

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

October 31, 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

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

Minutes

- **Motion** Weaver, 2nd Olkowski, to approve the minutes of the 9/26/13 meeting. Motion carried.

Financials

- September had a gain of almost \$393,000.
- The hospital census averaged 12; target is 10. Nursing home averaged 231; target is 242. Medicare averaged 31; target is 32.
- We maintained expenses. Health insurance did well. We are almost \$1 million under budget in health insurance.
- Year to date the organization is showing a gain of \$1.954 million, which is \$2.1 million ahead of budget targets.
- **Motion** Olkowski, 2nd Weaver, to approve the September financials. Motion carried.
- We have a target of a 10% reduction on administrative write-offs and are below that through September.

CFO Report

- We have begun the banking transition, moving from BMO Harris to Associated Bank. It will take the remainder of the year to complete the transition, starting with payroll first. Finance staff met with the full Associated team. It is a good team with a lot of knowledge, and a lot of local people.
- We are working through implementation of the electronic medical record; billing is part of that. Staff is in training and doing testing. Staff is working on processes and policies to help with the transition. There will be a long term impact on productivity going to a new system. We budgeted for a 50% impact in January of 2014.

Future Agendas

- Revenue growth
 - How we can grow revenue (tax levy, payor mix, productivity)
 - Opportunities with CCCW expansion into 11 counties in NW Wisconsin
 - Discussion on different options to increase revenue
- Impact of psychiatry
- Impact of rehab efforts re: workers comp increase; dig deeper into types of injuries and being selective in areas to reduce costs
- Unbudgeted issue in increased reduction in psychiatry services; more recruitment to maintain levels

The full NCCSP Board joined the Finance meeting, for a joint budget presentation.

2014 Budget Presentation

- Revenue assumptions
 - Nursing home census budget is down.
 - Licensed beds are decreasing (saving \$47,000 annually in bed tax and bed holds).
 - Behavioral health neighborhood will be combining hospital and ambulatory detox services.
 - Annual payments of \$1,125,000 to Family care will continue.
- Expense assumptions
 - Merit increases as of March 1 (range 0%-3.5%) (overall increase of 2.5% to salary budget).
 - IT (Information Technology) is increasing \$250,000, mainly related to maintenance agreements with new system.
- Service Improvements
 - We are combining CCS (Comprehensive Community Services) and CSP (Community Treatment Program) into one program called Community Treatment. There will be better efficiencies, better flow for clients, and reduced FTEs. There is better funding by Medicaid for the CCS component. It reduced county levy by \$900,000, which allowed us to use the levy for increasing psychiatry services, which has a \$450,000 net impact factoring in the expenses due to recruitment.
 - 2 FTEs have been added to the Quality Department for a clerical position and an occupational health specialist to enhance employee safety, and to help reduce workers comp premiums over time (which increased this year by \$300,000).
 - Behavioral Health Integrated Care Pilot – a State of WI initiative. The state identified they wanted a regional area and selected NCHC with our three counties (Langlade, Lincoln & Marathon). It will be for a group pre-identified Medical Assistance clients with a co-morbidity of physical health and a mental health issue. Staff have been working with a team, including state reps, to develop the pilot. They are working on identifying rates, staffing, IT needs, accessing records between partners, etc.

- Revenue/Expenses Change Summary (impact of discontinuing meal contracts)
 - Jail meals contract and ADRC meals contract were not renewed, which had a \$1 million impact.
 - \$586,000 reduction based on meals contracts.
- County Tax Levy
 - Have been reduced for the past several years. For 2014 it represents 15% of the budget.
- Cash Reserves
 - Cash needed per day is \$150,000
 - We are at 55 days cash on hand currently.
 - Goal is to be at 90 days (over \$13 million).
- Priorities
 - Focus shifts from expense management to growing revenue.
- Base county allocation is a state payment; county appropriation is county levy.
- **Motion** Olkowski, 2nd Weaver, for the Finance, Personnel & Property Committee to approve the 2014 budget, and to forward it to the board for approval. Motion carried.
- **Motion** Robinson, 2nd Weaver, to adjourn the Finance, Personnel & Property Committee finance at 12:30 pm. Motion carried.
- Thank you to the Finance Department, the Executive Team and the Finance Committee for an excellent job on the budget.

Pdh