

OFFICIAL NOTICE AND AGENDA

of a **Joint Meeting** of the
Nursing Home Operations Committee and Mount View Care Center Committee (MVCC)
to be held at **North Central Health Care, 1100 Lake View Drive, Wausau, WI 54403,**
Wausau Board Room at **6:30 pm** on **Tuesday, September 5th, 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.

1. Call Meetings to Order
2. Public Comment for Matters Appearing on the Agenda
3. ACTION: Approval of 07/31/17 Meeting Minutes
4. Educational Presentation/Outcome Monitoring Reports
 - a. Update on Strategic Action Register
 - b. Update from MVCC Administrator
5. Policy Issues Discussion and Committee Determination to the County Board for its Consideration
 - a. Protective Placement and Out of County Analysis
 - b. MVCC Recommendation Decision-Making Tree
 - c. Step 1 – Recommendation as to whether Marathon should Close, Sell, or Continue with Mount View Care Center as a County Nursing Home
 - d. Discuss Parameters of Step 2 – Whether NCHC, Marathon County or Another Partner should Manage Mount View Care Center
6. Scheduling of Future Meetings and Identifying Agenda Topics
Next meeting scheduled for Thursday, September 21, 2017 at 6:30 p.m.
7. Announcements
8. Adjourn Meeting



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: 08/31/17 TIME: 4:00 p.m. BY: D. Osowski



MOUNT VIEW CARE CENTER (MVCC) COMMITTEE MINUTES

Special Joint Meeting with the NCHC Nursing Home Operations Committee of the NCHC Board

Tuesday, July 31, 2017 at 6:30 p.m.
North Central Health Care Board Room, 1100 Lakeview Drive, Wausau WI

Attendance:	Present	Absent
John Robinson, Chair	X	
Katie Rosenberg, Vice-Chair	X	
Tim Buttke	X	
Allen Drabek	X	
Deb Hager		X
Jack Hoogendyk	X	

Nursing Home Operations Committee Members Present: Jean Burgener, Bill Metter, Bill Miller

Others Present: Brad Karger, Michael Loy, Kim Gochanour, Kurt Gibbs, Brenda Glodowski, Sheila Zebrowski, Connie Gliniecki, Kristen Weller, Peter Weinschenk, Michael Peer, Carl Moellenkamp

1. Call Meeting to Order

John Robinson and Jean Burgener called the respective committees to order at 6:30 p.m.

2. Approval of Prior Meeting Minutes

MOTION BY BUTTKE; SECOND BY DRABEK TO APPROVE THE MINUTES OF THE JULY 11, 2017, MEETING ON BEHALF OF THE MVCC COMMITTEE. MOTION CARRIED.

MOTION BY METTER, SECOND BY MILLER TO APPROVE THE MINUTES OF THE JULY 11, 2017, MEETING ON BEHALF OF THE NURSING HOME OPERATIONS COMMITTEE. MOTION CARRIED.

3. Educational Presentations/Outcome Monitoring Reports

A. Presentation of the Operational Analysis and Strategic Plan of Mount View Care Center by the Firm of Clifton Larson Allen (CLA)

Discussion:

Michael Peer explained how the Gantt Chart included in the packet of materials can help in planning, budgeting and sequencing of activities needed to implement the recommendations of his firm, CLA:

- Steps are linked to the action register.
- Dependencies anticipate sequences
- Activities are grouped by themes:
 - Campus Development
 - Referral and Marketing
 - Clinical Programming
 - Financial Performance
- Responsibility is assigned to administration or Mount View Care Center Committee
- Status and timeline can report when a step was started and how far it is from completion.
- The Excel spreadsheet was created to be a tool to facilitate understanding and coordination

Michael Loy helped the group better understand the mission of MVCC:

- "Partnership of Counties" refers to shared support services

- “Compassionate” refers to meeting people where they are.
- In “Specialized” refers to unique, innovative services to a specialized population.

4. Policy Issues Discussion and Committee Determination to the County Board for its Consideration

A. Next Steps

1. Policy Issues that Need to be Discussed and Resolved
2. Administrative Actions

Discussion:

A need was identified to update information on the number of protective placements and the cost of placing them in some other facility. The County must assure their placement, but they do not have to be placed in a County facility. Past estimates had that number at just over 30, we may be on track to double that number at 60.

Committee members discussed the importance of providing human services that are not provided by others. Also, understanding the current market and how the market may shift in the next five years may be a key to charting the future of MVCC.

Bill Miller suggested that committee members may want to reach out to representatives of Counties that no longer provide skilled nursing care. Are they satisfied? How did they handle the transition? What happened to those protectively placed? What was the impact of the County budget?

Others said that information from the Marathon County Partnership for Active Aging (Amanda Ostrowski) might help us better understand the community context.

Jack Hoogendyk asked for greater clarity about what the County is required to do under Chapter 55 and what it means when the statute says – within available resources.

Action:

No action requested.

Follow through:

Staff and the consultants were asked to develop some more information about protective placement, market conditions and legal requirements.

B. What are the Policy Questions the Committee Needs to Address Regarding the Future of MVCC?

Discussion:

Discussion moved to the proposed 16 million dollar facility renovation. Committee members learned that part of the cost can be recovered within the Medicaid rates. Facility upgrade will also help attract private pay and Medicare clients by improving “curb appeal” to a facility already located on a beautiful site. This will help “right size” the census to help financially.

The question was posed: Does Marathon County choose to stay in the skilled nursing facility business?

Closure will be difficulty, family members may be hurt, but it has been done elsewhere. Each client must have a discharge plan. Admissions would stop.

The status quo seems like a poor option to many as the facility needs re-investment and the financial woes will do nothing but get worse.

Selling the facilities were it would be operated on site by private sector employees is an option. The level of control the County would have will depend on the Agreement. A private operation will not receive IGT funds.

Right sizing the census and upgrading the facility is an option. Reducing traditional long-term

care beds is a start to improving financial performance and distinguishing our program/services from those provided elsewhere in the County.

Jack Hoogendyk said that the policy question is more than financial:

- Legal, in what the County is required to do.
- Social, impact on people, families, and other agencies in the care network.
- Financial, what can the County afford, what are the other funding opportunities?

A decision was made for the two committees to continue to meet jointly.

Action:

No action requested.

Follow through:

The committee will continue to work toward understanding the options available and the implications of each at subsequent meetings.

5. Scheduling of Future Meetings and Identifying Agenda Topics

The committee will meet next as follows:

September 5, 2017, 6:30 p.m.

September 21, 2017, 6:30 p.m.

Both meetings will be in the Board Room at NCHC

6. Announcements: None.

7. Adjournment

MOTION BY METTER; SECOND BY BILL MILLER TO ADJOURN THE MEETING OF THE NURSING HOME OPERATIONS COMMITTEE. MOTION CARRIED

MOTION BY ROSENBERG; SECOND BY DRABEK TO ADJOURN THE MVCC MEETING. MOTION CARRIED. Meeting adjourned at 9:10 p.m.

Minutes Prepared
By Brad Karger
on August 3, 2017



Mount View Care Center

skilled nursing | short-term rehabilitation | dementia care

MEMORANDUM

DATE: August 28, 2017
 TO: Mount View Care Center Committee (MVCC) & Nursing Home Operations Committee (NHOC)
 FROM: Kim Gochanour, Nursing Home Operations Executive & Administrator
 RE: Clifton Larson Allen Financial and Operational Assessment Progress Update

The following is a report on Administration's progress in implementation of actions related to the recommendations suggested in Clifton Larson Allen's Financial and Operational Assessment. The report is being submitted for the MVCC and Nursing Home Operations Committees to monitor progress over the coming months. Further detail or questions can be provided upon request.

Updates

Strategic Action Register Section 200 – Referral and Marketing Development

200.2	Hiring Nurse Liaison to assess and accept referrals at the major hospital referral sources
<i>Update: In the development of the 2018 budget we have proposed a part time admissions assistant to help with our admissions. Our current Admissions Director is well respected in the hospital community and by adding this half time position it will allow her to spend more time at the referring hospitals. At this time we do not believe this additional 1.0 FTE is needed.</i>	

200.4A	Develop plan to reorient short term care unit to allow more beds to be segregated
<i>Update: We are currently working on a 2 to 4 month plan of relocating any long-term care residents from post-acute care to other programs. Since 7/28/17 we have relocated 4 long-term residents from our post-acute to the long-term care and legacies programs. To assist with our Community Link residents awaiting services in community, have called to set up meeting on ways to get residents placed as they are not moving quick enough to find community placements.</i>	

Strategic Action Register Section 300 – Clinical Programming Enhancement

300.1	Continue education of staff on recording Activities of Daily Living (ADL's) and coding to optimize rates.
<i>Update: All current nursing assistants will be trained by October through our annual competency process. All new hires will be trained through our expanded onboarding program. All nurse aides will be finished with nursing competencies and educated by October 2017. We are currently working on enhancing the restorative charting and programming as well to capture better data to ensure accurate revenue capture.</i>	
300.1A	Develop standard material for onboarding and staff hired within past year.
<u>Update</u>	<i>A staff education role was incorporated in October 2016. Onboarding process was developed for nursing home specific staff and was enhanced for nursing assistants and nurse onboarding process was developed July 2017. As of 8/28/17 new retention numbers show that our retention rate for nurse aides has improved by 59.1% from 2016.</i>

300.1C	Create additional education programs for licensed staff and staff employed over one year.
<u>Update</u>	<i>All nursing assistants have an annual competency program that will be completed in October 2017 for this year. A learning council for North Central Health Care has been established. As of 8/28/2017 a development plan is being reviewed to ensure that all education is established for the year.</i>
300.1D	Execute training and monitor staff participation.
<u>Update</u>	<i>Staff educator has established a monitoring system for feedback and follows up with new employees; training records have been established through health stream. 8/28/17 Staff educator starting to plan next year's competencies for 2018.</i>
300.2	Assess Medicare Resource Utilization Group (RUG) scores monthly in conjunction with average daily rate.
<u>Update</u>	<i>MDS coordinators meet monthly with biller prior to closing to ensure correct RUG's are being billed.</i>
300.3	Increase therapy scheduling and monitor therapy provision
<u>Update</u>	<i>MDS coordinators meet daily with therapy to review therapy progress, minutes and to ensure that all activity is captured accurately. Met with Therapy on productivity and scheduling. Company trainer working with newer staff to educate on modalities.</i>
300.3D	Review therapy performance and outcomes
<u>Update</u>	<i>Meeting with the therapy management to discuss report and findings with current therapy provider. A follow-up meeting scheduled for September to discuss progress and areas to improve.</i>
300.4B	Review vendors and technology available to meet needs
<u>Update</u>	<i>IT has done a preliminary review of another EMR system for comparison.</i>

Strategic Action Register Section 400 –Optimize Financial Performance

400.1A	Review variability of current wage rates for chosen departments and determine reasons for higher wage rates (i.e. longevity, policy)
<u>Update</u>	<i>8/28/17 HR has reviewed current wages and market analysis performed for all areas.</i>
400.1B	Determine wage philosophy/policies and options for reducing or capping wage rates.
<u>Update</u>	<i>NCHC has a compensation policy that has been established and is being followed.</i>
400.1C	Obtain needed approvals and adjust wage rates (currently or prospectively)
<u>Update</u>	<i>Market analysis was performed by HR and adjustments are recommended and being approved through 2018 budget.</i>
400.2	Review direct care hours provided on each unit and adjust as needed.
<u>Update</u>	<i>We have modified our 2018 budget for direct care nursing and have made changes to reduce our PPD to be more in line with CLA report. See attached spreadsheet.</i>
400.2a	Review current staffing patterns and needs.
<u>Update</u>	<i>Director of Nursing and Administrator have been reviewing and staffing levels with plan to adjust in fall 2017. An analysis of our scheduling process is in progress.</i>
400.2B	Determine options for reduction and set targets for each unit
<u>Update</u>	<i>Adjustments to the 2018 budget have been made to reflect acuity and needs. As of August 11 we have reduced one program manager position. September schedule will include some modified staffing patterns.</i>

400.3A	Review current benefits programs with insurance consultant and gain understanding of staff needs
<u>Update</u>	<i>This has been completed for the 2018 budget</i>
400.3C	Determine options for adjustments of cost
<u>Update</u>	<i>Completed for 2018 budget</i>
400.3D	Review value of benefits with random staff members at all levels throughout the year and at exit interviews
<u>Update</u>	<i>A benefits survey was completed in July for input.</i>
<u>400.4B</u>	Review statewide benchmarks and average results to understand surveyor patterns.
<u>Update</u>	<i>As part of Leading Age WI and Wisconsin Association of County Homes, we receive quarterly updates on survey top 10 citations and immediate jeopardy citations. Mount View administrative staff also attends the Northern Region Office quarterly meetings that are held with our survey team. Next meeting is scheduled for August 10. Clinical staff will also be attending the state sponsored conference FOCUS in November 2017.</i>
400.4D	Educate Staff on new inspection survey process coming soon
<u>Update</u>	<i>8/28/17 Initial training has been started and will continue through October and November as new information becomes available.</i>

Strategic Action other actions related to the performance of Mount View Care Center

	Monthly educational meetings have been established for 2017 with the nursing staff and Director of Nursing
	Supply Management of vendor contracts reviewed to look for further savings with implementation of new products beginning August 1.

Mount View Care Center Strategic Implementation Roadmap

[illegible]

[illegible]

[illegible]

[illegible]



Mount View Care Center

skilled nursing | short-term rehabilitation | dementia care

North Central Health Care									
2018 Budget-Review of MVCC Nursing Staff									
	Long-Term Care		Post-Acute Care		Vent		Legacies		Totals
Patient Days	13,505		8,395		9,125		36,500		67,525
Census/Day	37		23		25		100		185
	FTE's	PPD	FTE's	PPD	FTE's	PPD	FTE's	PPD	FTE's
RN	5.00	0.77	5.60	1.39	8.90	2.03	10.90	0.62	21.50
Med Tech	2.15	0.33					8.40	0.48	10.55
Nursing Assist	14.00	2.16	15.85	3.93	14.45	3.29	55.00	3.13	84.85
Resp. Therapist			0.00	0.00	8.80	2.01			0.00
Totals	21.15	3.26	21.45	5.31	32.15	7.33	74.30	4.23	116.90
CLA Recommended PPD	3.49		5.31		6.26		3.35		

MVCC Out of County Residents as of August 28, 2017

The data below describes the number of out of county residents, county of origin, and the number of the out of county placements located on the vent unit. There are currently 36 out of county residents, of which 16 are located on the vent unit.

County	Number of Out of County Residents	Out of County Residents on Vent Unit
Jefferson	1	1
State of Florida	1	1
Milwaukee	2	2
Racine	1	1
Dane	1	1
Brown	2	2
Shawano	2	2
Manitowoc	1	1
Portage	2	0
Langlade	7	1
Wood	1	0
Shawano/Marathon	3	0
Clark/Marathon	1	1
Taylor	1	1
Lincoln	5	1
Oneida	1	0
Vilas	1	0
Chippewa	1	1
Waupaca	1	1
State of Minnesota	1	0
Total	36	16

Protective Placements versus Guardianships as of 8/28/17

With the increased awareness of advanced directive planning, there are fewer residents needing Protective Placements. Mount View is a site that helps the public with filling out their advance directives and can assist with the legal process when a resident is considering admission. In looking at the current census, here is the current states of advance planning directives and protective placements.

Health Care Power of Attorney (not activated)	51
Activated Health Care Power of Attorney	85
Protective Placements/Guardianships	37
No Health Care Power of Attorney	12
Total	185

County Nursing Home Sales/Closures in Wisconsin

Since 1986, eighteen county nursing homes in sixteen counties have been sold. The primary reasons that these facilities were sold were current operating deficits and /or projected operating deficits and projected costs associated with capital projects. Capital project costs include correcting existing code violations, major renovation and replacement of existing facilities. The following is a brief summary of county nursing home sales.

Chippewa County Health Care Center: Chippewa County sold the 353 bed facility in 1986 for \$12,900 per bed. The existing deficit was the primary reason for the sale. The facility served primarily geriatric and chronic mentally ill (CMI) residents and also had some developmentally disabled (DD) residents. Lakeside Health and Rehabilitation Center has gone through several changes of ownership. Snowhill Health Care became the new owner on December 20, 2005 and operates a 100 bed nursing facility.

Park Lawn Home: Manitowoc County transferred ownership of their license for the 99-bed facility in 1996. The county negotiated a sale/leaseback arrangement in which annual lease payments were variable depending on revenues. Projected deficits were the primary reason for the sale. Costs incurred by the county included \$130,000 in legal fees and \$150,000 in employee related costs.

Riverview Health Center: Outagamie County's Riverview Health Center, a 77 bed facility was leased to St. Paul Home, Kaukauna in 1986. The county received lease payments of \$2,000/bed or \$154,000 annually during construction of the new St. Paul Home. Riverview Health Center needed extensive remodeling to correct code violations. Costs incurred by Outagamie County included \$90,000 in employee separation benefits and \$160,000 for the highway department to raze the building and remove underground tanks. The land was sold for \$100,000.

Northview Home: Waukesha County leased the 405 bed facility in 1987 to Lindengrove. Lindengrove paid the county \$60,000 plus \$146,000 (\$361/bed) for interim lease payments during construction of three new nursing homes. Waukesha County incurred \$1.16 million in settlement costs for employees and \$36,000 in legal costs. The cost of maintaining the building was estimated at \$75,000 per year. The building was razed about five years ago. Northview Home residents included geriatrics, CMI's and some DD residents. The county cited increased operating deficits and projected costs of renovation as reasons for selling the facility.

Parkland Health Facility and Middle River Health Facility: Douglas County sold the 119 bed Parkland Health Facility in 1989 for \$119,000 or \$1,000 per bed. The payment was used for lease payments while St. Francis Home South constructed a new facility. The facility served CMI and DD residents. Douglas County estimated that \$1,000,000 was needed for building demolition and asbestos removal. Douglas County sold the 120 bed Middle River Facility in 1993. The county cited increased operating deficits and major renovation costs for the two facilities to correct code violations as reasons for selling the facilities.

Pine View Health Center: Marinette County sold the 155 bed facility in 1993 for \$3,300,000 (\$21,300/bed) to Rennes Group. Proceeds from the facility built in 1983 were used to pay the existing debt on the facility. Pine View Health Center served geriatric and CMI residents and also operated a 20 bed ICF-MR distinct part unit as part of the 155 beds. Projected operating deficits were the main reason for selling the facility.

Center of Care: Eau Claire County sold the 160 bed facility in 1997 for \$34,210 per bed. The facility served geriatric residents. The county cited increased operating deficits as the reason for selling the facility. The county incurred employee separation costs for sick leave, vacation and holiday pay and retirement costs.

Pleasant Acres: Juneau County gave the 60 bed facility to Hess Memorial Hospital. The hospital received over \$500,000 plus land to build a new 60 bed replacement facility that opened in 2001. The county cited increased operating deficits and needing to replace the facility as reasons for transferring ownership of the operations.

Pine View Care Center: Jackson County sold the 100 bed nursing facility and the 36 bed Residential Care Apartment Complex (RCAC) to Real Properties, Inc on March 31, 2007 for \$4,300,000 or \$31,618 per bed. The proceeds of the sale were used for existing debt on the facilities and outstanding liabilities including employee wages and benefits at Pine View Care Center. Jackson County is not sure at this time if the sales price will cover these costs. The county incurred additional costs for sick leave and vacation pay. The county cited that the freezes in the tax levy and not being able to support additional operating deficits as the reason for selling the facility.

Sunny Ridge: Sheboygan County sold the 210 bed nursing facility to Legacy Senior Services on May 1, 2007 for \$1,000,000 or \$4,762 per bed. Legacy Senior Services paid \$200,000 down with an \$800,000 balloon payment due in six years. Sheboygan County will pay monthly payments to Legacy Senior Services equal to \$3,000,000 over six years as an operational subsidy. Sheboygan County will also give Legacy Senior Services \$1,000,000 to fund capital improvements at Sunny Ridge. The county will also provide some of the county union employees a severance package. Sheboygan County cited increased operating deficits as the reason for selling the facility.

Calumet Homestead: Calumet County sold their 90 bed facility to Rice Management Inc on December 1, 2007 for \$2,350,000 or \$26,100 per bed. Calumet County cited the increased operating deficits that needed to be funded as the main reason for selling the facility. The county is also concerned about the age of the physical plant and the resources that would have been needed in the future to upgrade the facility. Calumet Homestead employees were allowed to apply and interview with Rice Management. Wages remained in the same wage scale for most positions. A 401K pension plan with employer match was established to replace the Wisconsin Retirement Plan. The current health insurance plan was replaced with an "HSA" and a higher deductible plan.

Manitowoc County Health Care Center: Manitowoc County sold their 150 bed facility to Health Dimensions Group, LLC on March 1, 2008 for \$6,000,000 or \$40,000 per bed. The outstanding debt on the facility as of 12/31/06 was \$8,262,600. Manitowoc County operated a county-run nursing home for over 120 years and occupied the current replacement facility since May, 2003. Manitowoc County cited the property tax subsidy and the overall county levy limits as their main reasons for selling the facility. Health Dimensions is not required to admit bariatric referrals who weigh more than 400 pounds and residents requiring more than 3.5 hours of nursing care per day. Health Dimensions also would not be required to admit residents with no pay source unless the county agrees to pay the private rate and the resident meets all other admission requirements according to the contract.

Maple Lane Health Care Facility: Shawano County sold their 72 bed facility to Rice Management, Inc on May 1, 2010 for \$2,000,000 or \$27,778 per bed. The outstanding debt on the facility as of 4/30/10 was \$390,000. Net proceeds to the county are estimated at \$1,150,000 after closing costs, employee payouts and other costs are accounted for. Shawano County cited the increased operating deficits that needed to be funded as the main reason for selling the facility.

Countryside Home: Jefferson County operated Countryside Home for 155 years before selling their 120 bed facility to The Alden Group on July 1, 2010 for \$8,000,000 or \$66,666 per bed. The outstanding debt on the facility as of 6/30/10 was \$2,225,000. Included in the sales price was 20 acres of vacant land next to the facility. Alden Group's future plans include development of a senior living campus on the site. Jefferson County indicated that the current and future tax levies were the reasons for selling the facility. The staff is now paying \$500+ a month for family insurance. Salaries stayed at current rates. Sick time earned is 1/2 of what was previously provided and they aren't paid for the first day off. Alden Group honored longevity so some employees with lots of longevity get 4 weeks of vacation.

Rusk County Nursing Home: Rusk County sold their 50 bed nursing home to Senior Management, Inc. on July 1, 2013. The nursing home is located in the Rusk County Memorial Hospital.

Milwaukee County Mental Health Center: Milwaukee County Mental Health Center closed their skilled nursing facility and their ICF-IID at the end of 2015.

Lakeview Manor: Waupaca County closed Lakeview Manor, a 50 bed SNF in March, 2017. The SNF license was sold to a not-for-profit nursing facility for \$250,000 or \$5,000 per bed.

Brian Schoeneck,
Vice President of Financial & Regulatory Services
LeadingAge Wisconsin
August 29, 2017



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MEMORANDUM

DATE: August 28, 2017
TO: Mount View Care Center Committee (MVCC) & Nursing Home Operations Committee (NHOC)
FROM: Kim Gochanour, Nursing Home Operations Executive & Administrator
RE: Review of Facility Closure Process

The Mount View Care Center Committee requested additional information to understand what the closure of the Mount View Care Center would be from a process standpoint.

A Survey and Certification Group memo came out from CMS (Center for Medicare and Medicaid Services) in April 2011. This memo states some of the following steps that must be done to close a facility. Failure to adhere to this can result in civil money penalties (fines).

1. The individual serving as the administrator of the skilled nursing facility must provide written notification of the impending closure and a plan for the relocation of residents at least 60 days prior to the impending closure to the state survey agency that acts on behalf of the Secretary for the Department of Health and Human Services. This also needs to include the state ombudsman, residents, and resident representatives.
2. The facility is not allowed to admit new residents on or after the date the written notification has been submitted.
3. The plan must provide for the transfer and adequate relocation of all residents of the facility by a date that is specified by the State prior to closure. This must include assurances that the residents would be transferred to the most appropriate facility or other setting in terms of quality, services and location. (***) This is key the resident must agree to the transfer and new facility(***)
4. The facility must have policies and procedures in place to ensure that the administrator's duties and responsibilities involve providing the appropriate notices in the event of a facility closure.
5. If CMS terminates a facility's provider agreement, the State Survey Agency will arrange for the safe and orderly transfer of all Medicare and Medicaid residents to another facility.
6. If the Administrator fails to comply with the requirements of facility closure, they will be personally fined civil money penalties from \$500 to \$3,000 per offense.
7. Administrator could be subject to higher amounts of civil money penalties based on criteria that CMS will identify in interpretative guidelines

Along with the federal requirements, the Wisconsin Department of Health Services, Division of Long Term Care has created a Resident Relocation Manual. The intent of this manual is to diminish the effects of the Relocation Stress Syndrome (RSS), formerly known as "transfer trauma". The state's role in this process is to monitor the entire relocation process and work with the facility on understanding the requirement. The Relocation Manual requires:

1. Approval of the resident relocation plan, ensure that the residents rights are protected collaborate with ADRC and Managed Care Organizations (MCO's), IRIS, independent consultants, counties and county waiver programs and advocacy agencies.
2. Refer residents, family member and legal representatives to ADRC and other resources for community placement.
3. Strategize with relocation team members and provide assistance to remove barriers.
4. Confirm a plan for resident monitoring and staff training regarding resident relocation stress syndrome.
5. Confirm with the Administrator, the facility staff resources will be allocated for discharge planning.
6. Determine with the Administrator if and when additional staff resources are needed to operate the facility and manage the relocation assignments.
7. Conduct follow up outcome evaluations of relocated residents.

Although the federal requirements state 60 day notification, the State of Wisconsin requires for over 150 residents that 120 days notification is required.

The above includes only the highlights of the requirements. The state of Wisconsin has a 156 page handbook to walk you through the process of what is required in the written resident relocation plan, how to implement the plan, resources for the relocation stress syndrome training, etc..

Other areas of consideration:

1. Maintaining adequate staff to meet the needs
2. Resident and responsible parties have to agree to the transfer and may take months to find mutually agreed upon placement.
3. Cost of severance pay and unemployment costs
4. Potential stay bonuses through facility closure.
5. If unable to maintain staff would have to obtain agency staffing at rates of \$25.00 for nursing assistants and \$55 for nurses.
6. Financial losses would be significant.

North Central Health Care – Mount View Care Center

Strategic Vision Discussion
September 2017

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | ©2017 CliftonLarsonAllen LLP





Summary of Operational Analysis and Mission

Overview of Operational Analysis and Mission

North Central Health Care (NCHC) engaged CliftonLarsonAllen LLP (CLA) to conduct an operations assessment at Mount View Care Center (MVCC) to assist improving its efficiency and effectiveness, including:

- Perform an operational assessment to help identify opportunities for operational improvement.
- Assist in aligning Marathon County policy makers and the administrative staff on a strategic plan that will ensure efficiency and quality in MVCC's current operations and a road map to the future, that will meet the needs of Marathon County residents.

North Central Health Care Mission

Langlade, Lincoln and Marathon Counties partnering together to provide compassionate and specialized care for people with complex behavioral and skilled nursing needs.

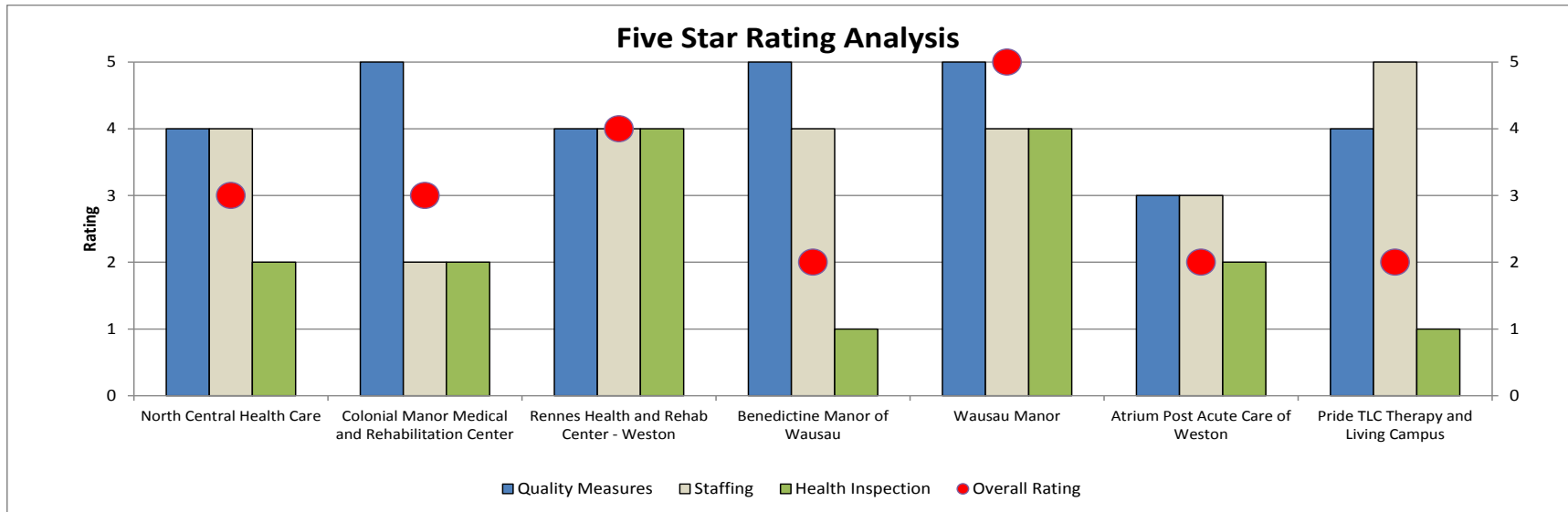


Executive Summary of Operational Analysis

- Mount View Care Center has several competitive advantages which can be enhanced to better meet the needs of Marathon County in the future, including:
 - The special programming provides much needed services to complex senior healthcare issues and is respected in the community.
 - The site location and beautiful outdoor setting is a unique asset.
 - Key quality measures are meeting high standards of care.
- Renovation of the short term care and ventilator units along with key common areas is crucial to MVCC's future.
- These renovations and additional technology investments will allow MVCC to adjust the payor mix to create a more sustainable revenue stream.
- The ventilator unit and Legacies dementia program are core competencies that are needed in the county and state. These needed services are not likely to be fulfilled by other providers in the market.
- Based on our review, the market can support between 180 and 200 licensed beds related to the current services offered.
 - An increase to 27 to 32 beds for short term care and a decrease in long term care beds to 20 to 30 can be pursued with the ventilator unit and Legacies program remaining at their current capacities.



Nursing Facilities – Star Rating Analysis



- MVCC is still positioned well in the market according to the 5 star rating system
- All competitors other than Rennes Health and Rehab and Wausau Manor have a health inspection rating of 2 stars or less
- Rennes and Wausau Manor have upcoming inspections this summer while most of the others were inspected after October 2016, so it is possible that their 4 star ratings may be challenged over the next several months

Source: Nursing Home Compare as of May 1, 2017





Strategic Decision Process

Strategic Decision Process Overview

Close Campus and Sell to Developer / Non-Health Care Entity

Key Factors:

- Identifying buyer
- Transition of current residents

Key Issues:

- Meeting requirements of service provision and mission
- Impact to other NCHC operations

Renovate Campus and Continue Operations

Key Factors:

- Renovation timing and cost
- Realignment of beds

Key Issues:

- Adjust operations and care delivery
- Financial impact

Sell MVCC to External Nursing Care Provider

Key Factors:

- Develop key attribute matrix
- Identifying potential provider

Key Issues:

- Alignment to attribute matrix for service provision and mission

Close Campus and Sell to Developer

Sale Process

- Determine property market value
- Engage broker and negotiate contract
- Obtain and evaluate bids
- Close property sale

Transition

- Determine impact to other NCHC services
- Identify external providers and develop quality expectations
- Develop resident transition plan and obtain Department of Health Services approval
- Begin process of transitioning patients to external providers

Communication

- Determine the timing / extent of communication plan
- Prepare for public questions / comments regarding transition of property

Renovate Campus and Continue Operations

Consensus on renovation plans

- Develop / refine roadmap of prioritized renovation plans
- Conduct meetings to gain support from various stakeholders
- Prepare and respond to stakeholder concerns

Impact Analysis

- Quantify financial impact of various scenarios
- Understand barrowing requirements / timing to enable execution
- Align with NCHC Master Facility Plan

Execution

- Reduce staffing and costs per operational analysis
- Develop new marketing material for community
- Complete renovations and bed transitions
- Complete staff education program

Renovate Campus and Continue Operations

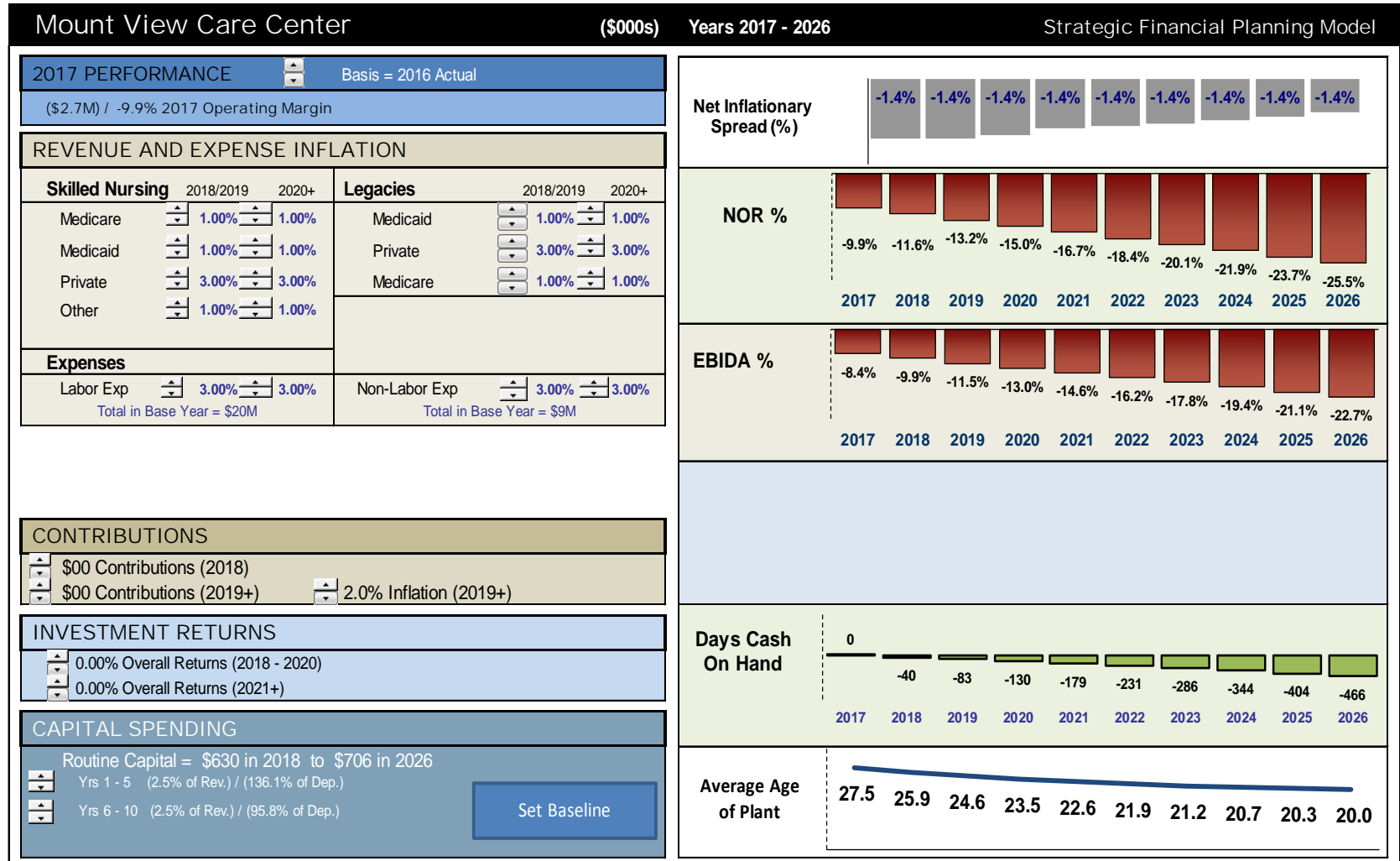
Preliminary Roadmap

Step Number	Project step	Reference to Action Register	Dependency	Responsible	Start	End	% Complete	Status	Jul-17	Oct-17	Jan-18	Apr-18
100	Current Campus Development											
100.1	Develop campus upgrades for the Post Acute Care Unit	2										
100.1A	Understand future needs of referring hospital systems			ADMIN	Jul-17	Oct-17	0%	Not Started				
100.1B	Explore options to increase short-term referrals			ADMIN	Jul-17	Oct-17	0%	Not Started				
100.1C	Explore specialized services in SNF and impact on development plans			ADMIN	Jul-17	Oct-17	0%	Not Started				
100.1D	Further analyze need to maintain current capacity in SNF			MVCC	Jul-17	Oct-17	0%	Not Started				
100.1E	Perform financial analysis to understand impact of capital improvements to Medicaid rate, offsetting debt payments	3		ADMIN	Jul-17	Oct-17	0%	Not Started				
100.1F	Obtain Board approval			MVCC	Oct-17	Jan-18	0%	Not Started				
100.2	Construction plan:	2	100.1									
100.2A	Refine detailed project plan			ADMIN	Oct-17	Jan-18	0%	Not Started				
100.2B	Obtain state approval and local permits			ADMIN	Jan-18	Apr-18	0%	Not Started				
100.2C	Identify designer / architect			ADMIN	Jan-18	Jul-18	0%	Not Started				
100.2D	Identify contractor			ADMIN	Jan-18	Jul-18	0%	Not Started				
100.2E	Develop preliminary construction plans			ADMIN	Apr-18	Jul-18	0%	Not Started				
100.2F	Refine financial impact analysis			ADMIN	Jul-18	Oct-18	0%	Not Started				
100.3	Construction:	2	100.2	ADMIN								
100.3A	[TBD]			ADMIN	Jul-18	Oct-19	0%	Not Started				
100.3B	[TBD]			ADMIN	Oct-18	Oct-19	0%	Not Started				
100.3C	[TBD]			ADMIN	Oct-18	Oct-19	0%	Not Started				
100.3D	[TBD]			ADMIN	Oct-18	Oct-19	0%	Not Started				
100.4	Improve use of technology systems that can enable more efficient care delivery (including call system)	1		ADMIN	Jul-17	Oct-17	0%	Not Started				
100.4A	Create user group and develop requirements			ADMIN	Jul-17	Oct-17	0%	Not Started				
100.4B	Research vendors and technology available			ADMIN	Jul-17	Oct-17	0%	Not Started				
100.4C	Develop Request(s) for Proposal			ADMIN	Jul-17	Oct-17	200%	Not Started				
100.4D	Evaluate RFP responses and select vendors			ADMIN	Jul-17	Oct-17	200%	Not Started				
100.4E	Develop phases/timeline for implementation			ADMIN	Jul-17	Oct-17	0%	Not Started				
100.4F	Implement new technologies			ADMIN	Oct-17	Apr-18	0%	Not Started				



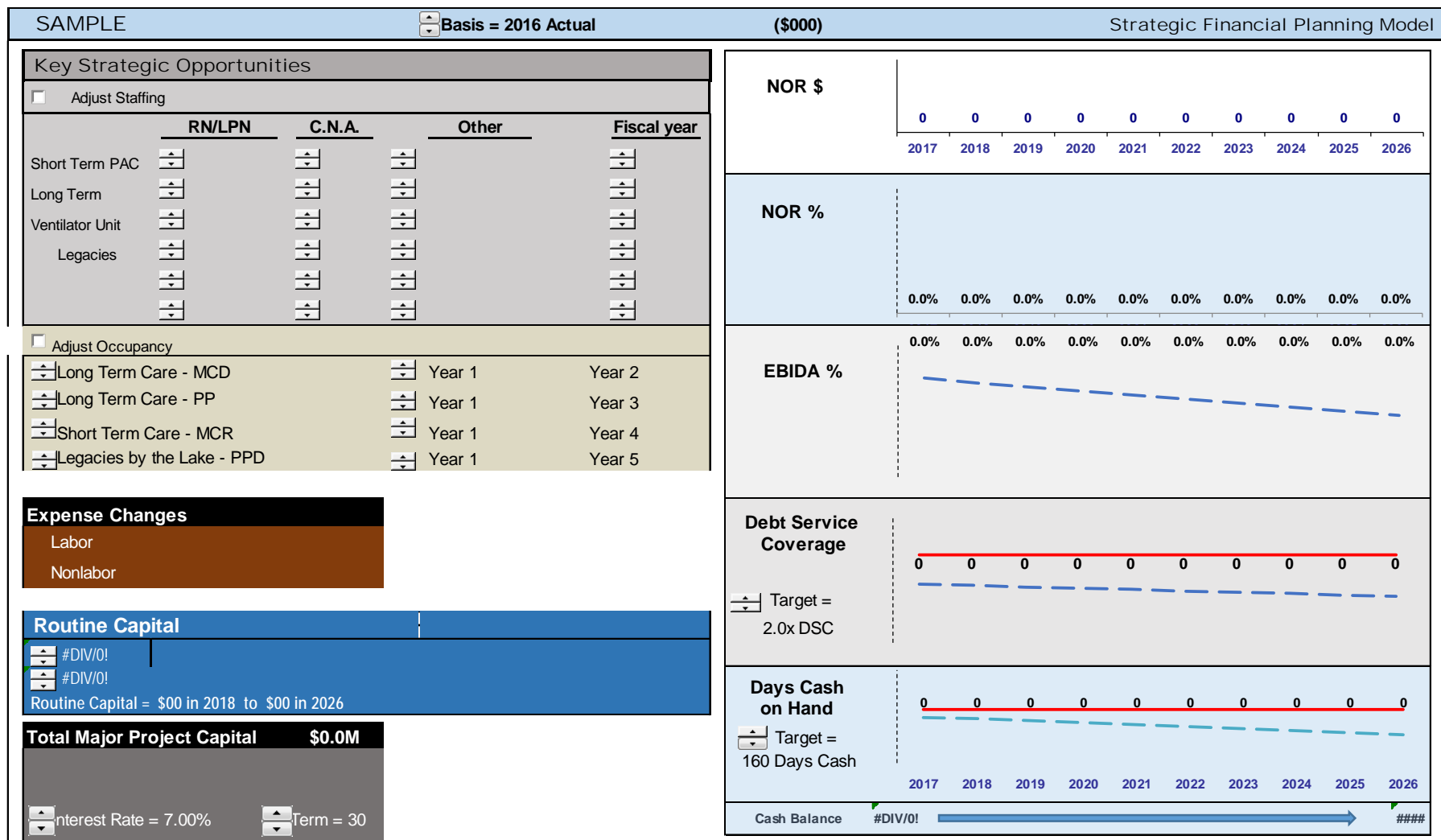
Renovate Campus and Continue Operations

Preliminary Baseline Dashboard



Renovate Campus and Continue Operations

Preliminary Strategic Dashboard



Sell MVCC to External Nursing Care Provider

Sale Process

- Determine market value of operations
- Engage broker and negotiate contract
- Obtain and evaluate bids
- Close property sale

Transition

- Determine impact to other NCHC services
- Identify external providers and develop quality expectations
- Develop transition plan – Residents and staff
- Begin process of transitioning patients to new provider

Communication

- Determine the timing / extent of communication plan
- Prepare for public questions / comments regarding management of MVCC

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