

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 North Central Health Care – Wausau Badger Room, 1100 Lake View Drive, Wausau WI 54403 at 11:00 AM, on Thursday, May 28th, 2015.

AGENDA

1. Call to order
2. Minutes of 04/30/2015 Finance, Personnel & Property Committee meeting
 - a. Action: approve minutes
3. April financials
 - a. Action: approve financial statements
 - b. Write-offs (report only; no action)
4. CFO Report
5. Accounts Receivable Update
6. Action: Approve 2016 capital requests for submission to Marathon County CIP (Capital Improvement Program) Committee
7. Action: Proposal for contractual nursing assistant recruitment/retention compensation strategy
8. Education on Fund Balances
9. Future agendas
10. 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: 5-22-2015 TIME: 4:00 p.m.
VIA: x FAX x MAIL By: D. Osowski

THIS NOTICE POSTED AT
NORTH CENTRAL HEALTH CARE
DATE: 05-22-2015 Time: 4:00 p.m.
By: D. Osowski

Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative office at 848-4405. For TDD telephone service, call 845-4928.

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

April 30, 2015

11:00 a.m.

NCHC – Antigo Campus

Present:

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

Also Present: Gary Bezucha, Brenda Glodowski, Michael Loy, Debbie Osowski

Guest: Gary Olsen

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 2/26/15 and 3/26/15 Finance, Personnel & Property Committee meetings. Motion carried.

Financials

- Expenses:
 - Expenses for March are below targets.
 - Salary and benefit expenses are under budget; however a number of vacant positions are being filled.
 - Health insurance is doing well.
 - Direct Expense to gross is within target
 - Write-offs are below target
- Revenues:
 - March showed a gain for the month of about \$29,000
 - Hospital census averaged 14 patients per day compared to a target of 13; nursing home census averaged 213 patients per day which is at target; Medicare census is exceeding target of 26 with an average just over 28; Outpatient is currently below target but are seeing improvements.
 - Revenue is below budget targets but improving. Documentation must be completed and updated before charges are generated. We are working with clinicians on timeliness of charting and have seen improvements in March and anticipate additional improvements in April.
 - Cash is doing well. Back payments for the Comprehensive Community Services (CCS) program have been received which will show positively in April.
 - Through March the organization shows an overall gain of over \$630,000.
- **Motion**/second, Zriny/Nye to approve the February and March financial statements. Motion carried.

CFO Report

- Distributed a snapshot of the overall budget by month for informational purposes. Fluctuation in days of month affects revenues i.e. 30 days vs 31 days; M-F days by month varies; some expenses vary i.e. utilities.
- Budget process will be added as a regular agenda item beginning in May and until the Board approves the budget in October. A calendar of the budget process will be provided. Counties receive monthly updates.

Accounts Receivable Update

- Accounts Receivable Action Plan was reviewed.
- CCS billing is caught up; \$1.4 million has been received from that program so far.
- Medicaid Biller position is being added which will provide relief to the other billing reps to focus on aging.
- Temporary staff is assisting with the cash application process.
- Currently have 25 open issues with our vendor regarding the billing process; down from 37 in February. Continue weekly calls to work through issues.
- Developing a workable report for managing aging accounts.
- Days in Accounts Receivable decreased four days.
- Nursing home billing should be caught up soon after recent turnover.
- Exploring moving to bi-monthly billing for some programs later in the year.
- May consider a benefit enrollment position in the future.

Review 2014 Year End Fund Balance Summary

- Fund Balance Policy was distributed and reviewed.
- Fund Balance Review as of December 31, 2014 was distributed and reviewed. All Counties received this report at the end of March.

Future Agendas


- Education on Fund Balances

Motion/second, Nye/Weaver to adjourn. Motion carried. Meeting adjourned at 11:45 a.m.

dko

North Central Health Care
2016 Budget By Month

	51.42 Program				Nursing Home				TOTAL:			
	Budgeted Revenue	Budgeted Expense	Excess Revenue (Expense)	YTD	Budgeted Revenue	Budgeted Expense	Excess Revenue (Expense)	YTD	Budgeted Revenue	Budgeted Expense	Excess Revenue (Expense)	YTD
January	\$2,723,385	\$2,684,265	\$39,120	\$39,120	\$2,218,181	\$2,200,332	\$17,849	\$17,849	\$4,941,566	\$4,884,597	\$56,969	\$56,969
February	\$2,593,602	\$2,499,365	\$94,217	\$133,337	\$2,086,365	\$2,063,281	\$23,104	\$40,953	\$4,679,967	\$4,562,646	\$117,321	\$174,290
March	\$2,723,385	\$2,723,786	(\$401)	\$132,936	\$2,218,181	\$2,229,796	(\$11,615)	\$29,338	\$4,941,566	\$4,953,582	(\$12,016)	\$162,274
April	\$2,701,088	\$2,646,386	\$54,692	\$187,628	\$2,174,241	\$2,171,352	\$2,889	\$32,227	\$4,875,329	\$4,817,748	\$57,581	\$219,855
May	\$2,629,046	\$2,710,564	(\$81,518)	\$108,110	\$2,218,181	\$2,219,018	(\$837)	\$31,390	\$4,847,227	\$4,929,582	(\$82,355)	\$137,500
June	\$2,701,088	\$2,643,641	\$57,447	\$163,557	\$2,174,241	\$2,169,107	\$5,134	\$36,524	\$4,875,329	\$4,812,748	\$62,581	\$200,081
July	\$2,735,552	\$2,742,350	(\$6,798)	\$156,759	\$2,218,181	\$2,221,322	(\$3,141)	\$33,383	\$4,953,733	\$4,963,672	(\$9,939)	\$190,142
August	\$2,704,105	\$2,745,105	(\$41,000)	\$115,759	\$2,218,181	\$2,223,567	(\$5,386)	\$27,997	\$4,922,286	\$4,968,672	(\$46,386)	\$143,756
September	\$2,681,808	\$2,680,479	\$1,329	\$117,088	\$2,174,241	\$2,176,257	(\$2,016)	\$25,981	\$4,856,049	\$4,856,736	(\$687)	\$143,069
October	\$2,735,552	\$2,749,512	(\$13,960)	\$103,128	\$2,218,181	\$2,227,159	(\$8,978)	\$17,003	\$4,953,733	\$4,976,671	(\$22,938)	\$120,131
November	\$2,650,359	\$2,683,785	(\$33,426)	\$69,702	\$2,174,241	\$2,178,951	(\$4,710)	\$12,293	\$4,824,600	\$4,862,736	(\$38,136)	\$61,995
December	\$2,672,664	\$2,742,367	(\$69,703)	\$0	\$2,218,181	\$2,230,478	(\$12,297)	\$0	\$4,890,845	\$4,972,845	(\$82,000)	\$0
Totals	\$32,251,635	\$32,251,635	\$0		\$26,310,600	\$26,310,600	\$0		\$58,562,235	\$58,562,235	\$0	

Name of Policy:		 North Central Health Care Person centered. Outcome focused.
FUND BALANCE		
Policy #:		
Primary Approving Body:	Committee Approvals:	

I. Policy Statement

It is the policy of North Central Health Care to monitor the fund balances of each county on a regular basis and report the activity to each County's Finance Director.

II. Purpose

To maintain stable fund balances and to secure viability of the continued growth and future of the Tri-County System.

III. Definitions

Net Position – Represents each County's share of ownership in the organization.

Operational Surplus – Excess revenue over expenses from operations.

Operational Deficit – Excess expense over revenues from operations.

Invested Cash Reserves – Cash that has been invested, such as certificates of deposit.

Operating Cash- Cash in the general checking account used for operations such as payroll and accounts payable.

IV. General Procedure

1. The Unrestricted Fund Balance for each county will be monitored with a minimum and maximum target applied to review adequacy of the balance. The minimum target is 20% of operating expenses and the maximum is 35% of operating expenses.
2. In addition to the targeted Fund Balance, each County's Fund Balance will include a risk reserve of \$250,000.00.
3. Invested Cash Reserves will be applied to each county based on the County's overall net position within the organization. Targeted Days of Invested Cash On Hand is 90 days of operational expense.
4. At the end of the fiscal year, the operational surplus or deficit for each county is applied to the Fund Balance. This is outlined in the annual audit report.
5. At the completion of the annual audit, the NCHC CFO will provide and review a Fund Balance Report with each County's Finance Director. The County Finance Directors will report to their County Finance Committees.

6. The overall target in Unrestricted Fund Balance should be the higher of the maximum target of operating expenses or 90 Days Invested Cash On Hand.
7. If the balance of the Unrestricted Fund Balance exceeds the overall target for two consecutive years, the North Central Health Care CEO and CFO will meet with the County Finance Director to review options for potential utilization of excess reserves. A plan for utilization will be reported back to NCHC Finance Committee.
8. For planning purposes, the NCHC CFO will provide the County Finance Directors the fund balance analysis by March 31st following the finalization of the audit. If any of the fund balances exceed the designated targets and the Finance Director of that county opts to utilize a portion of the excess reserves, the Finance Director should notify NCHC by June 30th.

V. Program-Specific Requirements:

None

References:

North Central Health Care
Fund Balance Review
As of December 31, 2014

	Marathon	Langlade	Lincoln	Total
Total Operating Expenses-2014	\$50,114,066	\$3,291,296	\$3,117,388	\$56,522,750
General Fund Balance Target -Minimum (20% of operating expense)	\$10,022,813	\$658,259	\$623,478	\$11,304,550
General Fund Balance Target-Maximum (35% of operating expenses)	\$17,539,923	\$1,151,954	\$1,091,086	\$19,782,963
Risk Reserve Fund	\$250,000	\$250,000	\$250,000	
Total Fund Balance-Minimum Target	\$10,272,813	\$908,259	\$873,478	\$12,054,550
Total Fund Balance-Maximum Target	\$17,789,923	\$1,401,954	\$1,341,086	\$20,532,963
General Fund Balance-Unrestricted at 12/31/14	\$16,332,432	\$1,306,101	\$1,733,367	\$19,371,900
General Fund Balance-Contributed Capital at 12/31/14	\$10,006,615	\$123,750	\$180,000	\$10,310,365
Total Net Position at 12/31/2014	\$26,339,047	\$1,429,851	\$1,913,367	\$29,682,265
Unrestricted Fund Balance-Above (Below) Minimum Target	\$6,059,619	\$397,842	\$859,889	\$7,317,350
Unrestricted Fund Balance-Above (Below) Maximum Target	(\$1,457,491)	(\$95,853)	\$392,281	(\$1,161,063)
County Percent of Total Net Position	88.74%	4.82%	6.45%	100.00%
Share of Invested Cash Reserves (based Net Position %)	\$8,252,508	\$447,999	\$599,493	\$9,300,000
Days Invested Cash on Hand	60	50	70	60
Targeted Days Invested Cash on Hand	90	90	90	90
Required Invested Cash to meet Target	\$12,356,893	\$811,552	\$768,671	\$13,937,116
Share of Invested Cash Reserves Above (Below) Target	(\$4,104,385)	(\$363,554)	(\$169,178)	(\$4,637,116)



North Central Health Care

Person centered. Outcome focused.

MEMO

TO: North Central Health Care Finance Committee
FROM: Brenda Glodowski
DATE: May 18, 2015
RE: Attached Financials

Attached please find a copy of the April Financial Statements for your review. To assist you in your review, the following information is provided.

BALANCE SHEET

Accounts Receivable continues to see improvement as the overall total in Accounts Receivable decreased again in April. Cash saw an increase as Accounts Receivable continues to improve.

STATEMENT OF REVENUE AND EXPENSES

The month of April shows a gain of \$107,200 compared to a budget gain of \$57,582 resulting in a positive variance of \$49,618. The hospital census averaged just over 13 patients per day compared to the target of 13. The nursing home census averaged 205 per day which is below the target of 213. The Medicare census averaged 26 per day which is the target. Outpatient areas overall were below budget targets for April.

Overall expenses for April were below budget targets. This offsets the revenue shortfall. Salaries continue to be below budget targets but this gap continues to narrow as vacant positions are being filled. Benefits exceeded budget targets for April, mainly due to health insurance. Drugs were high in April due to an extra invoice day. Rehab Services exceeded budget expenses, while revenues were below targets. This is due to the transition of the rehab contract.

Through April, the overall organization shows a gain of \$737,344 compared to the targeted gain of \$219,855. Both programs continue to show a gain. The Human Services Program shows a gain of \$664,987 and the Nursing Home shows a gain of \$72,358.

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

**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
<p>The accounts with non- applied cash increased to \$2.8 million as of 12/31/14, and include several hundred individual client accounts.</p>	<p>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.</p>	<p>April 30, 2015</p>	<p>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.</p> <p>As of April 23: An additional temp staff started 04/21 to work on CCS Cash application. Current temp still working on 2014 cash, most of what can be done is done. There is still some non-applied nursing home. This can't be applied until a</p>

			<p>problem in the system is fixed. Netsmart indicates they continue to work on this.</p> <p>As of May 18: Temp staff is hired to work on CCS payments. There is still a significant amount of non-applied cash. This continues to be worked on.</p>
<p>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.</p>	<p>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.</p>	<p>March 31, 2015</p>	<p>On March 19 status call, the number of open cases will be updated.</p> <p>As of April 23: Still approx. 25 open issues with Netsmart. Continue to work with vendor.</p> <p>As of May 18: There 20 open cases. Net Smart has been contacted again for status report, still waiting for the response.</p>
<p>Comprehensive Community Services have not been billed since July, 2014, due to the system not working to enable billing of these services.</p>	<p>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.</p>	<p>March 31, 2015</p>	<p>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.</p> <p>As of April 23: Billing is current. Approx. \$1,000,000 of payments have been received. Working to apply payments to accounts.</p>

<p>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)</p>	<p>Work with internal staff (data analyst) to develop aging reports by provider that will accurately reflect the open balances.</p>	<p>March 31,2015</p>	<p>As of March 19: A report has been developed, using Langlade County charges. It is being tested.</p> <p>As of April 23: Have reviewed another program (Aquatic) to try and set up internal reports to be able to work from while vendor works on the system aging.</p> <p>As of May 18: There are still struggles with the vendor that are continued to be worked on.</p>
<p>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.</p>	<p>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.</p>	<p>March 31,2015</p>	<p>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.</p> <p>As of April 23: Continue to work with NetSmart.</p> <p>As of May 18: Continue to work with NetSmart.</p>

<p>Review all plans with balances over 150 days. Review why they are not paid and take action to bill.</p>	<p>Develop internal reports by plan by client to review which clients have balances. Submit billings on these clients and plan.</p>	<p>May 31, 2015</p>	
<p>Review all aging by client by plan for accuracy.</p>	<p>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.</p>	<p>June 30, 2015</p>	<p>As of March 19: The aging for Langlade County services is being reviewed.</p> <p>As of April 23: The aging for Aquatic has been reviewed.</p>
<p>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.</p>	<p>Review and report days in A/R each month.</p>	<p>Monthly.</p> <p>Days in A/R to be between 55 and 60 by year 4th quarter, 2015.</p>	<p>The days in A/R as of the end of February decreased by 1 day.</p> <p>The days in A/R as of the end of March have decreased by another 4 days.</p> <p>Are adding a staff to do Medicaid billing.</p> <p>The days in A/R as of the end of April decreased another 3 days.</p>

<p>Review of processes in place to monitor efficiency and outcomes of processes.</p>	<p>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>	<p>4th Quarter, 2015 Ongoing</p>	<p>As of April 23: The goal is to work with several programs (O/P, Birth to Three, Psych, and Day Treat) to move to billing every two weeks. Working with programs on timeliness of documentation so this can occur.</p>
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**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET ASSETS
APRIL 2015**

	<u>51.42/.437</u> <u>PROGRAM</u>	<u>NURSING</u> <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>30-Apr-14</u>
CURRENT ASSETS:				
CASH AND EQUIVALENTS	7,589,995	(38,539)	7,551,456	7,244,054
SHORT-TERM INVESTMENTS	7,092,791		7,092,791	6,617,097
CASH FOR APPROVED CAPITAL PURCHASES	1,772,729	434,481	2,207,210	1,682,903
DONATED FUNDS	202,862		202,862	127,476
ACCOUNTS RECEIVABLE:				
PATIENT (NET)	3,835,459	3,855,138	7,690,598	5,471,629
STATE GRANTS	1,137,872		1,137,872	1,081,930
OTHER	203,780		203,780	368,375
APPROPRIATIONS RECEIVABLE	56,039		56,039	733,473
AMOUNTS RECEIVABLE FROM				
THIRD-PARTY REIMBURSEMENT PROGRAMS	400,333	143,014	543,347	679,547
INVENTORY	16,920	256,902	273,822	331,005
OTHER	<u>399,331</u>	<u>64,904</u>	<u>464,235</u>	<u>613,358</u>
TOTAL CURRENT ASSETS	<u>22,708,110</u>	<u>4,715,900</u>	<u>27,424,010</u>	<u>24,950,847</u>
CAPITAL ASSETS				
CAPITAL ASSETS	29,984,270	14,655,077	44,639,347	42,716,138
ACCUMULATED DEPRECIATION	<u>(22,223,498)</u>	<u>(10,703,824)</u>	<u>(32,927,322)</u>	<u>(31,338,627)</u>
CAPITAL ASSETS - NET	<u>7,760,772</u>	<u>3,951,254</u>	<u>11,712,025</u>	<u>11,377,511</u>
OTHER ASSETS - DEFERRED CHARGES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RESTRICTED ASSETS - PATIENT TRUST FUNDS	<u>17,516</u>	<u>39,335</u>	<u>56,851</u>	<u>277,506</u>
TOTAL ASSETS	<u>30,486,397</u>	<u>8,706,489</u>	<u>39,192,885</u>	<u>36,605,863</u>

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

	<u>51.42/.437 PROGRAM</u>	<u>NURSING HOME</u>	<u>TOTAL</u>	<u>TOTAL 30-Apr-14</u>
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	3,117,229	0	3,117,229	3,407,793
THIRD PARTY PAYABLE	335,000	0	335,000	516,000
APPROPRIATIONS ADVANCES	1,383,445	0	1,383,445	45,704
ACCRUED LIABILITIES:				
SALARIES & RETIREMENT	1,807,740	0	1,807,740	1,910,181
PAYROLL TAXES AND WITHHOLDING	186,947	0	186,947	200,323
COMPENSATED ABSENCES	1,625,115	0	1,625,115	1,625,326
OTHER PAYABLES	72,806	0	72,806	74,611
DEFERRED REVENUE - STATE GRANTS	<u>188,489</u>		<u>188,489</u>	<u>188,214</u>
TOTAL CURRENT LIABILITIES	<u>8,716,771</u>		<u>8,716,771</u>	<u>7,968,152</u>
PATIENT TRUST FUNDS	<u>17,250</u>	<u>39,254</u>	<u>56,503</u>	<u>277,286</u>
NET ASSETS:				
INVESTED IN CAPITAL ASSETS	7,760,772	3,951,254	11,712,025	11,377,511
UNRESTRICTED	13,326,618	4,643,623	17,970,241	17,109,408
OPERATING INCOME(LOSS)	<u>664,987</u>	<u>72,358</u>	<u>737,345</u>	<u>(126,496)</u>
TOTAL NET ASSETS	<u>21,752,376</u>	<u>8,667,235</u>	<u>30,419,612</u>	<u>28,360,424</u>
TOTAL LIABILITIES AND NET ASSETS	<u>30,486,397</u>	<u>8,706,489</u>	<u>39,192,885</u>	<u>36,605,863</u>

North Central Health Care Budget Revenue/Expense Report

Month Ending April 30, 2015

ACCOUNT DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YTD ACTUAL	YTD BUDGET	DIFFERENCE
<u>REVENUE:</u>					
TOTAL NET REVENUE	4,812,979	4,867,830	18,979,379	19,408,429	(429,050)
<u>EXPENSES:</u>					
Salaries and Wages	2,223,200	2,385,378	8,999,632	9,449,510	(449,878)
Fringe Benefits	989,412	971,018	3,481,623	3,846,655	(365,032)
Departments Supplies	450,686	431,133	1,850,616	1,724,533	126,083
Purchased Services	348,989	273,725	1,210,546	1,135,900	74,647
Utilitites/Maintenance Agreements	278,002	307,644	1,192,577	1,266,577	(74,000)
Personal Development/Travel	32,883	40,350	112,719	161,400	(48,681)
Other Operating Expenses	98,421	172,988	422,509	691,953	(269,444)
Insurance	41,598	48,258	167,323	193,033	(25,711)
Depreciation & Amortization	140,598	137,250	579,084	549,012	30,072
Client Purchased Services	<u>110,007</u>	<u>50,000</u>	<u>264,050</u>	<u>200,000</u>	<u>64,050</u>
TOTAL EXPENSES	4,713,797	4,817,745	18,280,679	19,218,574	(937,894)
EXCESS REVENUE (EXPENSE)	99,181	50,082	698,699	189,855	508,843

NCHC-DONATED FUNDS
Balance Sheet
As of April 30, 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	78,125.35
Community Services - M/H	1,510.12
CSP	-492.15
Fishing Without Boundries	1,510.00
General Donated Funds	71,300.37
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	4,297.35
Total Legacies by the Lake	<u>8,000.00</u>

Lincoln County CSP	-175.00
Marathon Cty Suicide Prev Task	5,798.02
National Suicide Lifeline Stipe	1,926.37
Northern Valley West	1,816.00
Northwoods Alliance	8,752.92
Nursing Home - General Fund	3,330.07
Outpatient Services - Marathon	101.08
Pool	7,287.02
Prevent Suicide Langlade Co.	1,543.55
Suicide Prevention Walk	750.00
United Way	274.60

Total CHECKING ACCOUNT 202,862.05

Total Checking/Savings 202,862.05

Accounts Receivable

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

Total Current Assets 202,878.05

TOTAL ASSETS 202,878.05

LIABILITIES & EQUITY

Equity

Opening Bal Equity	123,523.75
Retained Earnings	59,745.02
Net Income	19,609.28
Total Equity	<u>202,878.05</u>

TOTAL LIABILITIES & EQUITY 202,878.05

**NORTH CENTRAL HEALTH CARE
REPORT ON AVAILABILITY OF FUNDS
April 30, 2015**

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT
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
BMO Harris	395 Days	05/28/2016	0.30%	\$500,000
People's State Bank	365 Days	04/29/2016	0.50%	\$350,000
People's State Bank	365 Days	04/30/2016	0.50%	\$500,000
TOTAL FUNDS AVAILABLE				\$9,300,000
WEIGHTED AVERAGE	392.74 Days		0.524% INTEREST	

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING APRIL 30, 2015**

51.42/.437 PROGRAMS	<u>CURRENT MONTH ACTUAL</u>	<u>CURRENT MONTH BUDGET</u>	<u>CURRENT MONTH VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>YTD VARIANCE</u>
REVENUE						
Net Patient Service Revenue	<u>\$1,364,062</u>	<u>\$1,450,128</u>	<u>(\$86,066)</u>	<u>\$5,424,513</u>	<u>\$5,737,621</u>	<u>(\$313,108)</u>
OTHER REVENUE						
State Match / Addendum	325,060	325,120	(59)	1,300,241	1,300,479	(238)
Grant Revenue	193,840	183,990	9,851	722,592	735,958	(13,366)
County Appropriations - Net	594,566	588,525	6,041	2,378,265	2,354,102	24,163
Departmental and Other Revenue						
Departmental and Other Revenue	<u>149,469</u>	<u>145,825</u>	<u>3,644</u>	<u>533,986</u>	<u>583,300</u>	<u>(49,315)</u>
Total Other Revenue	<u>1,262,936</u>	<u>1,243,460</u>	<u>19,476</u>	<u>4,935,083</u>	<u>4,973,839</u>	<u>(38,755)</u>
TOTAL REVENUE	2,626,998	2,693,588	(66,590)	10,359,596	10,711,460	(351,863)
EXPENSES						
Direct Expenses	1,931,308	1,878,133	53,175	7,159,145	7,453,730	(294,585)
Indirect Expenses	<u>586,595</u>	<u>768,263</u>	<u>(181,668)</u>	<u>2,572,794</u>	<u>3,100,103</u>	<u>(527,309)</u>
Total Expenses	<u>2,517,903</u>	<u>2,646,396</u>	<u>(128,493)</u>	<u>9,731,939</u>	<u>10,553,833</u>	<u>(821,893)</u>
Operating Income (Loss)	<u>109,095</u>	<u>47,192</u>	<u>61,903</u>	<u>627,657</u>	<u>157,627</u>	<u>470,030</u>
Nonoperating Gains (Losses):						
Interest Income	5,579	7,500	(1,921)	23,333	30,000	(6,667)
Donations and Gifts	1,924	0	1,924	13,997	0	13,997
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>7,502</u>	<u>7,500</u>	<u>2</u>	<u>37,330</u>	<u>30,000</u>	<u>7,330</u>
Operating Income / (Loss)	<u>\$116,597</u>	<u>\$54,692</u>	<u>\$61,906</u>	<u>\$664,987</u>	<u>\$187,627</u>	<u>\$477,360</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING APRIL 30, 2015**

NURSING HOME	<u>CURRENT MONTH ACTUAL</u>	<u>CURRENT MONTH BUDGET</u>	<u>CURRENT MONTH VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>YTD VARIANCE</u>
REVENUE						
Net Patient Service Revenue	<u>\$1,996,213</u>	<u>\$1,997,741</u>	<u>(\$1,528)</u>	<u>\$7,901,612</u>	<u>\$7,990,969</u>	<u>(\$89,358)</u>
OTHER REVENUE						
County Appropriations - Net	141,666	141,667	(1)	566,665	566,667	(2)
Departmental and Other Revenue	<u>48,102</u>	<u>34,833</u>	<u>13,269</u>	<u>151,506</u>	<u>139,333</u>	<u>12,173</u>
Total Other Revenue	<u>189,768</u>	<u>176,500</u>	<u>13,268</u>	<u>718,171</u>	<u>706,000</u>	<u>12,172</u>
TOTAL REVENUE	2,185,980	2,174,241	11,739	8,619,783	8,696,969	(77,186)
EXPENSES						
Direct Expenses	1,580,842	1,545,153	35,688	6,230,939	6,137,898	93,041
Indirect Expenses	<u>615,053</u>	<u>626,199</u>	<u>(11,146)</u>	<u>2,317,801</u>	<u>2,526,843</u>	<u>(209,042)</u>
Total Expenses	<u>2,195,894</u>	<u>2,171,352</u>	<u>24,542</u>	<u>8,548,740</u>	<u>8,664,741</u>	<u>(116,000)</u>
Operating Income (Loss)	<u>(9,915)</u>	<u>2,889</u>	<u>(12,803)</u>	<u>71,042</u>	<u>32,228</u>	<u>38,814</u>
Nonoperating Gains (Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	516	0	516	1,315	0	1,315
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>516</u>	<u>0</u>	<u>516</u>	<u>1,315</u>	<u>0</u>	<u>1,315</u>
Operating Income / (Loss)	<u>(\$9,398)</u>	<u>\$2,889</u>	<u>(\$12,288)</u>	<u>\$72,358</u>	<u>\$32,228</u>	<u>\$40,129</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING APRIL 30, 2015**

TOTAL	<u>CURRENT MONTH ACTUAL</u>	<u>CURRENT MONTH BUDGET</u>	<u>CURRENT MONTH VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>YTD VARIANCE</u>
REVENUE						
Net Patient Service Revenue	<u>\$3,360,275</u>	<u>\$3,447,869</u>	<u>(\$87,594)</u>	<u>\$13,326,124</u>	<u>\$13,728,590</u>	<u>(\$402,466)</u>
OTHER REVENUE						
State Match / Addendum	325,060	325,120	(59)	1,300,241	1,300,479	(238)
Grant Revenue	193,840	183,990	9,851	722,592	735,958	(13,366)
County Appropriations - Net	736,232	730,192	6,040	2,944,930	2,920,768	24,162
Departmental and Other Revenue	<u>197,571</u>	<u>180,658</u>	<u>16,912</u>	<u>685,492</u>	<u>722,633</u>	<u>(37,141)</u>
Total Other Revenue	<u>1,452,704</u>	<u>1,419,960</u>	<u>32,744</u>	<u>5,653,255</u>	<u>5,679,838</u>	<u>(26,584)</u>
TOTAL REVENUE	4,812,979	4,867,830	(54,851)	18,979,379	19,408,429	(429,050)
EXPENSES						
Direct Expenses	3,512,150	3,423,287	88,863	13,390,084	13,591,627	(201,543)
Indirect Expenses	<u>1,201,648</u>	<u>1,394,462</u>	<u>(192,814)</u>	<u>4,890,596</u>	<u>5,626,946</u>	<u>(736,351)</u>
Total Expenses	<u>4,713,797</u>	<u>4,817,748</u>	<u>(103,951)</u>	<u>18,280,680</u>	<u>19,218,574</u>	<u>(937,894)</u>
Operating Income (Loss)	<u>99,181</u>	<u>50,082</u>	<u>49,099</u>	<u>698,699</u>	<u>189,855</u>	<u>508,844</u>
Nonoperating Gains (Losses):						
Interest Income	5,579	7,500	(1,921)	23,333	30,000	(6,667)
Donations and Gifts	2,440	0	2,440	15,313	0	15,313
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>8,019</u>	<u>7,500</u>	<u>519</u>	<u>38,645</u>	<u>30,000</u>	<u>8,645</u>
Operating Income / (Loss)	<u>\$107,200</u>	<u>\$57,582</u>	<u>\$49,618</u>	<u>\$737,344</u>	<u>\$219,855</u>	<u>\$517,489</u>

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

	Target	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Days Cash On Hand:														
Invested	70	61	62	62	60									61
Operating		48	36	33	47									50
Total		109	98	95	107									111
Average Daily Census:														
Nursing Home	213	210	215	213	205									211
Hospital	13	13	16	14	13									14
Days in Accounts Receivable:**	55-60 days	80	79	75	72									72
Direct Expense/Gross Patient Revenue**	55%-59%	61%	51%	59%	62%									58%
Write Offs**	.5%-.6%	0.18%	0.27%	0.32%	0.16%									0.24%
Excess Revenue (Expense):														
Actual		\$10,895	\$590,280	\$28,969	\$107,200									\$737,344
Budget		\$56,970	\$117,322	(\$12,015)	\$57,582									\$219,855
Prior Year-Actual		\$124,183	\$12,296	\$31,615	(\$294,589)									(\$126,495)

**Dash Board Outcomes

**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>
January	Nursing Home	6,603	6,500	(103)	88.75%	87.37%
	Hospital	403	403	0	81.25%	81.25%
February	Nursing Home	5,964	6,007	43	88.75%	89.39%
	Hospital	364	446	82	81.25%	99.55%
March	Nursing Home	6,603	6,607	4	88.75%	88.80%
	Hospital	403	439	36	81.25%	88.51%
April	Nursing Home	6,390	6,162	(228)	88.75%	85.58%
	Hospital	390	403	13	81.25%	83.96%
May	Nursing Home Hospital					
June	Nursing Home Hospital					
July	Nursing Home Hospital					
August	Nursing Home Hospital					
September	Nursing Home Hospital					
October	Nursing Home Hospital					
November	Nursing Home Hospital					
December	Nursing Home Hospital					

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

	<u>Current Month</u>	<u>Current Year To Date</u>	<u>Prior Year To Date</u>
<i>Inpatient:</i>			
Administrative Write-Off	\$4,514	\$10,839	\$2,900
Bad Debt	\$0	\$442	\$2,983
<i>Outpatient:</i>			
Administrative Write-Off	\$4,156	\$31,884	\$5,815
Bad Debt	\$0	\$901	\$19,450
<i>Nursing Home:</i>			
Daily Services:			
Administrative Write-Off	\$0	\$0	\$6,860
Bad Debt	\$0	\$5,495	\$1,662
Ancillary Services:			
Administrative Write-Off	\$0	\$527	\$3,320
Bad Debt	\$0	\$0	\$676
Pharmacy:			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
Total - Administrative Write-Off	\$8,669.20	\$43,250.01	\$18,895.00
Total - Bad Debt	\$0.00	\$6,837.55	\$24,771.00

**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
<p>The accounts with non- applied cash increased to \$2.8 million as of 12/31/14, and include several hundred individual client accounts.</p>	<p>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.</p>	<p>April 30, 2015</p>	<p>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.</p> <p>As of April 23: An additional temp staff started 04/21 to work on CCS Cash application. Current temp still working on 2014 cash, most of what can be done is done. There is still some non-applied nursing home. This can't be applied until a</p>

			<p>problem in the system is fixed. Netsmart indicates they continue to work on this.</p> <p>As of May 18: Temp staff is hired to work on CCS payments. There is still a significant amount of non-applied cash. This continues to be worked on.</p>
<p>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.</p>	<p>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.</p>	<p>March 31, 2015</p>	<p>On March 19 status call, the number of open cases will be updated.</p> <p>As of April 23: Still approx. 25 open issues with Netsmart. Continue to work with vendor.</p> <p>As of May 18: There 20 open cases. Net Smart has been contacted again for status report, still waiting for the response.</p>
<p>Comprehensive Community Services have not been billed since July, 2014, due to the system not working to enable billing of these services.</p>	<p>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.</p>	<p>March 31, 2015</p>	<p>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.</p> <p>As of April 23: Billing is current. Approx. \$1,000,000 of payments have been received. Working to apply payments to accounts.</p>

<p>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)</p>	<p>Work with internal staff (data analyst) to develop aging reports by provider that will accurately reflect the open balances.</p>	<p>March 31,2015</p>	<p>As of March 19: A report has been developed, using Langlade County charges. It is being tested.</p> <p>As of April 23: Have reviewed another program (Aquatic) to try and set up internal reports to be able to work from while vendor works on the system aging.</p> <p>As of May 18: There are still struggles with the vendor that are continued to be worked on.</p>
<p>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.</p>	<p>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.</p>	<p>March 31,2015</p>	<p>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.</p> <p>As of April 23: Continue to work with NetSmart.</p> <p>As of May 18: Continue to work with NetSmart.</p>

<p>Review all plans with balances over 150 days. Review why they are not paid and take action to bill.</p>	<p>Develop internal reports by plan by client to review which clients have balances. Submit billings on these clients and plan.</p>	<p>May 31, 2015</p>	
<p>Review all aging by client by plan for accuracy.</p>	<p>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.</p>	<p>June 30, 2015</p>	<p>As of March 19: The aging for Langlade County services is being reviewed.</p> <p>As of April 23: The aging for Aquatic has been reviewed.</p>
<p>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.</p>	<p>Review and report days in A/R each month.</p>	<p>Monthly.</p> <p>Days in A/R to be between 55 and 60 by year 4th quarter, 2015.</p>	<p>The days in A/R as of the end of February decreased by 1 day.</p> <p>The days in A/R as of the end of March have decreased by another 4 days.</p> <p>Are adding a staff to do Medicaid billing.</p> <p>The days in A/R as of the end of April decreased another 3 days.</p>

<p>Review of processes in place to monitor efficiency and outcomes of processes.</p>	<p>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>	<p>4th Quarter, 2015 Ongoing</p>	<p>As of April 23: The goal is to work with several programs (O/P, Birth to Three, Psych, and Day Treat) to move to billing every two weeks. Working with programs on timeliness of documentation so this can occur.</p>
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2016 Marathon County CIP Requests

<u>Project Title</u>	<u>Description</u>	<u>Amount</u>
Crack Seal Parking Lots	crack seal all lots on the NCHC campus	\$35,000
Lakeview Center Window Replacement	replaced sloped glazing window system	\$175,000
Main Road Replacement (NCHC Campus)	remove old blacktop and pave new road	\$85,000
MVCC Window Replacement	window replacement in MVCC building	\$425,000
Nurse Call System (Legacies Program)	replace current system-unable to get replacement parts	\$152,000
Behavioral Health Services Remodel	remodel behavioral health hospital to meet needs	\$225,000
Mini Van -7 Passenger (3 vans)	replacement of vans	\$79,500
Mini Bus	replacement	\$78,000
Cargo Van	replacement	\$28,000
Bus	additional bus for Demand Transportation Program	\$55,480
Primary Care Renovation	renovation of space for collaboration with Bridge Clinic to provide primary care services	\$576,400
	Total	\$1,914,380



North Central Health Care

Person centered. Outcome focused.

MEMO

DATE: May 22, 2015
TO: Finance Committee
FROM: Michael Loy, Senior Executive Human Resources
RE: Certified Nursing Assistant Recruitment/Retention Compensation Strategy

Purpose

To obtain approval to implement an accelerated compensation strategy for Certified Nursing Assistant (CNA) staff in the Nursing Home.

Background

In 2014, the Nursing Home experienced a 41.5% turnover rate. While still undesirable, the turnover rate experience is relatively better than the industry. More threatening is the additional impact of recent reductions in applicant flow and available labor. In 2014, new hire CNA's outpaced terminations by only nine employees. This outcome was a result of concerted effort in new sourcing opportunities. However, overall we were not able to make ground on increasing full-time equivalent totals as a number of staff that chose to remain with NCHC dropped FTE status. Without adequate supply NCHC is being placed in a position to have less choice in hiring which is detrimental to quality and our culture.

Regionally, the quality and size of the available labor pool for CNA staff in Central Wisconsin is in the beginning stages of a contraction cycle. The labor pool is expected to face escalating staffing shortage pressures as both the working age demographic decreases and real wages increase in other industries and employers. A congruent pressure to the supply/demand threat is the growing political advocacy and response for minimum wage adjustments. Major employers are increasing hourly wages considerably in fields that are not as demanding as direct care settings. These pressures taken together dictate a responsive leading strategy in the total compensation value proposition of being a CNA to ensure staffing supply.

A market analysis was conducted for all classifications in 2014. The market rate for CNA positions was determined to be \$13.34. Over 71% (141/195) of current CNA staff were below the market rate after the analysis of the comparative ratio of current wages to the market rate was completed. Therefore, given the current comparative ratio results, workforce demands, both present and projected, in addition to local competitive pressures for entry level workers, it would seem timely to more competitively position ourselves in the labor market for CNA staff.

Recommendation

Staff recommends a multi-year phased approach to increasing CNA compensation and markedly improving our CNA hiring rates. The two overarching outcomes would be to increase current staff up to the projected market rate in 2018 of \$14.00 with hiring rates targeted at \$13.50 (currently \$11.25). The adjustment cycles to achieve these outcomes would occur every six months in increments of \$0.25 per hour for employees under the market rate and new hires. The only exception would be the first increase of \$0.50 per hour in July, 2015. The plan also assumes merit based increases for eligible employees based on past merit budgets. The Nursing Home Operations Committee has recommended this strategy to the Finance Committee for consideration after a review of the issues and strategy related to staffing.

Financial Analysis

The impact to the 2015 budget is projected to be \$67,000. Future budgetary impacts will be included as part of projected personnel budget proposals to the NCHC board. Based on current staff, the projected financial impacts to future budget years are estimated to be \$58,000 in 2016, \$43,400 in 2017 and \$25,800 in 2018. Total of this proposal if implemented is expected to cost approximately \$200,000 in base wage increase costs plus additional payroll taxes and expenses over four budget cycles.

These projections do not include anticipated offsetting reductions in other personnel costs, such as contract staff and overtime, which are highly probable results of decreased vacancy rates and higher staff stability. Further, a strong CNA staff foundation has the potential to increase quality, employee partnership, nursing staff satisfaction and patient satisfaction in the Nursing Home. These outcomes would be aligned with NCHC's Strategic objectives.