



North Central Health Care
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OFFICIAL NOTICE AND AGENDA

of a meeting of the **Executive Committee** to be held at **North Central Health Care**
1100 Lake View Drive, Wausau, WI 54403, Board Room at **4:00 pm** on **Thursday, February 16th, 2017**

In addition to attendance in person at the location described above, Board members and the public are invited to attend by telephone conference. Persons wishing to attend the meeting by phone should contact Debbie Osowski at 715-848-4405 24 hours prior to the start time of the meeting for further instructions. Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative Office at 715-848-4405.

For TDD telephone service call 715-845-4928.

1. Call to Order
2. Roll Call
3. Public Comment for Matters Appearing on the Agenda
4. ACTION: Approval of 01/12/17 Executive Committee Meeting Minutes
5. CEO Report – M. Loy
6. Policy Governance – M. Loy
7. Long-Term Facility Master Plan – M. Loy
8. Aquatic Therapy Pool Project Review and Recommendation – M. Loy
9. Executive Committee Appointments – M. Loy
10. Agenda for 2/23/17 Board Meeting
11. Discussion and Future Agenda Items for Board Consideration or Committee Assignment
12. Adjourn

Presiding Officer or Designee

NOTICE POSTED AT: North Central Health Care

COPY OF NOTICE DISTRIBUTED TO: Wausau Daily Herald, Antigo Daily Journal, Tomahawk Leader, Merrill Foto News, Langlade, Lincoln & Marathon County Clerks Offices

DATE: 02/08/17 TIME: 10:00 a.m. BY: D. Osowski

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
EXECUTIVE COMMITTEE**

January 12, 2017

4:00 PM

North Central Health Care – Board Room

Present: X Jeff Zriny EXC Jean Burgener
X via Robin Stowe X Bob Weaver
phone

Chairman Zriny called the meeting to order at 4:00 p.m.

Public comment for Matters Appearing on the Agenda

- No public comment(s) made.

ACTION: Approval of 12/8/16 Executive Committee Meeting Minutes

- **Motion**/second, Weaver/Stowe, to approve the 12/8/16 Executive Committee meeting minutes; motion passed 3-0.

CEO Report

- Dr. Dibala is expected to arrive late February to early March. We are currently working towards a signed employment agreement while awaiting licensure confirmation. Finding coverage for the Inpatient Unit continues to be a struggle, however, we have nearly all dates covered until Dr. Dibala's arrival.
- Medical Staff Executive Committee routinely completes provider reviews. One full-time tele-psychiatrist is not being recommended for renewal which is within their oversight.
- Sue Matis has accepted the position of regular full-time Human Resources Executive effective 1/1/17. We have also hired a new Executive of IT. We have determined we need a different level of expertise and background and have been working closely with CCIT with this individual on a temporary basis over the last few months and have determined to make this position permanent.
- Update on Tri-County Contract Implementation and Work Plan: We are waiting for RCA assignments from Marathon County. Several questions regarding the RCA have been forwarded to the corporation counsel of each county:
 - What is the authority of the RCA? Who owns the liability if action is taken? Believe it is NCHC rather than exposing counties to potential liability.
 - Marathon County potentially might take the position that all NCCSP Board members will need appointments/reappointments under the new agreement, not just for those whose terms have expired in 2016. We believe only the expiring terms should be considered.
 - Will include a report out on the transition/work plan as a new agenda item.
 - In the new agreement it states the RCA will select an audit firm on an annual basis. NCHC had already retained an auditor for the 2016 audit report which is anticipated to be completed in February/March. R. Stowe suggested the position really is that the RCA would be looking at the 2017 audit.

- CEO recruitment is anticipated to wait until after the nursing home review.
- Updates to the NCCSP Bylaws will be needed based on the new agreement.
- Conflict Resolution Policy
 - New agreement indicates the CEO will create a Conflict Resolution Policy with the three counties which includes a process of reporting and handling issues in an effort to avoid additional county board member involvement. Would like assistance with this item from the RCA.
- Legal Expenses
 - For 2016 \$100,000 was budgeted for legal expenses and anticipate expenses could reach as high as three to four times that amount for the year.
 - Suggestion is to consider adding legal counsel staff to NCHC. It is felt this would be beneficial due to the size of organization, the number of statutes we must adhere to, the number and variety of issues that arise i.e. care, citations, employment, and would also have the ability to improve overall compliance, and manage legal expenses more closely. This would not completely eliminate legal expenses with an outside firm.
 - Committee requested a justification for this addition including a year to year comparison be provided to the Finance Committee and Board for further discussion.
- Facilities & Capital Management Transition Update
 - Regular meetings are being held with the Facilities & Capital Management Team to work through any issues.
- Facility Master Planning
 - An overall master plan considering the strategic integration and location of all programs including how we can best use this space over the next 40-50 years is needed. It is anticipated expansion of services is possible due to changes in operational cost and an investment into the facility. This type of project would potentially need all three county boards to approve. Additional information will be provided as planning progresses.
 - It is felt that businesses cannot operate without access to capital; a huge hurdle for NCHC is the process with the county. NCHC's ability to borrow money should be reviewed.
- Nursing Home Management Agreement Review
 - Currently NCHC is responsible for managing the nursing home. Will need to have an active role in supporting the nursing home study, and if we will continue with managing it, we must identify what we need to be successful.
 - Moving forward we will be providing completely separate financials between the human services operations and the nursing home to have a clear picture.
- Feel vision, mission, and values would be beneficial to review at a future board meeting.

Agenda for 1/26/17 Board Meeting

1. Tri-County Agreement Implementation and Work Plan Update
2. Nursing Home Management Agreement
3. Possible Update(s) to NCCSP Bylaws
4. Overview Conflict Resolution Policy
5. Provide handouts/copies of new Tri-County Agreement

Discussion and Future Agenda Items for Board Consideration or Committee Assignment

- Warm Water Works is requesting to speak with the Board in early 2017.
- Pool did not do well financially in 2016 due to the inability to hire a physical therapist as a result of not knowing the status of the pool. Board should determine if it is interested in operating and managing the pool without an investment.
- NCHC has been delegated to manage several services and programs but that doesn't mean we have to continue i.e. nursing home, pool, demand transportation. We are tasked with community services program and must look at what is best for NCHC as an organization and may consider managing other programs under identified conditions including not distracting from focusing on other services.

Motion/second, Weaver/Stowe, to adjourn the Executive Committee meeting at 4:58 p.m.

dko



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POLICY BRIEFING

DATE: January 20, 2017
TO: North Central Community Services Program Board
FROM: Michael Loy, Interim Chief Executive Officer
RE: Aquatic Therapy Pool

THE ONLINE VERSION OF THE MATERIALS OF THIS ITEM DOES NOT INCLUDE THE REFERENCED MATERIAL DUE TO THE SIZE. COPIES MAY BE REQUESTED. THE NCCSP BOARD WILL RECEIVE A HARD COPY OF THE MATERIALS IN THE MAIL PRIOR TO THE NCCSP BOARD MEETING.

Purpose

To orientate the North Central Community Services Program Board (NCCSP) to the issue of replacing the Aquatic Therapy pool and to frame a decision on the ongoing management of the pool by the NCCSP Board. The NCCSP Board will be requested to take a policy position on NCCSP's continued management of the pool in light of the two potential scenarios on the future disposition of the pool. The first scenario is endorsing a new pool and offering to continue to manage the pool on behalf of Marathon County. The second is if a new pool is not approved in 2017, will NCCSP be willing to continue to manage the pool given its current condition.

Background

In 1977 North Central Health Care (NCHC) opened the pool. Initially the pool served individuals with developmental disabilities and mental illness who were transferred from state institutions back to the community. The pool operates under the hospital license of NCHC. In 1998, NCHC began offering aquatic therapy services. Around 2008, as the pool eclipsed the 30 year operational mark, discussions regarding the replacement of the pool began. The decision on replacing the pool was rightfully taken up by the Marathon County Board as they own the pool. At about the same time, the pool operationally improved and eventually required little to no Marathon County tax levy support a few years later.

The evaluation of a pool replacement ramped up considerably in 2013 when the Marathon County Board created the Aquatic Task Force to study the issue. The Aquatic Task Force's final recommendation was made to the Marathon County Board on Thursday, October 10, 2013. The first document to be reviewed is their final report entitled *Aquatic Therapy Services Task Force Report to the Marathon County Board* dated Thursday, October 10, 2013. The conclusion of the Task Force was there was a demonstrated need for the County to continue to provide Aquatic Therapy services and that there is the ability for that program to generate significant income. The Task Force further recommended the County engage the services of a professional design firm to develop a Preliminary Design, Evaluation and Analysis of options report.

The *Aquatic Facility Study Report* was provided by the Isaac Sports Group on November 26, 2014 which offered a narrative needs assessment. The report concluded the current program was running at capacity and if growth was to occur, which is essential to the future of the programs, it would be difficult in the current facility. Further, it stated a new facility was the preferred financial and operational option because the lost revenue during the estimated twelve month shut down for a replacement in the current location and/or facility along with the potential

loss of program participants would be far more expensive than a new facility costs. This narrative report was in conjunction with a more detailed analysis and full final report done by US Aquatics dated March 25, 2015 entitled *Aquatic Therapy Wing Aquatic & Mechanical Assessment*. The Marathon County Board selected the option which included a rectangular therapy/rehab pool in a new natatorium, in a new location, on the NCHC campus. Please refer to the last four pages of the document for the operational financial analysis of a new pool. Total cost of new pool from this study was estimated at \$5,708,787 not including disposition of the current pool facility.

Angus Young was then asked by Marathon County in 2016 to firm up the project costs and issued an updated project assessment for the Therapy Pool Facility on July 14, 2016. The scope of the proposed aquatic facility was 17,940 sq. ft. for the overall building, 7,455 sq. ft. for the natatorium and a pool footprint of 3,778 sq. ft. The remaining space allocation is for 1,540 sq. ft. for mechanical and ancillary space and 8,212 sq. ft. for office and locker rooms. The construction cost estimate was \$5,095,300 and additional soft costs of \$1,273,125. Cost escalations to 2017 would add another 3.5% to a projected total of \$6,592,044 not including disposition of the current pool facility.

There is a one page document in the materials which distinguishes both US Aquatics and Angus Young's estimates for the new construction of the pool and disposition of the existing pool. While the individual parts have different cost estimates, total costs are relatively similar.

Over the last several years, an advocacy group for the Aquatic Therapy pool has developed and now refers to themselves as the Warm Water Works group. The group contains some initial members of the Aquatic Task Force but is mostly pool users and supporters. The group has continued to advocate for a new pool since 2008 and more strongly since the 2013 report was released. Most recently the group has coordinated a Status Report dated October 2016 to update the financial status and client activity detailed in the 2013 report through 2015. Their report *Status Report Aquatic Therapy Services* is also included for your review.

The Marathon County Health and Human Services Committee has committed to evaluating and making a decision on the pool in the 1st quarter of 2017. The Marathon County Board will have received all of this information in the coming weeks.

North Central Health Care has been a participant along the way but has never taken a formal position on the pool or its ongoing operation. The new Tri-County Agreement now requires single county programs like the pool to have separate management agreements with the NCCSP Board to operate them on behalf of a partner county. The NCCSP Board would be well served to study the issue and take a position on NCCSP's continued operation of the Aquatic Therapy pool in either scenario where Marathon County either does not commit to building a new pool or if Marathon County does commit to building a new pool.

Recommendation

Members of the NCCSP Board are requested to review the background project information to consider making a policy decision. The NCCSP Board does not currently have a management agreement in place for operation of the pool on behalf of Marathon County. Given the divergent paths Marathon County has to choose from in regard to the pool, the NCCSP Board should take a position on the issue. In either case, the necessary parameters for the continued management of the pool should be established by the NCCSP Board to ensure the reputation and success of NCHC in transitive nature of the coming year and future in regards to the pool.

A new pool, located near the nursing home, would capitalize on a growing user base, allow for staffing to increase to manage steady revenue and expense growth and provide very valuable upstream care for the residents of Marathon County. North Central Health Care is best suited to continue the oversight and management of the pool for long-term viability and success. A recommendation to support Marathon County in building a new pool and allow North Central

Health Care to continue the management of the pool would be appropriate and recommended given our scope with the populations currently and potentially served by NCHC and the pool. Absent a successful bonding resolution from Marathon County to build a new pool in 2017, the NCCSP Board should consider termination of its management of the pool at the end of 2017 or 2018 at the latest.

Key Questions

Clearly the pool provides a tremendous community benefit and touches the lives of many individuals. The case for why the pool is important for the community has been thoughtfully and thoroughly reviewed. Aquatic Services has consistently demonstrated high patient outcomes and satisfaction. Despite these positive attributes, the business case, for both NCHC and the County, remains the outstanding issue to receive a final endorsement. In addition to the work already completed, the following key questions remain to be vetted:

- 1) Is the affiliation with NCHC's hospital the only option to allow pool patients to access insurance coverage and Medicare and Medicaid funding? If not, what other licensing options exists to enable access to coverage and what are the financial impacts of these other options?
- 2) What are the benefits to NCHC in having NCHC operate the Aquatic Services program?
- 3) What are the benefits to the Aquatic Services program in having NCHC manage the program?
- 4) What are the major risks of building and operating a new pool for NCHC?
- 5) Would separating the pool as a distinct enterprise under the NCHC umbrella better represent the operational performance to the community and the Marathon County Board?