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF NET ASSETS  
FEBRUARY 2015**

	<u>51.42/.437</u> <u>PROGRAM</u>	NURSING <u>HOME</u>	<u>TOTAL</u>	TOTAL <u>28-Feb-14</u>
CURRENT ASSETS:				
CASH AND EQUIVALENTS	6,019,661	(106,124)	5,913,537	7,343,572
SHORT-TERM INVESTMENTS	7,029,482		7,029,482	6,495,769
CASH FOR APPROVED CAPITAL PURCHASES	1,768,453	502,066	2,270,518	1,804,231
DONATED FUNDS	184,015		184,015	131,489
ACCOUNTS RECEIVABLE:				
PATIENT (NET)	4,547,277	4,443,155	8,990,432	5,258,427
STATE GRANTS	410,742		410,742	289,970
OTHER	254,315		254,315	320,776
APPROPRIATIONS RECEIVABLE	0		0	1,321,698
AMOUNTS RECEIVABLE FROM				
THIRD-PARTY REIMBURSEMENT PROGRAMS	382,667	333,332	715,999	833,499
INVENTORY	16,920	256,902	273,822	331,005
OTHER	<u>476,777</u>	<u>64,904</u>	<u>541,681</u>	<u>662,384</u>
TOTAL CURRENT ASSETS	<u>21,090,308</u>	<u>5,494,235</u>	<u>26,584,543</u>	<u>24,792,820</u>
CAPITAL ASSETS				
CAPITAL ASSETS	29,477,229	14,560,773	44,038,002	42,621,186
ACCUMULATED DEPRECIATION	<u>(21,986,874)</u>	<u>(10,635,389)</u>	<u>(32,622,262)</u>	<u>(31,142,946)</u>
CAPITAL ASSETS - NET	<u>7,490,355</u>	<u>3,925,385</u>	<u>11,415,740</u>	<u>11,478,240</u>
OTHER ASSETS - DEFERRED CHARGES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RESTRICTED ASSETS - PATIENT TRUST FUNDS	<u>9,633</u>	<u>36,975</u>	<u>46,608</u>	<u>334,745</u>
<b>TOTAL ASSETS</b>	<u>28,590,297</u>	<u>9,456,595</u>	<u>38,046,891</u>	<u>36,605,804</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF NET ASSETS  
FEBRUARY 2015**

	<u>51.42/.437 PROGRAM</u>	<u>NURSING HOME</u>	<u>TOTAL</u>	<u>TOTAL 28-Feb-14</u>
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	3,179,004	0	3,179,004	2,981,002
THIRD PARTY PAYABLE	415,000	0	415,000	466,000
APPROPRIATIONS ADVANCES	713,175	0	713,175	80,993
ACCRUED LIABILITIES:				
SALARIES & RETIREMENT	1,428,493	0	1,428,493	2,134,100
PAYROLL TAXES AND WITHHOLDING	155,832	0	155,832	235,870
COMPENSATED ABSENCES	1,564,169	0	1,564,169	1,549,250
OTHER PAYABLES	72,806	0	72,806	0
DEFERRED REVENUE - STATE GRANTS	<u>188,442</u>		<u>188,442</u>	<u>188,167</u>
TOTAL CURRENT LIABILITIES	<u>7,716,921</u>		<u>7,716,921</u>	<u>7,635,382</u>
PATIENT TRUST FUNDS	<u>9,633</u>	<u>36,894</u>	<u>46,527</u>	<u>334,526</u>
NET ASSETS:				
INVESTED IN CAPITAL ASSETS	7,490,355	3,925,385	11,415,740	11,478,240
UNRESTRICTED	12,842,149	5,424,380	18,266,530	17,021,177
OPERATING INCOME(LOSS)	<u>531,238</u>	<u>69,936</u>	<u>601,174</u>	<u>136,478</u>
TOTAL NET ASSETS	<u>20,863,742</u>	<u>9,419,701</u>	<u>30,283,444</u>	<u>28,635,896</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>28,590,297</b></u>	<u><b>9,456,595</b></u>	<u><b>38,046,891</b></u>	<u><b>36,605,804</b></u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING FEBRUARY 28, 2015**

<b>51.42/.437 PROGRAMS</b>	<b>CURRENT MONTH ACTUAL</b>	<b>CURRENT MONTH BUDGET</b>	<b>CURRENT MONTH VARIANCE</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>YTD VARIANCE</b>
<b>REVENUE</b>						
Net Patient Service Revenue	<u>\$1,429,437</u>	<u>\$1,342,889</u>	<u>\$86,548</u>	<u>\$2,702,046</u>	<u>\$2,815,191</u>	<u>(\$113,145)</u>
<b>OTHER REVENUE</b>						
State Match / Addendum	325,060	325,120	(59)	650,120	650,239	(119)
Grant Revenue	170,072	183,743	(13,671)	343,897	367,856	(23,959)
County Appropriations - Net	594,566	588,525	6,041	1,189,132	1,177,051	12,082
Departmental and Other Revenue	<u>106,984</u>	<u>145,825</u>	<u>(38,841)</u>	<u>233,351</u>	<u>291,650</u>	<u>(58,299)</u>
Total Other Revenue	<u>1,196,682</u>	<u>1,243,213</u>	<u>(46,531)</u>	<u>2,416,500</u>	<u>2,486,796</u>	<u>(70,295)</u>
<b>TOTAL REVENUE</b>	<b>2,626,119</b>	<b>2,586,102</b>	<b>40,017</b>	<b>5,118,546</b>	<b>5,301,987</b>	<b>(183,441)</b>
<b>EXPENSES</b>						
Direct Expenses	1,582,422	1,748,569	(166,147)	3,384,264	3,646,633	(262,369)
Indirect Expenses	<u>533,073</u>	<u>750,816</u>	<u>(217,743)</u>	<u>1,222,235</u>	<u>1,537,017</u>	<u>(314,782)</u>
Total Expenses	<u>2,115,495</u>	<u>2,499,385</u>	<u>(383,890)</u>	<u>4,606,499</u>	<u>5,183,650</u>	<u>(577,151)</u>
Operating Income (Loss)	<u>510,624</u>	<u>86,717</u>	<u>423,907</u>	<u>512,047</u>	<u>118,337</u>	<u>393,710</u>
<b>Nonoperating Gains (Losses):</b>						
Interest Income	5,930	7,500	(1,570)	11,770	15,000	(3,230)
Donations and Gifts	5,497	0	5,497	7,421	0	7,421
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Gains / (Losses)	<u>11,427</u>	<u>7,500</u>	<u>3,927</u>	<u>19,191</u>	<u>15,000</u>	<u>4,191</u>
Operating Income / (Loss)	<u>\$522,051</u>	<u>\$94,217</u>	<u>\$427,834</u>	<u>\$531,238</u>	<u>\$133,337</u>	<u>\$397,901</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING FEBRUARY 28, 2015**

<b>NURSING HOME</b>	<b>CURRENT MONTH ACTUAL</b>	<b>CURRENT MONTH BUDGET</b>	<b>CURRENT MONTH VARIANCE</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>YTD VARIANCE</b>
<b>REVENUE</b>						
Net Patient Service Revenue	<u>\$1,928,679</u>	<u>\$1,909,865</u>	<u>\$18,814</u>	<u>\$3,965,688</u>	<u>\$3,951,547</u>	<u>\$14,142</u>
<b>OTHER REVENUE</b>						
County Appropriations - Net	141,666	141,667	(1)	283,333	283,333	(0)
Departmental and Other Revenue	<u>31,268</u>	<u>34,833</u>	<u>(3,565)</u>	<u>62,974</u>	<u>69,666</u>	<u>(6,692)</u>
Total Other Revenue	<u>172,934</u>	<u>176,500</u>	<u>(3,566)</u>	<u>346,307</u>	<u>353,000</u>	<u>(6,693)</u>
<b>TOTAL REVENUE</b>	<b>2,101,613</b>	<b>2,086,365</b>	<b>15,248</b>	<b>4,311,996</b>	<b>4,304,547</b>	<b>7,449</b>
<b>EXPENSES</b>						
Direct Expenses	1,425,875	1,451,283	(25,409)	3,074,297	3,010,796	63,501
Indirect Expenses	<u>607,737</u>	<u>611,978</u>	<u>(4,241)</u>	<u>1,168,364</u>	<u>1,252,797</u>	<u>(84,433)</u>
Total Expenses	<u>2,033,611</u>	<u>2,063,261</u>	<u>(29,650)</u>	<u>4,242,660</u>	<u>4,263,593</u>	<u>(20,933)</u>
Operating Income (Loss)	<u>68,001</u>	<u>23,104</u>	<u>44,898</u>	<u>69,335</u>	<u>40,953</u>	<u>28,382</u>
<b>Nonoperating Gains (Losses):</b>						
Interest Income						
Donations and Gifts	0	0	0	0	0	0
Gain / (Loss) on Disposal of Assets	227	0	227	601	0	601
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Gains / (Losses)	<u>227</u>	<u>0</u>	<u>227</u>	<u>601</u>	<u>0</u>	<u>601</u>
Operating Income / (Loss)	<u>\$68,228</u>	<u>\$23,104</u>	<u>\$45,124</u>	<u>\$69,936</u>	<u>\$40,953</u>	<u>\$28,982</u>

**NORTH CENTRAL HEALTH CARE**  
**COMBINING STATEMENT OF REVENUES AND EXPENSES**  
**FOR PERIOD ENDING FEBRUARY 28, 2015**

<b>TOTAL</b>	<b>CURRENT MONTH <u>ACTUAL</u></b>	<b>CURRENT MONTH <u>BUDGET</u></b>	<b>CURRENT MONTH <u>VARIANCE</u></b>	<b>YTD <u>ACTUAL</u></b>	<b>YTD <u>BUDGET</u></b>	<b>YTD <u>VARIANCE</u></b>
<b>REVENUE</b>						
Net Patient Service Revenue	<u>\$3,358,116</u>	<u>\$3,252,754</u>	<u>\$105,362</u>	<u>\$6,667,734</u>	<u>\$6,766,738</u>	<u>-\$99,003</u>
<b>OTHER REVENUE</b>						
State Match / Addendum	325,060	325,120	(59)	650,120	650,239	(119)
Grant Revenue	170,072	183,743	(13,671)	343,897	367,856	(23,959)
County Appropriations - Net	736,232	730,192	6,040	1,472,465	1,460,384	12,081
Departmental and Other Revenue	<u>138,252</u>	<u>180,658</u>	<u>(42,406)</u>	<u>296,325</u>	<u>361,317</u>	<u>(64,991)</u>
Total Other Revenue	<u>1,369,617</u>	<u>1,419,713</u>	<u>(50,096)</u>	<u>2,762,808</u>	<u>2,839,796</u>	<u>(76,988)</u>
<b>TOTAL REVENUE</b>	<b>4,727,733</b>	<b>4,672,468</b>	<b>55,266</b>	<b>9,430,542</b>	<b>9,606,533</b>	<b>(175,991)</b>
<b>EXPENSES</b>						
Direct Expenses	3,008,297	3,199,853	(191,556)	6,458,561	6,657,429	(198,868)
Indirect Expenses	<u>1,140,810</u>	<u>1,362,794</u>	<u>(221,984)</u>	<u>2,390,599</u>	<u>2,789,814</u>	<u>(399,215)</u>
Total Expenses	<u>4,149,107</u>	<u>4,562,646</u>	<u>(413,539)</u>	<u>8,849,160</u>	<u>9,447,243</u>	<u>(598,083)</u>
Operating Income (Loss)	<u>578,626</u>	<u>109,822</u>	<u>468,804</u>	<u>581,382</u>	<u>159,290</u>	<u>422,092</u>
<b>Nonoperating Gains (Losses):</b>						
Interest Income	5,930	7,500	(1,570)	11,770	15,000	(3,230)
Donations and Gifts	5,724	0	5,724	8,022	0	8,022
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Gains / (Losses)	<u>11,654</u>	<u>7,500</u>	<u>4,154</u>	<u>19,792</u>	<u>15,000</u>	<u>4,792</u>
Operating Income / (Loss)	<u>\$590,280</u>	<u>\$117,322</u>	<u>\$472,958</u>	<u>\$601,174</u>	<u>\$174,290</u>	<u>\$426,884</u>



NORTH CENTRAL HEALTH CARE  
REPORT ON AVAILABILITY OF FUNDS  
February 28, 2015

FUNDS REQUIRED TO MEET CURRENT OPERATIONAL NEEDS:

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT
BMO Harris	395 Days	04/28/2015	0.35%	\$500,000
People's State Bank	365 Days	04/29/2015	0.50%	\$350,000
People's State Bank	365 Days	04/30/2015	0.50%	\$500,000
Abby Bank	365 Days	05/03/2015	0.55%	\$500,000
CoVantage Credit Union	365 Days	05/28/2015	0.55%	\$500,000
Abby Bank	365 Days	05/30/2015	0.55%	\$500,000
BMO Harris	395 Days	07/26/2015	0.30%	\$500,000
Abby Bank	365 Days	07/05/2015	0.55%	\$500,000
Abby Bank	365 Days	07/19/2015	0.55%	\$500,000
People's State Bank	365 Days	08/21/2015	0.45%	\$500,000
Abby Bank	365 Days	08/29/2015	0.45%	\$500,000
CoVantage Credit Union	456 Days	10/01/2015	0.65%	\$500,000
People's State Bank	365 Days	10/30/2015	0.50%	\$500,000
Abby Bank	365 Days	10/29/2015	0.55%	\$500,000
River Valley Bank	365 Days	12/27/2014	0.50%	\$500,000
CoVantage Credit Union	365 Days	12/28/2015	0.599%	\$300,000
Abby Bank	365 Days	12/30/2015	0.55%	\$500,000
Abby Bank	730 Days	02/25/2017	0.80%	\$500,000
People's State Bank	365 Days	02/28/2016	0.45%	\$250,000
Abby Bank	365 Days	03/15/2016	0.65%	\$400,000

TOTAL FUNDS AVAILABLE				\$9,300,000
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WEIGHTED AVERAGE	392.74 Days	0.527% INTEREST
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**NCHC-DONATED FUNDS****Balance Sheet**

As of February 28, 2015

**ASSETS****Current Assets****Checking/Savings****CHECKING ACCOUNT**

Adult Day Services	5,124.11
Adventure Camp	693.99
AODA Day Services	-754.62
Birth to 3 Program	2,035.00
Clubhouse	57,242.51
Community Services - M/H	1,679.00
CSP	-492.15
Fishing Without Boundries	1,510.00
General Donated Funds	71,558.04
Housing - DD Services	1,370.47
Langlade HCC	3,034.78
Legacies by the Lake	
Music in Memory	3,702.65
Legacies by the Lake - Other	3,950.01
Total Legacies by the Lake	7,652.66

Lincoln County CSP	-175.00
Marathon Cty Suicide Prev Task	5,798.02
National Suicide Lifeline Stipe	1,926.37
Northern Valley West	1,616.00
Northwoods Alliance	8,752.92
Nursing Home - General Fund	2,139.89
Outpatient Services - Marathon	101.08
Pool	9,646.27
Prevent Suicide Langlade Co.	1,543.55
Suicide Prevention Walk	750.00
United Way	1,262.34

**Total CHECKING ACCOUNT** 184,015.23

**Total Checking/Savings** 184,015.23

**Accounts Receivable**

Accounts Receivable	16.00
<b>Total Accounts Receivable</b>	<u>16.00</u>

**Total Current Assets** 184,031.23

**TOTAL ASSETS** 184,031.23

**LIABILITIES & EQUITY****Equity**

Opening Bal Equity	123,523.75
Retained Earnings	59,745.02
Net Income	762.46
<b>Total Equity</b>	<u>184,031.23</u>

**TOTAL LIABILITIES & EQUITY** 184,031.23

**North Central Health Care  
Budget Revenue/Expense Report**

**Month Ending February 28, 2015**

<b>ACCOUNT DESCRIPTION</b>	<b>CURRENT MONTH ACTUAL</b>	<b>CURRENT MONTH BUDGET</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>DIFFERENCE</b>
<b><u>REVENUE:</u></b>					
TOTAL NET REVENUE	4,727,733	4,672,468	9,430,542	9,606,533	(175,991)
<b><u>EXPENSES:</u></b>					
Salaries and Wages	2,024,459	2,182,700	4,489,096	4,599,250	(110,154)
Fringe Benefits	767,564	888,594	1,613,588	1,872,289	(258,701)
Departments Supplies	455,572	431,133	888,442	862,267	26,175
Purchased Services	286,692	295,725	541,651	578,450	(36,799)
Utilitites/Maintenance Agreements	298,708	315,644	599,848	637,288	(37,441)
Personal Development/Travel	29,758	40,350	54,148	80,700	(26,552)
Other Operating Expenses	92,518	172,988	192,220	345,977	(153,757)
Insurance	38,330	48,258	80,197	96,517	(16,320)
Depreciation & Amortization	136,967	137,253	274,026	274,506	(480)
Client Purchased Services	<u>18,539</u>	<u>50,000</u>	<u>115,946</u>	<u>100,000</u>	<u>15,946</u>
<b>TOTAL EXPENSES</b>	<b>4,149,107</b>	<b>4,562,646</b>	<b>8,849,160</b>	<b>9,447,243</b>	<b>(598,083)</b>
<b>EXCESS REVENUE (EXPENSE)</b>	<b>578,626</b>	<b>109,822</b>	<b>581,382</b>	<b>159,290</b>	<b>422,092</b>

**North Central Health Care  
Write-Off Summary  
February 2015**

	<u>Current Month</u>	<u>Current Year To Date</u>	<u>Prior Year To Date</u>
<b><i>Inpatient:</i></b>			
Administrative Write-Off	\$2,554	\$2,554	\$0
Bad Debt	\$213	\$213	\$20
<b><i>Outpatient:</i></b>			
Administrative Write-Off	\$8,290	\$15,431	(\$320)
Bad Debt	\$715	\$745	\$18,665
<b><i>Nursing Home:</i></b>			
Daily Services:			
Administrative Write-Off	\$0	\$0	\$58
Bad Debt	\$2,988	\$5,495	(\$1,461)
Ancillary Services:			
Administrative Write-Off	\$141	\$141	\$520
Bad Debt	\$0	\$0	\$0
<b><i>Pharmacy:</i></b>			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
<b>Total - Administrative Write-Off</b>	\$10,984.61	\$18,125.61	\$258.00
<b>Total - Bad Debt</b>	\$3,916.07	\$6,453.07	\$17,224.00

**North Central Health Care  
2015 Patient Days**

<u>Month</u>		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budgeted Occupancy</u>	<u>Actual Occupancy</u>
<b>January</b>	Nursing Home	6,603	6,500	(103)	88.75%	87.37%
	Hospital	403	403	0	81.25%	81.25%
<b>February</b>	Nursing Home	5,964	6,007	43	88.75%	89.39%
	Hospital	364	446	82	81.25%	99.55%
<b>March</b>	Nursing Home					
	Hospital					
<b>April</b>	Nursing Home					
	Hospital					
<b>May</b>	Nursing Home					
	Hospital					
<b>June</b>	Nursing Home					
	Hospital					
<b>July</b>	Nursing Home					
	Hospital					
<b>August</b>	Nursing Home					
	Hospital					
<b>September</b>	Nursing Home					
	Hospital					
<b>October</b>	Nursing Home					
	Hospital					
<b>November</b>	Nursing Home					
	Hospital					
<b>December</b>	Nursing Home					
	Hospital					

North Central Health Care  
Finance Committee-Analysis  
Calendar Year: 2015

	Target	January	February	March	April	May	June	July	August	September	October	November	December	YTD
<b>Days Cash On Hand:</b>														
Invested	70	61	62											62
Operating		48	39											47
Total		109	101											109
<b>Average Daily Census:</b>														
Nursing Home	213	210	215											212
Hospital	13	13	16											14
<b>Days in Accounts Receivable:**</b>	55-60 days	80	79											79
<b>Direct Expense/Gross Patient Revenue**</b>	55%-59%	61.00%	51.00%											56.00%
<b>Write Offs**</b>	.5%-.6%	0.18%	0.27%											0.22%
<b>Excess Revenue (Expense):</b>														
Actual		\$10,895	\$590,280											\$601,175
Budget		\$56,970	\$117,322											\$174,292
Prior Year-Actual		\$124,183	\$12,296											\$136,479

\*\*Dash Board Outcomes

**North Central Health Care  
Accounts Receivable Action Plan  
February, 2015**

**Purpose:** Accounts Receivable has escalated to days in Accounts Receivable being at 80 days. The action plan is to bring the days in accounts receivable down to 55-60 days, which will meet the 2015 outcome target for the organization. Accounts receivable has increased significantly with the implementation of the new billing system, Tier. While the billing system is still being worked on to function as needed, the action plan will serve as a guide to stay on task with working through the processes and achieving the desired results.

Action Item	Action	Target Completion Date	Completion Date/Status Update
The accounts with non- applied cash increased to \$2.8 million as of 12/31/14, and include several hundred individual client accounts.	A temporary staff is working entirely on applying cash for the balances as of 12/31/14. The cash application staff position will work on cash application for payments from January forward. This process will be caught up and will remain current once caught up. While there will be an amount of non-applied cash on a regular basis due to prepayment of some services, the dollar amount this will be is significantly less than the current amount.	April 30, 2015	As of March 19: Additional problem has been detected with void/reissues of charges. A support case is filed for this; it is supposed to be corrected by March 31. It has been detected that internal staff were making corrections to the unapplied balances. This has been stopped and only specific staff will be doing this.

As of February 2015, there are 37 billing support cases open with Netsmart that need to be corrected to be able to continue with multiple billing functions.	Are working on an agreement with Netsmart to complete these open cases. In addition, the agreement should include that any other items that occur related to resolving the open cases also need immediate attention and correction. An additional agreement will be put in place for future support cases. The timing of closing the cases will be part of the agreement and will be closely monitored.	March 31, 2015	On March 19 status call, the number of open cases will be updated.
Comprehensive Community Services have not been billed since July, 2014, due to the system not working to enable billing of these services.	Continue testing the file and working with the vendor to correct. Sample bills are submitted to Forward Health for payment to see if the system is working. Once the test bills work through the entire system, billing will be sent every week until all billing is current.	March 31, 2015	As of March 19: A \$400,000 EOB has come in. They check should be here by Monday, March 23. All of September, October, November and December billing has been sent. July and August billing are being done manually and will be completed by March 31.
The client detail aging that is in the Tier system is very long (approx. 8,000 pages) so is not a usable aging. It also does not group the outstanding balances by client in a user friendly format. (The summary aging by payer is being used to analyze the aging)	Work with internal staff (data analyst) to develop aging reports by provider that will accurately reflect the open balances.	March 31,2015	As of March 19: A report has been developed, using Langlade County charges. It is being tested.

Potential errors on the aging have been discovered. It appears that nursing home clients who have a MA liability payment do not drop off the aging once the payment is made. This results in balances being left on the aging after being paid.	Review the aging on individual clients to be sure the balances have been paid, and to understand the trail of how the process is flowing. This will then provide information on how to resolve the problem. Review additional self pay plans to see if this situation is occurring in other areas. A support case has been filed with the vendor to also review.	March 31,2015	During the March 12 status call, Net Smart indicated this was corrected and the report should be run again. When the report was run, the errors still appeared, so this will be discussed again on the March 19 call.
Review all plans with balances over 150 days. Review why they are not paid and take action to bill.	Develop internal reports by plan by client to review which clients have balances. Submit billings on these clients and plan.	May 31, 2015	
Review all aging by client by plan for accuracy.	Once support cases are cleaned up, and all billing is out, review the balances at that point by client t review for accuracy. This is another check to be sure the aging information has been corrected.	June 30, 2015	As of March 19: The aging for Langlade County services is being reviewed.



Continue to monitor the days in A/R every month. Each month the days in A/R should decrease. The target is for days in A/R to reach target levels.	Review and report days in A/R each month.	<p>Monthly.</p> <p>Days in A/R to be between 55 and 60 by year 4<sup>th</sup> quarter, 2015.</p>	The days in A/R as of the end of February decreased by 1 day.
Review of processes in place to monitor efficiency and outcomes of processes.	Monitor processes to be sure they are meeting outcomes of billing and collections on a timely basis, and that days in A/R are maintained at targeted levels.	<p>4<sup>th</sup> Quarter, 2015</p> <p>Ongoing</p>	

## **NORTH CENTRAL COMMUNITY SERVICES PROGRAM NURSING HOME OPERATIONS COMMITTEE MEETING MINUTES**

**March 13, 2015**

**8:00AM**

**NCHC – Wausau Campus**

Present:	X Jean Burgener	X Lee Olkowski	X John Robinson
	X Bill Metter	X John Bandow	X Bill Miller
Also Present:	X Brenda Glodowski	X Gary Bezucha	X Gretchen Brown
	X Terry Kaiser	X JoAnn Pemble	

The meeting was called to order to 8:02 a.m.

### Monthly Meeting Change

It was the consensus of this committee to change the meeting day from the 2<sup>nd</sup> Friday of the month to the 4<sup>th</sup> Friday of the month beginning in April. Therefore, the next meeting will be Friday, April 24, 2015.

### Minutes

- **Motion** / second, Metter / Olkowski to approve minutes of the February 13, 2015 meeting. Motion carried.

### Financial Report

- All budget targets were met or exceeded in February.
- Average census for February was 214, exceeding the 213 target.
- February Medicare was 34, exceeding target of 26.
- Revenues for February also exceeded target. Expenses fell below target.
- An overall gain of \$68,000 was realized for February, which results in a YTD excess of \$29,000.
- Direct expenses and write-offs were also below target.
- At this point, we are ahead of where we were a year ago.
- RUG mix has been more favorable than budget.
- March has been at or above targets as of this date.

### Nursing Home Update

- Mount View was one of four care communities chosen by Aspirus for an affiliation agreement with them. Gretchen will be meeting with Aspirus on March 26 to review contract details.
- We continue to reach out to St. Clare's, but have not yet been able to meet formally with them, mainly due to their internal changes.
- Affiliation agreements are the way of the future for hospitals. They basically are saying they have confidence in your ability to care for their patients and to ensure treatment modalities and plan of care are not fragmented from the hospital to the referred care community. They also ask for certain criteria to be met regarding quality measures. Hospitals want quality nursing homes to work with because nursing home outcomes will affect hospital Medicare reimbursement.
- Suggested to get the clinical outcomes of the other three care communities chosen by Aspirus for comparison.

- We have heard that North Ridge in Manitowoc has put their plans to open a 10-bed vent unit on hold.
- We are continuing to recruit for the open nurse manager positions on Long Term Care and Legacies. There are three good candidates and a decision is anticipated within the next few weeks.
- We have officially terminated our contract with RehabCare and are finalizing the contract for therapy services with Aegis Therapies. Transition will begin in May. One of the goals for the change is to enhance our Outpatient therapy services, which will result in additional revenue growth.
- We are in preliminary meetings with Bridge Community Clinic for a potential partnership with them for dental services for our residents. There may also be potential for dental services for our CBRF and Community Treatment clients as well as possible medical access.
- On February 25, the nursing home had a complaint survey concerning overall quality of care that was found to be unsubstantiated.

#### Master Facility Plan / Phasing Update

- No new information on construction phasing at this time. Are getting close to formalizing a plan to send to our providers, residents and their families, and staff.
- Because some residents now in private rooms will be moving into semi-private rooms during the construction phase, they will have to downsize somewhat. The small gym will be cleared out to store extra resident furniture so families will not have to move anything.
- Bids were submitted on March 12 and came in high. Target for the bids was \$10 million. Three general managers that bid on the total project were:
  - Ellis Stone \$12,830,000
  - Scherrer Construction - \$13,824,000
  - Altmann - \$14,252,000
  - These bids include five alternates that could be pulled from the renovation. These include a new roof for MVCC (\$365,000) renovation of the Legacies units (\$1,700,000), windows (\$380,000), main generator plant and steam plant upgrade (\$920,000), and upgrade for fire system (\$176,000). These upgrades could be put off for approximately five years.
  - If the bids for the alternates are removed, it would bring the lowest bid to \$10,989,000.
  - Would then have to add in Construction Manager and design work costs.
  - There is also \$1.5 million for softs costs and \$700,000 for contingency.
  - Individual bids have not been looked at yet, but if any of them are lower than the GM, money could be saved that way. Not seeing a huge dollar difference at this point.
  - Total construction budget is \$13.5 million, which was approved by the Board.
  - A second resolution is needed to approve the issuance of the bonds. The bids will go to Health and Human Services on March 19. The Finance Committee will want to look at it before it goes to the County Board on April 21<sup>st</sup>.
  - Next step is to run another RFP for the Construction Manager. The first bid came in at \$720,000. When run the second time, it came in at \$537,000. It will be an 18-month project.

- **Motion** / second, Olkowski / Metter to make a resolution to the Health and Human Services Board to move forward with a maximum budget of \$13.8 million, which includes cost for bond issuance. Motion carried with one in opposition.
  - Terry will have more concrete numbers and a report on the scope of the construction by Thursday, March 19 for the Health and Human Services Board.
  - Terry was commended for all the work and the great job he has done.
- Awards of contracts will be after the April 21<sup>st</sup> Board meeting.

#### Education – Impact Act – Jean Burgener

- Jean had presented this information at the LeadingAge Winter Symposium the first week of March and she reviewed highlights with this committee (refer to PowerPoint handout).

#### Strategic Plan Objectives Discussion

- Gretchen reviewed challenges and success in 2014 and 2015 Operational Objectives (refer to PowerPoint handout).
- Identified three focus items for 2015 strategic planning.
  1. Recruiting and maintaining adequate staffing for the nursing home:
    - a. Our Senior Executive of Human Resources, Michael Loy, will be joining the next NHOC meeting on April 24<sup>th</sup>. He will be addressing some of the issues CNAs have with the mandatory pension and other benefits taken from their salaries. The added cost of child care is also a drain on their take-home pay.
    - b. We are not just competing with other area nursing homes, but also with Starbucks, Walmart, etc. They have raised their minimum wage rate and working at Starbucks or Walmart is much easier physically than being a CNA.
    - c. Suggestions to counter obstacles:
      - Tap into baby boomers. Are they physically strong enough to assist with resident transfers, etc.?
      - Consider increasing compensation for CNAs.
      - Provide education on the benefits of saving for retirement.
    - d. **Action:** Provide a demographic of those being hired and why, and those leaving and why.
    - e. A shortage of registered nurses is also predicted. One reason for the shortage is that schools require a Masters' level teacher and there are not enough teachers with those credentials so they cannot keep up the demand to train nurses.
    - f. Regulatory codes are not changing with the shift in professional people available to provide the services they are requiring.
    - g. Focus should be on retention and being the preferred place to work.
  2. Marketing and branding of nursing home:
    - a. Suggested to hire a consultant to assist with appropriate branding process.
    - b. The right marketing / branding will also pull in the right employees.
  3. Revenue enhancement:
    - a. Suggested to become consultants for some of the services we provide such as dementia care and dietary services.
      - We have tried to do consulting but it requires pulling personnel from our clinical resources.
      - Consulting is not part of our mission/vision; we are not a teaching institution.

- b. We are already set up to enhance our Outpatient therapies with a new therapy provider and renovated gym.
  - c. Research revenue options with potential to identify 2-3 potential new revenue streams.
  - d. Inventory our strengths; out of strengths come opportunities. Branding process could help in this area.
  - e. Don't want to get stuck in what already exists, but identify where focus should be, what people are really looking for, what would position us to be better than other nursing homes.
  - f. Have to remember that we are a county nursing home that is here primarily for the protectively placed and dementia / Alzheimer's residents. This is our anchor and is what keeps the county tie.
- Concluded strategic planning discussion.

#### Future Agenda Items

- Add three strategic planning focus items: 1) staffing, 2) marketing / branding, and 3) new revenue streams
- Educational presentations on current trends / changes in what is happening in the Medicare and regulatory world
- Continue format with financials with addition of Nursing Home Monthly Information sheet.
- Action plan items
- Master facility plan / phasing
- Federal budget impact

**Motion** / second, Olkowski / Badow to adjourn. Motion carried. Meeting adjourned at 11:00am.

*jhp*

# MEMO

**TO:** Friends and Partners of Community Care Connections of Wisconsin  
**FROM:** Mark Hilliker, Chief Executive Officer *Mark Hilliker*  
**DATE:** March 10, 2015  
**SUBJECT:** STATE BUDGET PROPOSAL FOR LONG-TERM CARE IN WISCONSIN

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Last month I shared information with you regarding a budget proposal made by Governor Walker that fundamentally affects the long-term care delivery system in Wisconsin. Over the last several weeks, I have had the chance to discuss this matter with many of you, and I'm truly thankful for that opportunity. I'm writing today to provide some follow up information for your consideration.

A newly established organization made up of disability advocates, managed care organizations, Aging & Disability Resource Centers, county government, and long-term care providers, called the Wisconsin Long-Term Care Coalition, has published a resolution related to the Governor's budget proposal. The Coalition is looking for organizations, agencies, units of government, and other groups to sign on to support the resolution.

The Coalition is focused on collecting as many organizational endorsements as possible before the Joint Finance Committee begins its scheduled public hearings, starting next week. I've enclosed the resolution with this message and hope that you'll consider endorsing it. There is a web-based entry point for endorsements that makes the process very simple. If you would like to support the resolution, simply use the link below to enter information about your organization.

<https://www.surveymonkey.com/s/WSJ5T22>

I would welcome the opportunity to discuss this matter with you in more detail and answer any questions you may have about the Family Care program or the long-term care delivery system in Wisconsin. Please feel free to reach out to me directly to discuss this matter or set up a meeting. My direct phone number is 715-204-1802 and my email address is [mark.hilliker@communitycarecw.org](mailto:mark.hilliker@communitycarecw.org).

Please consider asking your State Representatives and Senators to support the movement of this significant public policy discussion out of budget deliberations into formal committee review, and include engagement of the many long-term care system stakeholders, including you, who have invested so much to create a nationally respected program.

Thank you for your time and attention to this important matter.





## The Wisconsin Long-Term Care Coalition **Keep Our Care at Home**

### RESOLUTION

Retain Wisconsin's Current Long-Term Care System — Family Care, IRIS, Partnership, and Aging & Disability Resource Centers — and make it available in all counties

WHEREAS Governor Walker's 2015-2017 budget proposal would dismantle Wisconsin's nationally admired long-term care (LTC) system currently serving nearly 55,000 older adults and individuals with disabilities, and substantially reduce legislative oversight of the LTC system;

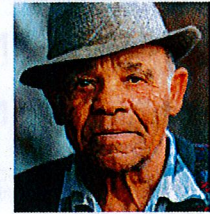
WHEREAS the governor's budget would eliminate IRIS; radically change Family Care and replace all 8 existing regional, homegrown LTC managed care organizations (MCOs) with statewide for-profit health insurance companies providing both health care and LTC services (using a no-bid process); and give authority to the Department of Health Services (DHS) to eliminate county-run Aging & Disability Resource Centers (ADRCs) by contracting out many of their functions;

WHEREAS this massive upheaval was initiated with no input from people receiving LTC services or their families, aging or disability advocates, local officials, MCOs, ADRCs, provider agencies, the State Long Term Care Advisory Council, or legislators;

WHEREAS the current LTC system was the outgrowth of four years of intensive LTC reform planning involving LTC consumers and families, aging and disability advocates, providers, counties and state officials, resulting in strong bi-partisan support for a LTC-only version of Family Care which now enjoys very high customer satisfaction ratings;

WHEREAS the hoped-for reforms have actually been produced by the current system: reducing nursing home utilization, "bending the curve" on Medicaid spending, reducing the portion of Medicaid spent on LTC, and creating locally-based ADRCs to provide prevention and one-stop information on LTC for all citizens;

WHEREAS the current system of Family Care, IRIS, Partnership, and ADRCs has created huge savings for taxpayers while maintaining quality: reducing the Medicaid portion of the budget from 53% in 2002 to 43% in 2011, reducing the nursing home population by 11,000 people, keeping administrative costs for Family Care down to 4.2%, and limiting MCO surpluses to 2%;



WHEREAS the IRIS program was started in 2008 to provide a non-managed care, free market alternative for people who want to self direct all of their services and this popular, unique and flexible program has grown rapidly to its current enrollment of 11,500 people;

WHEREAS ADRCs have become a nationally recognized model and one of the most important roles of county government to meet a variety of needs and reduce the costs of a growing LTC population;

WHEREAS all of the projected \$14 million in savings in state and federal funds in the 2015-2017 budget are the result of current expansion of the existing LTC system into 7 northeast counties and there are no projected additional savings resulting from the governor's proposed changes in LTC;

**THEREFORE BE IT RESOLVED by the undersigned organizations that Wisconsin should retain its existing successful and cost-effective models of Family Care, IRIS, Partnership and ADRCs, and the current level of legislative oversight; should make those models available in all counties to eliminate waiting lists, sustain quality, and achieve further savings; and should resume previous joint efforts of all stakeholders to continually pursue new opportunities to improve the LTC system.**

The Wisconsin Long-Term Care Coalition is made up of aging and disability advocates, managed care organizations, Aging & Disability Resource Centers, and county government, and long-term care providers.

March 2015