

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

May 30, 2013

11:00 a.m.

NCHC – Wausau Campus

Present:

X Lee Olkowski            X Robert Weaver            X John Robinson  
X Ron Nye

Also present: Gary Bezucha, Brenda Glodowski, Paula Hawkins, Chad Bastable

Guest: Kurt Mihelich, M3

The meeting was opened at 11:00 a.m. Roll call was taken and a quorum declared.

Minutes

- **Motion** Olkowski, 2<sup>nd</sup> Robinson, to approve the minutes of the 4/25/13 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- April showed a gain of just over \$301,000.
- We are still seeing revenues down. Hospital is meeting targets, averaging 11; target is 10. In May the hospital is averaging 12. Outpatient area revenue continues to be down. We increased targets for this year and are not meeting them. Expenses, however, are down to offset the revenue shortfalls.
- The committee requested a report on market share of outpatient psychiatric services. We can use past WHA data and extrapolate our data. We would have to buy current data, and employ someone to interpret the data. We can see if Wipfli has data we could use. It will be on a future agenda for discussion.
- We continue to see a drop in nursing home census, down to 235. Through May we are averaging about 230. Medicare is doing well – target is 30 per day; we are averaging 34. Overall census for long term care is down. We are not losing market share, the market is shrinking.
- We continue to manage expenses. Health insurance costs are still doing well through April; we are \$600,000 under budget. Salaries and benefits remain down.
- We've had a lot of activity in state institutes so are \$155,000 over budget through April, and May is even worse. Part of the population in state institutes are children, some circumstantial with clients on the unit, some with individuals we did not feel we could manage, some is a capacity issue if we are full. We are working on a plan of action to better manage capacity and high risk referrals. This is part of client purchased services.
- Maintenance agreements are being caught up and is reflected in purchased services being over budget.

- As of the end of April we show a \$797,000 gain overall, which is \$788,000 ahead of budget targets.
- **Motion** Olkowski, 2<sup>nd</sup> Weaver, to approve the April financials. Motion carried.
- Administrative write-offs are on target.

#### CFO Report

- CCS (Comprehensive Community Services) rates – 2013 rates have been approved, so we will be able to submit claims soon.

#### Budget Update

- We will need to focus on several items in the 2014 budget:
  - Revenue area and impact of it; declining volumes, healthcare reform
  - WI Retirement System – expect another large increase, comparable to this year's increase.
  - Joint Commission accreditation
  - Tax levy reduction
  - Psychiatry services with Bridge Clinic
  - System conversion with electronic medical record; anticipate a drop in revenue with a decrease in productivity during training.
- We do not anticipate a reduction in days with a nursing home facility planning process change, i.e. in revenue. We have enough vacant beds to accommodate during the process. Reduction in number of beds won't affect budget until the year 2015.

#### 2014 Capital Requests

- Capital requests that we will submit to the Marathon County CIP (Capital Improvement Program) Committee were distributed and reviewed.
- Items 1 and 2 may be eliminated if the nursing home master plan is approved.
- Item 3 was submitted last year, and we still feel it is important.
- Item 4 is several small projects to be compatible with Joint Commission standards.
- Item 5 is related to code issues.
- Item 6 will allow us to install equipment to do automated medication packaging.
- Item 7 is routine maintenance projects.
- Item 11 is security issues to decrease access to some areas of the building.
- Item 12 is routine maintenance.
- Items 8-10: we've known the pool is ending its useful life cycle. There are three requests. 8 (repairs to building) and 9 (mechanical upgrades) have to be done together. The pool itself needs to be replaced, and would be replaced with a pool about 75% of the size it is now. So the choice is 8 and 9 or number 10. The only other choice is to get out of the pool business entirely.
- The requests must be approved by the full board, forwarded to the Marathon County Health and Human Services Committee for approval, and then forward to the Marathon County CIP Committee by June 7<sup>th</sup>.

- **Motion** to approve Robinson, 2<sup>nd</sup> Weaver, deleting items 8-10 related to the pool. Motion carried.

#### Employee 457 Plan

- We have a voluntary deferred compensation program. It is employee only contribution; no employer match.
- There are currently 40 active employees participating with Nationwide, and 80 retirees.
- There are 74 in Great West (WI Deferred Comp).
- As part of our fiduciary responsibility we will be developing an investment committee.
- **Motion** Olkowski, 2<sup>nd</sup> Weaver, to approve the recommendation to move from Nationwide to ING. Motion carried.
- The move will be implemented immediately.

#### Future Agendas

- Capital issue of pool
- Budget update
- Discussion on market share of outpatient psychiatry services

**Motion** Robinson, 2<sup>nd</sup> Weaver, to adjourn at 12:05 a.m. Motion carried.

*Pdh*