North Central Health Care
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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,**
NCHC Wausau Board Room at **6:30 pm** on **Tuesday, November 28th, 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 10/16/17 Meeting Minutes
4. Educational Presentations/Outcome Monitoring Reports - None
5. Policy Issues Discussion and Committee Determination to the County Board for its Consideration
    a. Better Understanding the Financial Implications of Renovations and Continuing Operations with a Renovated Facility and a Changed Service Mix
        1. Report on Title Search and Commercial Property Assessment
        2. Marketability of MVCC to Private Operators (CLA)
        3. Analysis of Current State to WIPFLI Projections for 2018 (Michael Loy)
        4. Financial Modeling for Investment in Continued Operations of MVCC (CLA)

    b. Review of the Delegation of Governance of Mount View Care Center to North Central Community Services Program Board and Report to the Other Member Counties its Intent Going Forward with Regard to Governance Authority (Tri-County Agreement, VI (M)(b) Marathon County Nursing Home Facilities.)
6. Scheduling of Future Meetings and Identifying Agenda Topics
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: 11/24/17 TIME: 11:00 a.m. BY: D. Osowski

Joint Meeting of
MOUNT VIEW CARE CENTER (MVCC) COMMITTEE and
NCHC NURSING HOME OPERATIONS BOARD
MINUTES

Tuesday, October 16, 2017 at 7:30 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 Miller, Bill Metter
Others Present: Kurt Gibbs, Brad Karger, Michael Loy, Brenda Glodowski, Kim Gochanour, Connie Gliniecki, Kristen Weller, Michael Peer,

1. **Call Meeting to Order**
   The meeting of the Mount View Care Center Committee and the NCHC Nursing Home Operations Committee were called to order at 7:30 p.m. by their respective Chairs.

2. **Public Comment** - None

3. **Approval of Prior Meeting Minutes**
   MOTION BY ROSENBERG; SECOND BY BUTTKE TO APPROVE THE MINUTES OF THE SEPTEMBER 21, 2017. (MVCC COMMITTEE)

   MOTION BY METTER; SECOND BY BURGENER TO APPROVE THE MINUTES OF THE SEPTEMBER 21, 2017 MEETING. MOTION CARRIED (NCHC NURSING HOME OPERATIONS)

4. **Educational Presentations/Outcome Monitoring Reports** - None

5. **Policy Issues Discussion and Committee Determination to the County Board for its Consideration**
   A. Continued Evaluation of Options for MVCC

Discussion:
Committee members discussed the possibility of closing the nursing home and selling the property to a private developer and how it could estimate a value of the nursing home and the property it is located on. A sale to a private entity would result in an increase in tax base. Value assessment is made more complicated in that the property contains a large structure that may be used by the purchaser, but also may need to be demolished and the site cleared. Finding comparable sales is also going to be a problem because of the unique nature of the sale and limitations on future use because of proximity to NCHC. Consensus emerged that while it will be difficult a value of the capital assets, should we decide to continue skilled nursing care and borrow to renovate the facility, the information will be necessary to answer questions from the County Board when a borrowing resolution is put in front of them in order to confirm that all options were explored.

Action:
MOTION BY ROBINSON; SECOND BY DRABEK TO DIRECT STAFF TO TAKE THE FOLLOWING ACTIONS TO ASSIGN A VALUE TO THE CAPITAL

1. **CONDUCT A TITLE SEARCH TO DETERMINE OWNERSHIP AND ANY LIMITS ON**

TRANSFERS.

2. **ASSESS "AS IS". BUILDING DEMOLITION WILL BE THE RESPONSIBILITY OF THE NEW OWNER.**
3. **ASSESS THE PROPERTY THE NURSING HOME OCCUPIES AND THE VACANT PROPERTY USED FOR SOCCER FIELDS.**
4. **DO NOT EXCEED $3,000 IN CONSIDERING THIS PROPERTY ASSESSMENT.**

MOTION CARRIED.

Follow through:

Brad Karger will take the lead in contracting with area professionals to accomplish the goals of the committees.

1. Selection of a "Preferred Option" for Deeper Evaluation

Discussion:

The committee discussed the option of renovating the campus and right sizing operations. Facility upgrades and upgrades to technology support need to be combined with operational changes to maximize revenues:

- Renovations will cost between $13 million and $16 million dollars.
- Technology needs will cost between $500,000 and one million dollars.
- Tax exempt bonds will require ongoing interest and principle payments and can be partially offset by increased Medicaid payments.
- Renovations need to be tied to NCHC Master Facility Plan.
- Renovations will be complicated by the presence of residents.
- Size of the new facility will depend on the business plan going forward. Are we going to continue to provide traditional nursing home care?

Action:

No action required.

Follow through:

Michael Loy and Kim Gochanhaur were asked to work with Michael Peer and the CLA team to start to build some models of service areas, number of beds, revenue sources, etc. to help committee members conceptualize the financial implications of renovations and continuing to operate MVCC as a skilled nursing facility.

6. **Scheduling of Future Meetings and Identifying Agenda Topics**

   The committee will meet next as follows: November 28, 2017, 6:30 – 9:30 p.m. in the NCHC Board Room

   The focus of the meeting will be on better understanding the financial implications of renovations and continuing operations with a renovated facility and a changed service mix.

7. **Announcements**: None.

8. **Adjournment**

   MOTION BY BUTTKE; SECOND BY HOOGENDYK TO ADJOURN THE MVCC MEETING. MOTION CARRIED. Meeting adjourned at 8:50 p.m.

   MOTION BY METTER; SECOND BY BURGENER TO ADJOURN THE MEETING OF THE NURSING HOME OPERATIONS COMMITTEE. MOTION CARRIED. Meeting adjourned at 8:50 p.m.

Minutes Prepared
By Brad Karger
on November 14, 2017

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MEMORANDUM

DATE: November 21, 2017
TO: Mount View Care Center Committee (MVCC) & Nursing Home Operations Committee (NHOC)
FROM: Michael Loy, Interim Chief Executive Officer
RE: Analysis of WIPFLI's Prior Financial Modeling Report and 2018 Current State

The Mount View Care Center Committee requested NCHC staff to revisit the June 2013, Mount View Care Center Financial Modeling Report from WIPFLI as a base for building a forecasting model for Marathon County to continue to stay in the nursing home business along with any corresponding capital investment. It is important to evaluate their 2018 forecast in the context of the actual 2018 operational budget for MVCC. We have provided this analysis below.

Key Facts & Analysis

(Page 2 of Presentation) *'WIPFLI's Financial Analysis was based on a market study which was completed in 2011, there is an excess of nursing home beds in the Wausau area and this excess is projected to increase in the next 5 year".*

There continues to be an excess of licensed beds that are unfilled and the Medicare and Private pay markets have become even more competitive. Much of the forecast has come and is still held to be true.

(Page 4 of Presentation) Three capital investment scenarios were presented:

a. $2,500,000 – No significant capital investment beyond essential maintenance needs.
b. $13,484,400 – Remodel
c. $23,241,200 – New Construction

The decision by the County was ultimately to not remodel or build a new facility. The County has also chosen not to invest the $2.5M for essential maintenance needs further exacerbating capital demands. Since 2014, Marathon County has invested $197,860 in capital (washer replacements) and NCHC has invested $425,000 to replace the boiler in MVCC. Nearly $1.9 Million less than expected. There are capital dollars budgeted for 2018 but MVCC projects have been deferred before as the County previously considered the project and would be next year until a decision on MVCC is made.

	2014	2015	2016	2017	2018
Marathon County CIP	$0	$197,860	$0	$0	$578,000
NCHC CIP	$0	$0	$0	$425,000	$50,000
Total	$0	*$197,860*	$0	*$425,000*	*$628,000*

(Page 6 of Presentation) Three operating scenarios were presented, one scenario was chosen by default by inaction ("*no significant capital investments beyond essential maintenance needs")* and the consequences projected have materialized as forecasted: *"<u>This option would likely result in a deterioration of Mount View Care Center's competitive position</u> in the community and a projected significant increase in the tax year"* (emphasis added). Unfortunately we have the benefit of time to see how the 2013 projections actually played out in 2018.

(Pages 7 – 9 of Presentation) Financial assumptions for revenues and expenses were given. The overview and considerations of the assumptions at the time are only as helpful as to understand how WIPFLI arrived at their projections. Today, these projections are largely erroneous as we have presented an actual 2018 budget. Our 2018 Budget was delivered at a much lower anticipated tax levy cost at the same time we experienced greater than projected revenue losses.

(Page 10 of Presentation) WIPLI projected the impact of the County's decision to not invest in the facility. The Approved 2018 Budget census levels are included below. With the exception of the Long-term care census, these projections were spot on from a volume stand-point. The Long-term care census volume has dropped even more precipitously than contemplated as more community-based and home healthcare options have allowed individuals to stay in their homes longer.

Financial Analysis
Unit Mix

Projected unit mix are as follows:

		2018			
	2013	No Investment	2018 Budget Census	New Construction	Renovation
Long-term care	108	65	37	65	65
Post acute	48	48	48	49	49
Legacies	107	98	100	105	105
Total nursing home	263	211	185	219	219

2018 Budget Census

(Page 11 of Presentation) WIPFLI made the case that one of the significant reasons to invest in the facility was to enable MVCC to maintain adequate census levels. They projected an average daily census by payer as indicated below (Approved 2018 Budget Census is included). Census volume and mix have gone down relatively close to their projections, but we are in a worse position than anticipated.

		2018			
	2013	No Investment	2018 Budget Census	New Construction	Renovation
Medicare	32	21	17	32	30
Medicaid	156	132	133	132	134
Private pay, hospice, & VA	28	23	19	28	28
Vent	20	20	16	20	20
Total nursing home	236	196	185	212	212

2018 Budget Census

(Page 12 of Presentation) WIPFLI projected impacts to reimbursement rates for 2018. The 2018 Budgeted rates are included below. Overall, the projections for 2018 reimbursement rates were accurately forecasted.

		2018			
	2013	No Investment		New Construction	Renovation
Nursing Home:					
Medicaid rate					
Direct care	$ 85.63	$ 99.80	100.92	99.80	$ 99.80
Support	45.60	48.41	47.61	48.41	48.41
Provider incentives	9.95	10.24	11.00	10.81	10.78
Capital	6.23	11.41	10.75	16.83	15.76
Total Medicaid	$ 147.42	$ 169.86	169.50	75.85	$ 174.74
Medicare	$ 442.00	$ 476.16	503.00	76.16	$ 476.16
Private pay	$ 260.00	$ 280.05	273.00	80.05	$ 280.05
Vent	$ 550.00	$ 592.51	561.00	92.51	$ 592.51

2018 Budgeted Rates

(Page 13 of Presentation) WIPFLI projected FTE adjustments to correspond to a lower census at 196 with "No Investment" (a reduction from 2013's 236 census). Overall the FTE's in patient care areas have largely come in alignment with their projections. Our current FTE count is 166.68 at a census of 185 versus 179.58 FTEs at WIPFLI's projected census of 196 in 2018. Our 2018 FTE count is 7.3% lower while the census is 5.6% lower indicating we have outperformed in reducing FTE counts in patient care areas relative to adjusted census.

		2018			
	2013	No Investment		New Construction	Renovation
Long-term care	61.70	38.31	25.4	38.31	38.31
Post acute	53.97	53.97	60.2	53.61	53.97
Legacies	87.40	87.40	80.8	87.66	87.50
Total nursing home	203.07	179.68	166.5	79.58	179.78

2018 Budgeted FTEs

(Page 15 of Presentation) WIPFLI projected Tax Levy Needed from 2014 through 2018 as indicated below. An analysis of budgeted tax levy and actual financial performance in these years is presented as well. North Central has operated with $5,438,700 less than anticipated in required tax levy support than forecasted which nearly equals the actual loses thus far over that same time span. Instead of additional tax levy this has come at the detriment of Marathon County's fund balance in MVCC. The 2017 Budget still has an opportunity to reduce the losses despite being unbalanced and 2018 is balanced.

		5 Year Vision		
		No Investment	New Construction	Renovation
Projected tax levy needed:				
2014	1,700,000	$ (1,786,900)	$ (1,904,200)	$ (1,973,500)
2015	1,700,000	(2,289,800)	(3,593,100)	(2,224,000)
2016	1,700,000	(2,709,000)	(3,543,200)	(2,209,700)
2017	1,700,000	(3,277,500)	(3,469,900)	(2,566,500)
2018	1,500,000	(3,675,500)	(3,223,200)	(2,779,100)
Total 2014 - 2018	$8.300.000	$ (13,738,700)	$ (15,733,600)	$ (11,752,800)

	Actual Financial Performance
2014	($1,811,617)
2015	($483,031)
2016	($2,646,144)*
2017	($362,841)** (Thru 10/31/17)
Total	($5,303,633)*

*GASB Pension Liability Adjustment

**2017 Budget Approved and amended for a total loss of approximately $700K

(Page 16 of Presentation) Many of the same circumstances exist today as they did five years ago or as they were forecasted to be in 2018.

Based on the above, projected total tax levy, based on high level assumptions for 2019 through 2033 is as follows:

	Long Term Vision		
	No Investment	New Construction	Renovation
Projected tax levy needed:			
2014 - 2018	$ 13,738,700	$ 15,733,600	$ 11,752,800
2019 - 2033	79,119,700	64,611,600	60,195,400
Total for 20 year period	$ 92,858,400	$ 80,345,200	$ 71,948,200

One thing remains, if Marathon County continues to be in the nursing home business, it will cost the County less, in the context of the totality of their tax levy support, if they invest in the operations. A continuance of a "No Investment" strategy will further deteriorate the operations of MVCC and will likely further erode our competitive position and invariably our ability to maintain the current levy levels.

Operational efficiencies have largely been leveraged, although some continued work might incrementally alleviate future demands if inflationary expense pressures outstrip the inflation of revenues. Not likely given the economic conditions currently present.

The conclusion from the previous several slides and their corresponding analysis is:

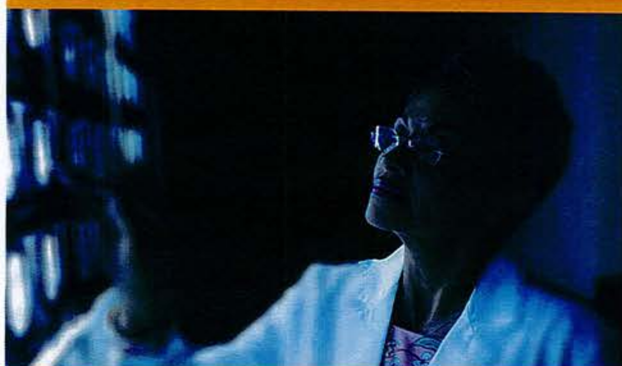
Despite census volume and mix eroding even further than projected over the last 5 year forecast, Administration has been able to deliver a balanced 2018 Budget at a tax levy of $1.7 Million versus an anticipated tax levy in a "No Investment" strategy, of $3.68 Million tax levy projection. This has been accomplished through expense reduction or controlling of inflationary pressures while maximizing revenue sources where possible without additional capital investment. Further, with Marathon County's additional tax levy reduction of $200,000 down to $1.5 Million in 2018, any additional operational efficiencies or revenue enhancements will likely be exhausted without significant investment. The $1.5M levy represents 6.8% of the total $22 Million operation. We have nearly maximized these efficiency opportunities in the presentation of the 2018 budget.

As census drops, it is difficult in to cut yourself out of an operational loss without taking significant financial loses in the transition. The transition to get here from 2013 has been expensive as revenues precipitously dropped. Without investment we are chasing continued revenue losses without the ability to effectively reduce cost in real-time. This all leads to instability in the long-term financial forecast that will ultimately threaten the viability of MVCC itself.

The County's responsibility for the protectively placed remains. Today is estimated to be at least $1.3 Million. There is a clear path to cater to this responsibility at the same cost as providing a broader level of service to the community. We would making a mistake in denying our experience with the accuracy of these prior forecasting and continuing with "No Investment". There is a path to accomplish staying the course, investing in the future, and lowering the overall financial liability of the County while improving an important community asset.

The County can levy tax for borrowing activities without general restraint from the State given their current borrowing position as opposed to being severely limited to raising sufficient tax levy to support operations on a cost to continue basis. If the County wants to maintain and perhaps over time reduce total tax levy support for MVCC, the most prudent strategy, perhaps the only viable strategy, would to be invest as a means to control overall operational expense growth. It remains highly unlikely that tax levy support can be restrained to current levels without it.

Mount View Care Center Financial Modeling



June 2013

Draft 6-5-2013

Financial Analysis
Recap of Process

As part of the financial analysis, multiple different capital investment and operating scenarios for Mount View Care Center were discussed and evaluated. An important part of this discussion revolved around industry trends related to nursing home census declines both statewide as well as in the Wausau area:

- Based on a market study which was completed in 2011, there is an excess of nursing home beds in the Wausau area and this excess is projected to increase over the next 5 years.
- The Wausau area is very competitive with multiple other nursing homes who are likely all working hard to attract Medicare and Private pay patients.
- The Wausau area is also very competitive in the assisted living environment with an increasing number of assisted living options available in recent years.
- Management identified approximately 60 residents who they felt could be served in a frail/elderly or memory care assisted living facility.

Financial Analysis
Overview of Services Provided by Mount View Care Center

Unit Description	Type of patients served	Payment Rate / Market Comments
"Post Acute" - Medicare	Short term stays for Medicare Patients.	These services are desirable from a payment rate perspective. Other area providers agressively seeking these patients.
"Post Acute" - Vent	Specialized services for ventilator dependent residents.	These services are desirable from a payment rate perspective. There are no other providers in Wausau competing for these patients.
"Long Term Care"	Traditional nursing home services for frail/elderly residents.	Payment rates are ***very*** poor for 80% of these residents whose services are paid by Medicaid.
"Legacies"	Services for elderly residents suffering from dementia and alzheimers.	Payment rates are ***very*** poor for 85% of these residents whose services are paid by Medicaid.

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Financial Analysis
Recap of Process

As a result of extensive analysis and discussions, the following scenarios were selected for final financial modeling:

Capital Investment	Description
$ 2,500,000	No significant capital investment beyond essential maintenance needs.
$13,484,400	Extensive rehabilitation and renovation of the long term care unit and the post acute care unit.
$23,241,200	Construction of new space for the Medicare post acute care residents and for the majority of the Legacies residents. Extensive rehabilitation and renovation of the long term care and vent units.

Decision Making Considerations

Capital Investment	$ 2,500,000	$ 13,484,400	$ 23,241,200
Control the total tax levy			
Control the tax levy for operations			
Low likelihood of future significant capital investment needs			
Improve curb appeal and create a positive first impression			
New space to signficantly enhance competitive position			
Maintains regulatory compliance			
Moves Legacies population to space more adjacent to the rest of MVCC			
Private exit for deceased residents			
Private rooms:			
All Medicare and private pay residents			
All Medicaid long term care residents			
Majority of Legacies residents			
Upgrades facility for resident satisfaction and competive position			

Financial Projections

The following pages present the projected schedules of tax levy for Mount View Care Center and a summary of the related significant assumptions for several different capital investment and operating scenarios. The projected schedule of tax levy is presented on a comparative basis for the year ended December 31, 2018. Providing the information for the year ended December 31, 2018 provides for ease of comparison of the various scenarios and also allows the user to focus on the long-term future of Mount View Care Center. The information presented also included is a high level analysis of the potential tax levy for 2014 through 2033 for the same scenarios.

The following operating scenarios are presented :

- No significant capital investment beyond essential maintenance needs. This option would likely result in a deterioration of Mount View Care Center's competitive position in the community and a projected significant increase in the tax levy.
- Extensive rehabilitation and renovation of the long term care and the post acute care units. This option would ensure Mount View Care Center continues to be competitive in attracting the types of patients who minimize the tax levy.
- Construction of new space for the Medicare post acute care residents and the majority of the Legacies residents along with extensive rehabilitation and renovation of the long term care and vent units. This option would ensure Mount View Care Center continues to be competitive in attracting the types of patients who minimize the tax levy and would also provide enhanced living environments for virtually all Mount View Care Center residents regardless of payor source.

Additional information related to the projected schedules of tax levy as well as additional detail for the years ending December 31, 2014 through 2018, is available upon request from management.

These projections are based on assumptions that are the representation of management and accordingly, there is no assurance on the accompanying projections or assumptions. Furthermore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Financial Analysis
Overall Assumptions

The following assumptions were used for all scenarios:

Baseline:

The basis for the projections was the 2013 budget. The projections include nursing home operations and exclude contracted meals and pharmacy.

Reimbursement:

- Inflationary increases in Medicare, Hospice, VA and Vent reimbursement levels of 1.5% annually.
- No inflationary increases in private pay payment levels for 2014. Inflationary increases in private pay payment rates of 1.5% for 2015 and 2.0% annually, thereafter.
- Medicaid reimbursement levels were estimated based on the projected impact to the case mix index and capital cost resulting from the scenarios being evaluated.
- Medicaid supplemental program (IGT) revenue was projected based on 2013 budgeted levels adjusted by changes in nursing home Medicaid days each year.

Financial Analysis
Overall Assumptions (Continued)

Expenses:

- Compensation levels increased 2% annually.
- Fringe benefits as a percent of wages were increased by .5% each year.
- Long term care, post acute, and legacies, rehabilitative services, and dietary expenses were adjusted to reflect projected census levels for each scenario.
- Indirect expenses for laundry, housekeeping, volunteer services, administration, and utilities were assumed to remain consistent with 2013 budgeted levels with the exception of the following:
  - identified reductions in laundry nursing home administrative positions which are believed to be possible if a significant project were approved.
  - a 6 percent slight decrease in utilities expenses expected due to investment in energy efficient building components and decreased census levels.

Financial Analysis
Overall Assumptions (Continued)

Expenses:

- Shared indirect expenses were adjusted for reduced overall census levels. Shared indirect expenses were projected at 6.5% of direct wages, indirect wages, laundry, dietary, housekeeping, activities, volunteer services, nursing home administration, and utilities expenses. The 6.5% is consistent with current levels.
- Depreciation was projected based on historical levels adjusted for project related depreciation expense.

Financial Analysis
Unit Mix

Projected unit mix are as follows:

		2018		
	2013	No Investment	New Construction	Renovation
Long-term care	108	65	65	65
Post acute	48	48	49	49
Legacies	107	98	105	105
Total nursing home	263	211	219	219

Financial Analysis
Census Levels

One of the significant reasons to invest in the facility is to enable MVCC to maintain adequate census levels, to enable MVCC to continue attracting Medicare, Ventilator, and private pay residents while also meeting the needs of Marathon County residents whose services are paid for by Medicaid. Projected average daily census by payor are as follows:

		2018		
	2013	No Investment	New Construction	Renovation
Medicare	32	21	32	30
Medicaid	156	132	132	134
Private pay, hospice, & VA	28	23	28	28
Vent	20	20	20	20
Total nursing home	236	196	212	212

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Financial Analysis
Revenue

Changes in census levels, licensed bed capacity, and cost structure impact Medicaid reimbursement levels. Reimbursement levels for other payors are not impacted by these factors. Projected reimbursement levels per resident day are as follows:

	2013	2018 No Investment	2018 New Construction	2018 Renovation
Nursing Home:				
Medicaid rate				
Direct care	$ 85.63	$ 99.80	$ 99.80	$ 99.80
Support	45.60	48.41	48.41	48.41
Provider incentives	9.95	10.24	10.81	10.78
Capital	6.23	11.41	16.83	15.76
Total Medicaid	$ 147.42	$ 169.86	$ 175.85	$ 174.74
Medicare	$ 442.00	$ 476.16	$ 476.16	$ 476.16
Private pay	$ 260.00	$ 280.05	$ 280.05	$ 280.05
Vent	$ 550.00	$ 592.51	$ 592.51	$ 592.51

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Financial Analysis
Expenses

FTEs have been adjusted for changes in census levels as well as some efficiency savings to be achieved by redesign of the patient care areas. FTE's for the direct care departments are projected as follows:

		2018		
	2013	No Investment	New Construction	Renovation
Long-term care	61.70	38.31	38.31	38.31
Post acute	53.97	53.97	53.61	53.97
Legacies	87.40	87.40	87.66	87.50
Total nursing home	203.07	179.68	179.58	179.78

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Financial Analysis
Tax Levy Needed - 2018

Based on the above, projected tax levy needed for operations and for capital are as follows:

	2013	2018 No Investment	2018 New Construction	2018 Renovation
Tax levy for operations	$ 1,665,700	$ 3,658,700	$ 2,101,700	$ 2,252,400
Tax levy for capital*:	$ 206,400	$ 16,800	$ 1,121,500	$ 526,700
Tax levy - total	$ 1,872,100	$ 3,675,500	$ 3,223,200	$ 2,779,100

* Tax levy for capital equals (Depreciation + Interest) - (Medicaid Capital Rate per Day x TOTAL Resident Days) as follows:

	2013	2018 No Investment	2018 New Construction	2018 Renovation
Total depreciation & interest	$ 743,400	$ 833,100	$ 2,423,700	$ 1,746,100
Less: Capital reimbursement - all payors	537,000	816,300	1,302,200	1,219,400
Tax levy for capital	$ 206,400	$ 16,800	$ 1,121,500	$ 526,700

Financial Analysis
Tax Levy Needed – 2014 through 2018

Based on the above, projected total tax levy for 2014 through 2018 is as follows:

	5 Year Vision		
	No Investment	New Construction	Renovation
Projected tax levy needed:			
2014	$ (1,786,900)	$ (1,904,200)	$ (1,973,500)
2015	(2,289,800)	(3,593,100)	(2,224,000)
2016	(2,709,000)	(3,543,200)	(2,209,700)
2017	(3,277,500)	(3,469,900)	(2,566,500)
2018	(3,675,500)	(3,223,200)	(2,779,100)
Total 2014 - 2018	$ (13,738,700)	$ (15,733,600)	$ (11,752,800)

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Financial Analysis
Tax Levy Needed

Based on the above, projected total tax levy, based on high level assumptions for 2019 through 2033 is as follows:

	Long Term Vision		
	No Investment	New Construction	Renovation
Projected tax levy needed:			
2014 - 2018	$ 13,738,700	$ 15,733,600	$ 11,752,800
2019 - 2033	79,119,700	64,611,600	60,195,400
Total for 20 year period	$ 92,858,400	$ 80,345,200	$ 71,948,200

Decision Making Considerations

Capital Investment	$ 2,500,000	$ 13,484,400	$ 23,241,200
Control the total tax levy			
Control the tax levy for operations			
Low likelihood of future significant capital investment needs			
Improve curb appeal and create a positive first impression			
New space to signficantly enhance competitive position			
Maintains regulatory compliance			
Moves Legacies population to space more adjacent to the rest of MVCC			
Private exit for deceased residents			
Private rooms:			
All Medicare and private pay residents			
All Medicaid long term care residents			
Majority of Legacies residents			
Upgrades facility for resident satisfaction and competive position			

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[redacted]

Questions and Discussion

Portion of Joint Tri-County Agreement

A. **Additional Discretionary Powers.** In addition to the forgoing, the Board shall have the power to:
   1. Enter into contracts with individual, or multiple, member counties for the administration of any other health care program or institution.
      a. Separate Governance Required. Individual, or multiple, member counties entering into such contracts shall designate an entity wholly independent of NCCSP for the purpose of governance of said health care program or institution.
      b. Marathon County Nursing Home Facilities. Marathon County shall meaningfully review its delegation of governance of the Mount View Care Center to NCCSP and report to the remaining member counties, through their respective representatives on the Committee, Marathon County's intent with regard to the designation of its governance authority with regard to its nursing home facility within one (1) calendar year from the effective date of this agreement.
      c. Marathon County Aquatic Therapy Pool. Marathon County shall meaningfully review its delegation of governance and operation of the Aquatic Therapy Pool to NCCSP and report to the remaining member counties, through their respective representatives on the Committee, Marathon County's intent with regard to the designation of governance and operational authority of the Aquatic Therapy Pool within one (1) calendar year from the effective date of this agreement.
   2. Enter into Facilities Use Agreements with member counties to govern control of facilities owned by the said counties and occupied by NCCSP.