

OFFICIAL NOTICE AND AMENDED 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 **Thursday, September 21st, 2017**

In addition to attendance in person at the location described above, Nursing Home Operations Committee and Mount View Care Center (MVCC) members and the public are invited to attend by telephone conference. Persons wishing to attend the meeting by phone may call into the telephone conference beginning five minutes prior to the start time indicated above using the following number: 715-841-5199

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 Meetings to Order
2. Public Comment for Matters Appearing on the Agenda
3. ACTION: Approval of 09/05/17 Meeting Minutes
4. Policy Issues Discussion and Committee Determination to the County Board for its Consideration
 - a. Continuation of Strategic Planning
5. Scheduling of Future Meetings and Identifying Agenda Topics
 - a. Next MVCC meeting is scheduled for Monday, October 16, 2017 at 6:30 p.m.
 - b. Next Nursing Home Operations Committee meeting is scheduled for Friday, October 27 at 8:00 a.m.
6. Announcements
7. 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: 09/19/17 TIME: 4:30 p.m. BY: D. Osowski

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
JOINT NURSING HOME OPERATIONS COMMITTEE with the
MOUNT VIEW CARE CENTER (MVCC) COMMITTEE**

September 5, 2017 6:30 PM North Central Health Care – Board Room

Present: X Jean Burgener EXC Margaret Donnelly
 X Bill Metter EXC Bill Miller

MVCC Committee Members Present: John Robinson, Katie Rosenberg, Tim Buttke, Allen Drabek, Jack Hoogendyk

Also Present: Michael Loy, Kim Gochanour, Connie Gliniecki, Kristin Woller, Brenda Christian, Brad Karger, Kurt Gibbs, Jeff Zriny, Michael Peer, Terry Kaiser, Brian Kowalski

Call Meeting to Order

Initially the MVCC Committee lacked a quorum so Call to Order was postponed. Jean Burgener called the Nursing Home Operations Committee to order at 6:32 p.m.

John Robinson, upon arrival of Katie Rosenberg at 6:45 p.m., called the MVCC Committee to order.

Public Comment

- None

Approval of Prior Meeting minutes

- **Motion**/second, Metter/Burgener, to approve the minutes of the July 31, 2017 meeting on behalf of the Nursing Home Operations Committee. Motion carried.
- **Motion**/second, Robinson/Hoogendyk, to approve the minutes of the July 31, 2017 meeting on behalf of the MVCC Committee. Motion carried.

Educational Presentations/Outcome Monitoring Reports

- Update on Strategic Action Register

Discussion:

- Kim Gochanour described several recommendations from the Strategic Register that her leadership team has made progress on:
 - Activities of Daily Living Coding
 - RUG Scores Determinations
 - Staffing Ratios
 - Information Technology Enhancements
 - Analyze Benefit Ratios

- In most cases the MVCC Leadership Team was able to implement the recommendations as written. In a few, such as staffing ratios for dementia clients, team leaders did not feel comfortable with the goal as written and is experimenting with a higher ratio. Michael Peer complimented Kim and the MVCC Leaders on their early progress and described the strategic register as a summarizing “stretch goals” that might take time to be ready to implement an others may not be desired. MVCC should feel comfortable to evaluate each goal, consider it, and look for other alternatives that might better achieve desired outcomes.
- Update from MVCC Administrator

Discussion:

 - Michael Loy indicated that there are currently 37 people in protective placement at MVCC. If you estimate an average cost of \$100 per day, the cost of taking care of these people is \$1,350,500 (37 x \$100 x 365 - \$1,350,500)
 - The County tax levy supporting 140 people at Mount View Care Center is \$1,700,000. Thus, the cost of serving the 37 people the county is required to serve and the additional 103 people served at Mount View Care Center is \$349,500.
 - Committee members discussed the possibility of reducing the County tax levy contributions to MVCC to be equal to the estimated cost of serving protective placement as a long term financial goal. No conclusion to that discussion. It will be discussed later as the planning process continues.

Follow through:

 - Committee members expressed a desire to continue a conversation about financial goals at a subsequent meeting.

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

- Protective Placement and Out of County Analysis

Discussion:

 - Michael Peer presented three key directions that MVCC could move toward in the future:
 1. Close institution and sell property
 2. Renovate campus and continue operations
 3. Sell MVCC to external nursing care provider
 - Jack Hoogendyk indicated that all options need to be considered both from a social perspective and a financial perspective.
 - Transition of residents can easily take two years which will result in a continuing obligation to care for some people until the transition can be completed.
 - Kurt Gibbs agreed that option #1 does not seem very desirable, but he explained that a \$16,000,000 building renovation will never be approved by the County Board absent a complete analysis of all alternatives.
 - The problem with selling MVCC to a private provider is the loss of control. In service to the bottom-line a private provider may make decisions inconsistent with the social needs of the community.

Action:

 - **Motion**/second, Buttke/Rosenberg, to approve this criteria for evaluating alternatives:
 1. Technical feasibility/effectiveness
 2. Economic feasibility including capital and operational costs
 3. Continuing obligations including placements to other institutions.
 - Motion carried.

Follow through:

- John Robinson asked Brad Karger to work with CLA on a change order that will provide for a continuing relationship as the committee continues its analysis.

MVCC Recommendation Decision-Making Tree

1. Step 1 – Recommendation as to whether Marathon County should close, sell, or continue with Mount View Care Center as a County Nursing Home.
2. Discuss Parameters of Step 2 – Whether NCHC, Marathon County, or another partner should manage Mount View Care Center.

Discussion:

- See discussion above: Protective Placement and Out of County Analysis.

Action:

- No action requested.

Follow through:

- No follow through needed.

Scheduling of Future Meetings and Identifying Agenda Topics

- The Committee will meet next as follows:
 - September 21, 2017, 6:30 p.m.
 - October 16, 2017, 6:30 p.m.
- Both meetings will be in the Board Room at NCHC.
- Jean Burgener expressed a desire to get more community input/participation into the decision-making.
- Bill Metter indicated that he was very encouraged by the progress of these meetings and complimented the County Board members and Chair John Robinson on the thoughtful process.

Announcements

- None

Adjournment

- **Motion**/second, Metter/Burgener, to adjourn the Nursing Home Operations Committee meeting. Motion carried.
- **Motion**/second, Buttke/Drabek, to adjourn the Mount View Care Center Committee meeting. Motion carried.

Meeting adjourned at 8:15 p.m.

*Minutes Prepared
By Brad Karger
On September 7, 2017*

North Central Health Care – Mount View Care Center

Strategic Vision Discussion
September 21, 2017

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Strategic Alternatives Overview

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

Engage a broker to sell the land to a real estate developer for use other than a healthcare facility. Transition current residents to other nursing care settings as required by state and federal law.

Renovate Campus and Continue Operations

Campus upgrades to short term care units, common areas and technology support to be relevant to the needs and families in the County. Operational changes will be made to continue to balance cost reimbursement.

Sell MVCC to External Nursing Care Provider

Engage a broker or independently market the nursing care business to a provider that will maintain the mission to focus on unmet nursing care needs of families in the County.



Discussion Framework

Technical
Feasibility

Financial
Feasibility

Continuing
Obligations





Close Campus and Sell to Developer

Close Campus and Sell to Developer

Technical Feasibility

- Potential developers will need to determine the marketability of future construction on the lakefront property, in relation to the adjacent NCHC healthcare facilities.
- Current residents will need to be placed in alternate care settings which must be agreed to by the resident families. It is possible that this may require up to 2 years to accomplish due to the legal requirements, the size of the facility (approximately 180 residents) and the complexity of care for the ventilator residents and Legacies residents, including:
 - The State of Wisconsin requires a 120-day notice and a transition plan for each resident.
 - Once a plan is submitted, the State will approve the closure date or alter it, based on their review.
 - Federal Medicare and Medicaid laws require a 60-day notice to residents. Once announced, the facility is not allowed to accept additional admissions.
- The timing of resident transitions need to be understood by the broker and attorney that are engaged to complete the transaction.
- Public relations will be critical during the transition phase and will likely require additional staff members.



Close Campus and Sell to Developer

Financial Feasibility

- Broker fees will range from 4 – 8% of the sales price
- Legal costs to close the sale will range from \$100,000 - \$200,000.
- MVCC will experience some additional short-term operational losses once they are not able to admit additional ventilator unit residents. Additional gross margin losses are estimated at \$60 - \$180 per day for each open vent unit bed, depending on the payor source mix.
- If 12 residents are able to be transitioned each month on average, 13 months will be needed to transition all residents.
- Resource needs include:
 - 3 additional case managers with a case load of 40 - 50 long-term residents (including ventilator and Legacies residents) would be needed to manage the transitions to other care settings.
 - Due to complexity of resident medical needs, 1 additional staff member would be needed to answer family, press and public questions during the transition period. The estimated cost for these positions would be \$250,000 - \$300,000 but may be filled by current staff.
 - Stay bonuses or temporary nursing are likely to be required to adequately staff the facility once the closure is announced. Assuming 50% turnover after closure announcement, the estimated additional annual cost to care for residents could reach \$300,000 - \$350,000 for RNs and \$500,000 - \$600,000 for Nursing Assistants. Severance costs may also be incurred.



Close Campus and Sell to Developer

Continuing Obligation

- Currently MVCC has 37 protective placements.
- If Marathon County has a range of 35 – 50 residents in protective placement and the County must pay an additional \$100 per day to an outside facility to supplement the Medicaid reimbursement for each one, the county will be required to pay an estimated total of \$1.3 - \$1.8 million annually.
- If Medicaid reimbursements decrease, outside facilities may require a larger payment to continue serving these residents.
- Other residents may move out of county to receive services if beds are not available within the County.
- Current providers in the area are predominantly owned by for profit organizations.



Renovate Campus and Continue Operations

Renovate Campus and Continue Operations

Technical Feasibility

- The renovation of MVCC should be tied in with the Master Plan for North Central Community Healthcare (in process).
- The renovation plan for MVCC, which was developed several years ago, can be leveraged as a starting point, but should be adjusted for changes in technology and healthcare service expectations.
- The expected timeframe for development of an architectural plan is 3 – 6 months.
- Renovation is expected to be financed through tax exempt bonds issued by the County. A majority of the repayment will come from an increased Medicaid rate which MVCC will obtain based on the new construction.
- Several approvals will be required including County approval, approvals to issue and sell bonds, and building code approvals. An additional 3 – 6 months is likely to obtain these approvals.
- The renovation of the short term care areas and common areas will take 6 – 12 months.
- Renovation will take place while residents are in their rooms however some planning will allow movement of residents to unused areas of MVCC to mitigate some challenges.

Renovate Campus and Continue Operations

Financial Feasibility

- The cost of renovation is estimated to be between \$13 million and \$16 million and will depend upon final renovation decisions.
- Architectural design fees and construction management fees represent between 6% and 10% of construction fees.
- The cost of information technology improvements have not been fully determined, however the potential improvements identified would improve care and efficiency, reducing operational costs.
- An initial estimate of technology needs may be \$500,000 to \$1 million.
- \$4.7 million of improvements were identified in the operations analysis and it is reasonable to target 50% of these improvements to be implemented over the next year.



Renovate Campus and Continue Operations

Continuing Obligation

- The County currently funds MVCC through an annual tax levy of approximately \$1.7 million. Operational improvements noted will allow MVCC to operate at a breakeven or better annual result with the same tax levy.
- Technology improvements may also allow for a reduction in costs as they are more fully implemented and used by direct care staff.
- Tax exempt bonds would require ongoing interest and principal payments, but would be partially offset by increased Medicaid rates.
- A finalized operational plan would be created to ensure that the additional Medicaid reimbursements and operational cost savings at MVCC would fully fund these payments and would not increase the burden on the County.



Sell MVCC to External Nursing Care Provider

Sell MVCC to External Nursing Care Provider

Technical Feasibility

- Finding a buyer for the current resident population may be challenging and a contract would need to be negotiated to ensure the County's desire for serving these residents will be maintained for a specific period of time (i.e. 5 years or more.)
- A broker and attorney that are familiar with the senior living industry would be engaged to investigate and complete the sale.
- If a broker is not able to find a buyer, it may be possible to request another organization to assume the operations, as there is no debt that is associated with the facility.
- North Central Health Care support departments may be able to continue to serve MVCC, but NCHC should be prepared to reduce their shared service operations if this is not desired by the acquiring organization.
- Transition of the location operations will require approvals at the Federal and State level and will require 3 – 6 months.
- The process is highly dependent on the interest of outside providers and finding a provider who the County and NCHC approves as a good fit. It is estimated that it will require 6 months to 2 years to fully transition to another healthcare provider due to the approvals needed and the contract negotiation.
- Public relations will be critical during the sale and transition phases.

Sell MVCC to External Nursing Care Provider

Financial Feasibility

- Broker fees will range from 6-10% of the sales price
- Legal costs to close the sale will range from \$100,000 - \$200,000.
- The transition costs may be similar to closing the facility, therefore stay bonuses or temporary nursing may be required to adequately staff the facility once the bid for sale is announced.
- Assuming 50% turnover after this announcement, the estimated additional annual cost to care for residents could reach \$300,000 - \$350,000 for Registered Nurses and \$500,000 - \$600,000 for Nursing Assistants. Severance costs may also be incurred.



Sell MVCC to External Nursing Care Provider

Continuing Obligation

- Protective placements would again represent the continuing obligation of the County and would be similar to the costs noted if the property was sold for new development (see below.)
- Currently MVCC has 37 protective placements.
- If Marathon County has a range of 35 – 50 residents in protective placement and the County must pay an additional \$100 per day to an outside facility to supplement the Medicaid reimbursement for each one, the county will be required to pay an estimated total of \$1.3 - \$1.8 million annually.
- The County may be able to negotiate a reduced fee for a specific period of time with the external nursing provider if that provider is mission oriented.
- If Medicaid reimbursements decrease, outside facilities may require a larger payment to continue serving these residents.



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