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OFFICIAL NOTICE AND AMENDED AGENDA

MEETING of the **North Central Community Services Program Board** to be held at
Lincoln County Service Center, 801 N Sales Street, Merrill, WI 54452,
at **12:00 pm** on **Thursday, June 27, 2019**

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.

A QUORUM OF THE RETAINED COUNTY AUTHORITY COMMITTEE, COMPRISED OF APPOINTEES FROM LANGLADE, LINCOLN, AND MARATHON COUNTIES, MAY BE PRESENT AT THE NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD MEETING; HOWEVER, NO VOTE OR ACTION WILL BE TAKEN BY THE RETAINED COUNTY AUTHORITY COMMITTEE.

1. Call to Order
2. Public Comment for Matters Appearing on the Agenda – Limited to 15 Minutes
3. Chairman's Report and Announcements – J. Zriny
4. Consent Agenda
    - A. Board Committee Minutes and Reports
        - i. Review of the Draft Minutes of the 6/13/19 Executive Committee Meeting – J. Zriny
    - B. ACTION: Approval of 5/30/2019 NCCSP Board Meeting Minutes
    - C. Nursing Home Operations Report – K. Gochanour
    - D. ACTION: Annual Review and Approval of Board Policy
        - i. Business Associate Contract Management Policy
        - ii. Investment Policy
    - E. Monitoring Reports
        - i. CEO Work Plan Review and Report – M. Loy
        - ii. Quality Outcomes Review – M. Loy
            - a. ACTION: Review and Accept the May Quality Dashboard and Executive Summary
        - iii. Chief Financial Officer's Report – B. Glodowski
            - a. ACTION: Review and Accept May Financial Statements
    - F. Human Services Operations Report – L. Scudiere
    - G. ACTION: Approve Medical Staff Appointment Recommendations for: Kimberly S. Hoenecke, D.O., Jeffrey A. Drexler, M.D., Debra a. Knapp, APNP, Leandrea S. Lamberton, M.D.
5. Board Education and Discussion
    - A. Recruitment Retention – Realistic Job Previews – M. Loy
    - B. Corporate Compliance and Quality Obligations of the NCCSP Board – Emerging Compliance Trends – J. Fisher, J. Peaslee
    - C. Tier Replacement – Overview of the Project Scope, Timeline and Costs to Replace the Behavioral Health System Electronic Health Record – T. Boutain
6. Board Discussion and Possible Action
    - A. ACTION: Recovery Coaching
    - B. ACTION: Revised Mission, Vision, Values and End Statements
    - C. ACTION: Pine Crest and Riverview Towers Management Agreements
7. MOTION TO GO INTO CLOSED SESSION
    - A. Pursuant to Section 19.85(1) (c) and (f) Wis. Stats. for the purpose of considering employment and performance evaluation of any public employee over which the governmental body exercises responsibility, and preliminary consideration of specific personnel problems, which if discussed in public, would likely have a substantial adverse effect upon the reputation of any person referred to in such problems, including specific review of performance of employees and providers of service and review of procedures for providing services by Agency, to wit: Report of Investigations related to Corporate Compliance Activities and Significant Events.
8. RECONVENE to Open Session and Report Out and Possible Action on Closed Session Item(s)
9. Review of Board Calendar and Discussion of Future Agenda Items for Board Consideration
10. Assessment of Board Effectiveness: Board Materials, Preparation and Discussion
11. 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: 06/24/2019 TIME: 12:00 PM BY: D. Osowski

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NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD
EXECUTIVE COMMITTEE

June 13, 2019 **11:00 AM** **NCHC – Juniper Room**

Present:	X	Jeff Zriny	X	Steve Benson
	X	Corrie Norrbom	X	Bob Weaver

Others present: Michael Loy

Call to Order
Meeting was called to order at 11:03 a.m.

Public Comment for Matters Appearing on the Agenda
- No public comment(s) made.

ACTION: Approval of 05/16/19 Executive Committee Meeting Minutes
- **Motion**/second, Weaver/Benson, to approve the 05/16/19 Executive Committee meeting minutes; motion passed.

CEO Report – M. Loy
- Operations Executive recruitment is underway with 5- phone interviews this week. Anticipate onsite interviews with candidates in early July.
- Chief Nursing Officer candidate declined our offer so the search has resumed for additional candidates.
- Chief Medical Officer recruitment continues. Dr. Immler continues the role in an interim capacity.
- The Administrator of Pine Crest Nursing Home in Lincoln County recently retired. NCHC has signed an Interim Management Agreement with Lincoln until August 31, 2019 to assist with oversight and recruitment of a new Administrator. Kim Gochanour is filling this role and spending much time at Pine Crest providing oversight and direction, assisting with recruitment, etc. Brenda Glodowski is providing assistance with financials including developing a budget for 2020. M. Loy and K. Gochanour have been holding staff meetings which have been well received. There will be additional discussions regarding NCHC providing management of Pine Crest on a long term basis. Should this move forward, it is strongly suggested to create a Transition Committee to work with both entities for a smooth transition.
- Lincoln Industries is the organization in Lincoln County under Social Services that provides Adult Day and Pre-Voc services for adults with developmental disabilities. Lincoln County has asked NCHC to manage the program on a long term basis. Lincoln County Social Services approved the move to NCHC and will be presented to their County Board. If passed, as of 1/1/2020 the Lincoln Industries employees would become NCHC employees. The program would become a regional model and we feel we can resolve the financial challenges Lincoln Industries has been experiencing by the end of 2020. They currently operate out of two locations (Tomahawk and Merrill), however, there may be need to reduce to one location which would be determined following a member survey. If one location would close transportation would be provided for the members to continue in the program.

- Birth to 3 transition to Marathon County Special Education is well under way. Transfer agreement has been endorsed by Langlade and Lincoln Counties and will be presented to all three county boards for consideration this month. NCHC has begun to move staff to their new location in Marathon County Special Education which is currently located on our campus in the Lake View Professional Plaza.
- Sober Living 8-bed pilot project in Langlade County has stalled slightly due to challenges with the acquisition of the property. Grants requests have been made thanks to Meghan Mattek who has been working diligently to submit donation requests to Foundations to meet the goal. There are several other properties that could be considered if the current site does not go through.
- City of Wausau Community Development Public Planning session was held today regarding mental health needs/issues. We are looking to work with the City on a block grant. HSRI will have a distinct housing component in their project scope with us which will include what is needed in the community and what we should be doing.
- City County IT (CCIT) is shared between the City of Wausau, Marathon County, and NCHC. CCIT is in the midst of strategic planning and their service model will likely change. We would like CCIT to put emphasis on network security. NCHC is heavily involved with the planning and as members of the Board.
- Financials for May ended with a loss of $400,000. Major contributors are:
    - High health insurance costs – there are 5 draws during several months including May. An increase in the enrollment of the number of families (from 500 to 526 since January 1). We have also identified that our budget forecasting for health insurance must be more conservative and we will be exploring other programs to build in physical activity and stress management which could help individuals with chronic diseases such as diabetes. We will also look to increase utilization of our Wellness Center and Wellness Coaching, a better or more simplified access to/better understanding of health care, and to work with Aspirus for a shared risk agreement. We have asked our insurance broker to develop a multi-year strategy to be presented to the Board in July.
    - We have task forces organized to look into diversions. One area that has been identified is the need for a transitional housing location to discharge to.
    - Physician cost is significant and we have learned that we need to improve identifying the costs of onboarding and the time to fill their practice.
- Attorney General will be visiting NCHC at the end of June. More details of the visit will be sent once finalized.
- Adult Protective Services transition is progressing. The anticipated target date for the transition to occur remains to be 1/1/2020.
- Hillcrest property has been sold. Closing is scheduled for June 17, 2019.
- We have filed a motion to dismiss the law suit on the Scott Street property. We should hear a decision on that in September. If the suit is not dismissed the Board will discuss next steps. The Board can also anticipate receiving an Opinion of Counsel regarding this and the liability of the Board. Question was raised as to the status of hiring legal counsel vs contracting for legal services. We continue to wait for a response from Marathon County Corporation Counsel.

<u>Board Retreat Feedback</u>

- Proposed Modifications to Mission, Vision, Values, and End Statements
    - Revised Mission, Vision, Values, and End Statements were provided based on feedback from the May Board Retreat. The committee recommended the revised document be provided to the Board for consideration at their June meeting.
    - There was great conversation during dinner; good networking opportunity outside of meetings; good opportunities to build relationships with those serving together on the Board

    - Great to have Dr. Immler participate in the meeting. Important to have medical staff representation on the Board.
    - T. Penske and M. Loy will work together on more strategic items.
    - Five hours seemed to be the right amount of time for the length of the retreat. Losing a quorum during the meeting was very discouraging.
    - NTC was a very good location; culinary program may be able to add different offerings; may want to consider a social hour.
- Strategic Plan
    - Will be placed on next month's agenda.

<u>Preparation for Annual Board Assessment of Policy Governance</u>

- In September the Board will assess governance performance, governance manual, bylaws, and Board development including risks and strengths. Will also discuss the leadership of the Board i.e. create a succession process so the officers would have a minimum of two year commitments and the opportunity to be mentored by the exiting officer. Loy and Zriny will flesh this out and provide to the committee for review.
- Dr. Benson requested that clarity be provided regarding errors and omissions coverage for the board.

<u>June Board Agenda</u>

- Consent agenda will include more of the materials that are provided in the Board Packet intended for review prior to the meeting. Should any Board member wish to discuss or pull an item from the Consent Agenda that can be done at the meeting and the item discussed.
- Education will be provided on Corporate Compliance by John Fisher and Jennifer Peaslee and Tier Replacement by Tom Boutain.
- Board discussion and possible action items will include Recovery Coaching, revised Mission, Vision, Values and End Statements, and Pine Crest and Riverview towers Management Agreements.

Motion/second, Weaver/Norrbom, to adjourn the meeting at 12:08 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

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NORTH CENTRAL COMMUNITY SERVICES PROGRAM
BOARD MEETING MINUTES

May 30, 2019 | 12:00 Noon | Northcentral Technical College

Present:

X	Norbert Ashbeck	EXC	Randy Balk	X	Steve Benson
X	Ben Bliven	X	John Breske	ABS	Meghan Mattek
X	Bill Metter	X	Corrie Norrbom	X	Rick Seefeldt
X	Romey Wagner	X	Bob Weaver	X	Theresa Wetzsteon
X	Jeff Zriny				

Also Present: Michael Loy, Brenda Glodowski, Kim Gochanour, Laura Scudiere, Tom Boutain, Dr. Rick Immler, Lance Leonhard, Jennifer Peaslee

Guests: Nancy Bergstrom and Chad Billeb, Retained County Authority
John Fisher, Ruder Ware
David Hughes and Dow Weiman, Human Services Research Institute
Todd Penske, PeopleFirst HR Solutions
Kelly Kapitz, Marathon County Special Education
Michael Peer, CLA

1. Call to order
   - J. Zriny called the meeting to order at 12:09 p.m.

2. Public Comment for Matters Appearing on the Agenda
   - None

3. Chairman's Report and Announcements
   - None

4. Board Committee Minutes and Reports
   - Executive Committee met 5/16/19. No questions on the minutes provided in the meeting packet.

5. Consent Agenda
   - **Motion**/second, Metter/Breske, to approve the Consent Agenda which includes:
     - 4/25/19 NCCSP Board Meeting Minutes
     - Human Services Operations Report
     - Nursing Home Operations Report
     - CEO Work Plan Review and Report
     - Quality Outcomes Review: April Quality Dashboard and Executive Summary
     - Motion carried.

6. Monitoring Reports
   A. Chief Financial Officer's Report – B. Glodowski

- The nursing home had an average census of 179 during April. May's nursing home census is higher. The Hospital average census was 14.
- Expenses related to benefits were good overall for April and within target. Diversions were high in April. Support programs continue to keep expenses down to offset overages. Staff continue to work on initiatives to reduce the year to date deficit.
- **Motion**/second, Weaver/Wagner, to accept the April Financial Statements. Motion Carried.

7. Board Discussion and Possible Action
   A. Consideration of Contribution Agreement for 529 McClellan Street, Wausau WI
      a. The owner of this property, a Foundation, approached NCHC with interest in gifting the ownership of the building and property to NCHC. The only costs of this transfer would be the 2019 property taxes and closing fees. The property would be tax exempt beginning in 2020. The building is in need of repair but the location is excellent and may give way to program opportunities.
      b. **Motion**/second, Weaver/Metter, to approve the Contribution Agreement for 529 McClellan Street, Wausau property. Motion carried.
   B. Consideration of Agreement for Transfer of the Birth to 3 Program from NCHC to Marathon County Special Education
      a. Kelly Kapitz, Director of Marathon County Special Education (MCSE) was introduced. She stated that she and the MCSE Board are in agreement with the transfer; they feel it benefits both organizations and the community. An overview of MCSE was given.
      b. M. Loy provided background of the Birth to 3 Program, and after careful consideration of the NCHC updated mission and service line strategies, the upcoming renovation project, and discussing the potential of transfer with K. Kapitz and the MCSE Board, that the oversight of the program would be best suited for MCSE.
      c. The major requirements that would need to occur to complete the transfer are included in the Transfer Agreement.
      d. The Retained County Authority (RCA) has approved the transfer. If approved by the NCCSP Board, K. Kapitz and M. Loy will move to get approval from the counties. The agreement covers 18 months to complete the transition.
      e. Meetings have been held with staff to answer questions and provide assistance in understanding the transition. Staff will transition to MCSE employees as of 7/1/19.
      f. **Motion**/second, Weaver/Benson, to approve the Transfer of Birth to 3 from North Central Health Care to Marathon County Special Education as stipulated in the transfer agreement between the two parties. Motion carried.

8. Board Retreat
   - See 2019 NCCSP Board Retreat Summary

C. Adjourn
   - **Motion**/second, Weaver/Benson, to adjourn the meeting at 5:10 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant to CEO

NCCSP Board Retreat

Thursday, May 30, 2019 - Northcentral Technical College

Review of Mission, Vision, Values and End Statements

The Board Members were asked for input on each of the following areas in a pre-retreat survey (suggestions are noted):

- **Mission Statement**: *Langlade, Lincoln and Marathon Counties partnering together to provide compassionate and specialized care for people with complex behavioral health and skilled nursing needs*
  Comments/suggestions:
  - change "specialized care" to "high quality care"
  - consider focus on families versus using the term people
  - drop skilled nursing as focus
  - add something about addiction treatment, expanding listing of services
  - behavioral health vs mental health (behavioral health is umbrella term over mental health)
  - mission of this board and organization to be more than a public organization
  - delete 'complex' i.e. is all mental health complex or is it a special category for more vulnerable
- **Vision Statement:** *Lives Enriched and Fulfilled*
  Comments/suggestions:
  - Overly vague
  - Should mention well-being a supportive of recovery
  - Keep it, has resonated with staff
  - Want a reputation that if there is a need you come to NCHC (who does it the best)
  - A place where I want to be cared for
  - Staff feel it applies to them too as well as those we serve
- **Core Values:**
  Dignity: *We are dedicated to providing excellent service with acceptance and respect to every individual, every day.*
  - No recommended changes

  Integrity: *We keep our promises and act in a way where doing the right things for the right reasons is standard.*
  - No recommended changes

  Accountability: We commit to positive outcomes and each other.
  - Include success

  Partnership: We are successful by building positive relationships by working across the organization and as a trusted County partner.
  - Continuum or coordination of care
  - Seamless continuum of care
  - Recognized enhanced community collaboration

  Continuous Improvement: We embrace change, value feedback, creativity and the advancement of excellence.
  - Change through purpose-driven data

- **End Statements:**

People: *Individuals served by North Central Health Care will have excellent outcomes as a result of a stable, highly qualified and competent staff who take pride in their work and the organization.*
    - With investment in research and development
- M. Loy will provide the Board with options of revised statements based on the comments and discussion for further review and possible adoption at the June Board meeting.

5 to 50 Vision, External Environment and Operational Assumptions

M. Loy led discussion on Building Our Compelling Future.

- With health care making up one-fifth of the total US economy, we must be thoughtful about what we do, our ability to staff the organization, how we can be proactive with development, continue to build and strengthen working relationships with other health systems, provide value to our consumers, owners and ourselves with distinction, and overcome one of the biggest challenges we currently face with the labor shortage. M. Loy walked through a strategy map for the Board.

2020 Preliminary Budget Forecast and Timeline

B. Glodowski reviewed the 2020 Forecast Budget and Schedule

- There are several reasons why we pursue growth and positive net income:
    - To continue to build invested reserves
    - To fund capital as equipment needs change
    - To continue to reduce tax levy
    - To fund debt service with the upcoming renovation commitments
- Industry indicates 90 days cash on hand and we are currently at 69 days. Also, we need to keep in mind that as we grow the level of cash on hand will diminish need to increase to hit targets.
- While we continually monitor expenses our main focus is growing revenue which includes looking for growth opportunities.
- With the upcoming electronic medical records transition which will increase expenses in staff time, and the construction/renovation project, we will be conservative with revenues and may need to enter 2020 with a deficit with the intention to make it up during the year.

Input from Retained County Authority on Priorities and Guidelines for the 2020 Budget

L. Leonhard, Chair of the RCA, reviewed that one of the roles of the RCA is to lay out priorities for the 2020 budget.

2018 Priorities

1. Develop Case Management Services within the Crisis Services Program for Individuals under Commitments and Settlement Agreements
2. Open 8-Bed Youth Crisis Stabilization Group Home
3. Expand MMT Program from 6 to 15 Beds
4. Expand CBRF Program from 6 to 12 Beds
5. Create a Behavioral Health Team (CART)
6. Work with Langlade County on Creation of a Voluntary Acute Crisis Stabilization Program
7. Eliminate Billing for Crisis Services

2019 Priorities

1. Develop a Comprehensive Youth Crisis Stabilization Service Continuum
2. Clarification and Communication of Services Provided and How they Can be Accessed
3. Improved Data Sharing Between NCHC and County Sheriff's Offices, Social Service Departments, and Schools

2020 Priorities

1. Continue to execute the items that are already in progress. The RCA recognizes that with the construction project beginning, working with Langlade County on a housing initiative, and working with Marathon County on medication assisted treatment, they have no new priorities for 2020.

Regional Skilled Nursing Strategy – Define North Central Health Care's Strategy in Becoming a Regional Skilled Nursing Organization

Michael Peer, CliftonLarsonAllen (CLA), provided an overview of the types of senior housing options available for seniors as alternatives to their community home. Key features of housing alternatives include no home maintenance, security, options with and without additional services i.e. meals, housekeeping, personal assistance, etc.

- NCHC may want to consider options to provide more services around post-acute care continuum and regionalization of nursing home operations
- Collaboration will be key when working with county- and privately-owned facilities.
- Regionalization/Collaboration has the ability to accomplish more together such as utilizing skills of each organization to build a continuum of care (Independent, assisted, skilled), increasing resources, developing new services and products, managing costs more efficiently, reducing discharges to skilled nursing facilities to more appropriate services, etc.

Discussion included:

- Regionalization/collaboration provides additional options as with potential to create hospice beds which would free up beds in our acute and long term care areas.
- As staff turnover occurs, coverage may be more readily accessible until positions are filled.
- May have opportunity of creating a specialty unit for geriatric psychiatry with flexibility to convert units as needs change.
- K. Gochanour is working with Pine Crest staff during the transition of Administrator. Change can be difficult and unsettling but communication and collaboration will be key to its success.
- The Policy Question: 'Should NCHC pursue strategies for regionalization and an expansion of our options for seniors?' will be brought to the Board for further consideration and possible action.

Mental Health System Study Kick-Off - Define the Process, Outcomes, Timeline and Structure for the Mental Health System Strategic Plan

David Hughes, President of HSRI, and Dow Weiman, HSRI Senior Research Associate, provided an overview of what their approach will be to system analysis and planning, the project timeline, and obtaining the board's perspectives on vision and challenges.

The project will focus on understanding where gaps and barriers are in behavioral health services in our three counties so that we can better meet the needs of our county residents. The assessment will cover the continuum of publicly-funded behavioral health services, focusing specially on psychiatric crisis services as a key component of the entire system.

Interviews will be conducted with NCHC staff, community partners including law enforcement and criminal justice, and individuals with experience with mental illness and/or substance use disorders. Data analysis will include existing data as much as possible and will coordinate with other community data and assessments available.

Timeline includes: May-June 2019 – Finalize Work Plan / Submit Data Requests; June – October 2019 Data Collection and Data Analysis; February 2020 Prepare Draft and Final Report, Conduct Briefings on Project; March 2020 Implementation Support

What is the Board's vision for an improved behavioral health system five years from now and what are the most pressing issues and challenges for people with behavioral health-related needs in Marathon, Lincoln and Langlade Counties?

- Managing and coordinating complexity component; better way to help individuals access systems
- Analysis about costs including law enforcement, sober living, reduce needs to law enforcement, work better with health systems (we work together but can do it better), etc. areas of high usage. How do we compare to other 'like' systems?
- If only focus is tertiary services – need to look at how to get ahead of the issues.
- Integration of services i.e. CART, working with law enforcement to keep people out of jail, etc.; in 5 years can we integrate technology for touch points (someone checked in at ER…)
- Sharing between primary health and behavioral health/substance use is almost non-existent
- HIPPA
- Culturally sensitive i.e. community is 13% Hmong - how well are they represented in agencies, and access to services?

Clinically Integrated Network – Consideration of Application to Join the Clinically Integrated network for Aspirus Network, Inc. and Authority to sign the Participating Provider Agreement

John Fisher, Ruder Ware, explained that NCHC has a high Medicaid payor and low commercial payor mix, uncompensated care, and other special reimbursement programs. With an obligation to meet the needs of the community, but is often a place that many look to as a last opportunity, maintaining strong revenue streams are challenging. Therefore, it is important to explore opportunities to expand revenue streams when available particularly if they can also enhance services.

NCHC works continually to improve current contracts, increase reimbursement rates, and collaborate with community partners to meet the needs of the community while being fiscally responsible.

The industry trend is the development of a Clinically Integrated Network (CIN). General functions of a CIN include contract negotiation, rate analysis, population health management, etc.

The Aspirus Networks, Inc. (ANI) is a clinically integrated provider organization which includes Aspirus physicians and independent groups. Participation in ANI should reduce our contracting burden and increase bargaining power. NCHC obligations, benefits, participation scope, incentive awards and obligations, as well as possible issues to consider.

Motion/second, Metter/Ashbeck, to permit the CEO to continue to explore this concept with ANI and bring back to the Board for final consideration. Following discussion, motion carried.

Motion/second, Metter/Ashbeck, to adjourned the meeting at 5:10 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Executive Assistant

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MEMORANDUM

DATE: June 21, 2019
TO: North Central Community Services Program Board
FROM: Kim Gochanour, Nursing Home Operations Executive & Administrator
RE: Monthly Nursing Home Operations Report

The following items are general updates and communication to support the Board on key activities and/or updates of the Nursing Home Operations since our last meeting.

1) **Matrix Implementation:** Matrix is now fully up and running in clinical and financial operations. Currently working on meal tracker which will be implemented in June and a final analysis by mid-July. Financial optimization review is in June and the clinical optimization is scheduled for August.

2) **Leading Age WI Conference:** I was a panelist on "What if America was freed from Ageism?" at the spring conference in La Crosse, WI. Along with this topic, managers of Mount View and Organizational Development attended a session on PDPM (our new Medicare reimbursement system) which is rolling out in October 2019. This is part of the Mega rule final phase 3 rollout for federal regulations.

3) **Annual State Survey Update:** On May 20, 2019 our legal counsel, Connie Gliniecki (Director of Nursing) and I had a telephone review for the Informal Dispute Resolution to present our appeal on the recent survey citation. Through this process the outside review team upheld the citation but the Department of Health Services performed an administrative desk review and dropped the citation from a pattern to an isolated event. At this time we are still awaiting final recommendations from Centers of Medicare and Medicaid Services.

4) **Employee Engagement:** May was National Nursing Home Week and Nurses Week. We celebrated with our residents with a theme of Nursing Home Road Trip, because the greatest part of the road trip isn't arriving at your destination, it's all the wild stuff along the way. Days of dress up and fun treats for the staff and residents were provided.

5) **Pine Crest Nursing Home Interim Management Agreement:** In May I worked with the former Pine Crest Administrator, Lisa Gervais, to get acclimated to Pine Crest Nursing Home. Moving forward we have entered into a 90-day Interim Management Agreement which includes recruitment for an Administrator for Pine Crest. We will also be reviewing operational systems during this time.

Name of Document: **POLICY ON BUSINESS ASSOCIATE CONTRACT MANAGEMENT** **Policy:** ☒ **Procedure:** ☐	North Central Health Care Person centered. Outcome focused.
Document #:	Department: Administration
Primary Approving Body: NCCSP Board	Secondary Approving Body: CEO

Related Forms:

N/A

I. Document Statement

The Health Insurance Portability and Accountability Act (HIPAA) was enacted to facilitate efficiency of the electronic exchange of healthcare information. HIPAA requires a Business Associate Agreement (BAA) to be in place between NCHC, as a Covered Entity under HIPAA and certain parties defined as Business Associates under HIPAA. A BAA must be in place before any protected health information can be provided from NCHC to a Business Associate.

Deleted: Business Associate Agreement

NCHC employs a systematic process for identification and handling of HIPAA compliant business associate contracts.

II. Purpose

The purpose of this policy is to establish a process by which NCHC manages the contracting process with third parties to assure that all parties who are potential "Business Associates" as defined in the Health Insurance Portability and Accountability Act (HIPAA) are required to enter into legally compliant agreements. The purpose and intent are to protect confidentiality of patients, staff, and information of NCHC that is of a proprietary nature.

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III. Definitions

Business Associate (BA) - Under the Privacy regulation, business associates are contractors, or other non-NCHC employees, hired to do the work of, or for, our organization that involves the use or disclosure of protected health information (PHI). The complete regulatory definition of Business Associate is contained in 45 CFR 160.102 and should be consulted if there is any question regarding whether a party is a Business Associate. These activities may include: legal, actuarial, accounting, consulting, data aggregation, management, administrative accreditation, billing and financial services. Reference Appendix 1 attached hereto and 45 CFR 160.102 for additional guidance.

Business Associate Agreement (BAA) - A contract between entities that specifies mutual responsibility for protecting the privacy and security of private health information (PHI). The most recent version of the NCHC Business Associate Agreement will be used unless approved by legal counsel.

Confidentiality Agreement (CA) - An agreement signed between NCHC and an entity not covered by HIPAA privacy rules but where the entity may come into regular incidental contact with PHI (Intranet, HIPAA Documentation).

Deleted: ERA

Covered Entity - Under HIPAA, this is a health plan, a health care clearinghouse, or a health care provider who transmits any health information in electronic form in connection with a HIPAA transaction. These entities are bound by the HIPAA privacy standards even if they contract with others to perform some of their essential functions. NCHC is a Covered Entity as defined in HIPAA.

Due Diligence - means deliberately selecting reputable business partners based on criteria such as reference checks, comparative pricing, negotiation of performance measures, and/or privacy measures.

Minimum Necessary - This HIPAA provision requires NCHC and our Business Associates to make reasonable efforts to limit the use and disclosure of and request for protected health information to the minimum necessary to accomplish the intended purpose. NCHC maintains a policy to meet the Minimum Necessary Standard.

Protected Health Information (PHI) - Individually identifiable health information that is transmitted or maintained in any form relating to the past, present, or future physical or mental health condition of an individual, or provision of health care to an individual, or payment for the provision of health care to an individual.

IV. General Procedure

1. Determine Business Associate Status

   A. All NCHC individuals, functions, or processes which are involved in establishing contractual relationships with entities or persons that service NCHC must evaluate the entity or person entering a contractual relationship with NCHC or otherwise potentially qualifying as a Business Associate of NCHC to determine a Business Associate Agreement (BAA) is required with NCHC. A Business Associate Agreement may be required in addition to the usual business contract that is entered with the contracting party.

   B. All prospective contractual arrangements, must be initiated through the NCHC Contract Specialist and are subject to the NCHC Contract Policy. The NCHC Contract Specialist will assess vendor/business relationships to determine whether a Business Associate Agreement must be entered as part of the contract.

Deleted: Execution

C. Business Associate Agreements must be entered with parties who meet the HIPAA definition of a "Business Associate." A Business Associate Agreement may be required even in cases where a written contract is not otherwise entered if the organization is considered to be a Business Associate of NCHC.

D. The following criteria are relevant to the initial determination of whether a party might be a Business Associate requiring a Business Associate Agreement. These are threshold criteria and are not the only relevant factors. These criteria may be used to initially determine whether a more detailed analysis might be appropriate:

   i. Vendor/business staff members that are employed members of the NCHC workforce are not Business Associates. However, contract staff may be Business Associates depending on their function;

   ii. The vendor/business are performing some function or service for NCHC;

   iii. The service or function involves potential use or disclosure of PHI. If there is no opportunity for access to PHI, a Business Associate Agreement is not required. Note that there are certain disclosures to vendors/businesses that are excluded by regulations and do not require establishment of a Business Associate agreement (see 45 CFR 164.502(e)(1). These disclosures include:

      a. Disclosures to or disclosures by North Central Health Care to a health care provider concerning the treatment of the individual;

      b. Disclosures by a group health plan or a health insurance issuer or HMO with respect to a group health plan to the plan sponsor, to the extent that the requirements of 164.504(f) apply and are met; or

      c. Uses or disclosures by a health plan that is a government program providing public benefits, if eligibility for, or enrollment in, the health plan is determined by an agency other than the agency administering the health plan, or if the Protected Health Information used to determine enrollment or eligibility in the health plan is collected by an agency other than the agency administering the health plan, and such activity is authorized by law, with respect to the collection and sharing of individually identifiable health information for the performance of such functions by the health plan and the agency other than the agency administering the health plan.

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Deleted: Protected Health Information

E. North Central Health Care may determine the need for Business Associate arrangements through reasonable process and/or methodologies, including but not limited to:

i. Mapping the flow of PHI and identifying where PHI is disclosed or created by external entities.

ii. Reviewing contract management documents/software and identifying where PHI is disclosed to external entities.

iii. Reviewing 1099 tax forms to identify vendors and then identify vendors with business arrangements where PHI is disclosed to external entities or used internally by vendor.

iv. Assessing new vendor/business arrangements to determine if PHI will be disclosed.

v. Note that whether a written contract is used or required is not the sole indication as to whether a party is a Business Associate.

vi. Look at the definition of Business Associate and regulatory interpretation where needed to determine whether a Business Associate relationship might exist.

2. Agreements with Business Associates:

A. When the evaluation of the entity or person results in the determination that an entity or person meets the definition of Business Associate, then a Business Associate Agreement is required - in addition to the usual business contract.

B. Business Associate Agreement Handling:

i. The Contract Specialist is responsible for mailing, emailing, transmitting, delivering, or otherwise assuring execution of Business Associate Agreements out to those vendors that are required to enter a Business Associate Agreement with NCHC. A cover letter providing explanation signed by the Contract Specialist should accompany the mailing.

ii. The responsibility of receiving, storing, and logging the existence and date of all Business Associate Agreements lies with the Contract Specialist.

iii. The CEO and Privacy Officer or their designee are authorized to sign Business Associates Agreements on behalf of NCHC.

C. If a party contracting with NCHC desires to refute that they are a Business Associate, the Privacy Officer will review their status and respond accordingly. If a party is, in fact, a Business Associate and refuses to enter a Business Associate Agreement, NCHC should not permit disclosure of protected information and in most cases should not contract with or have services provided by the refusing organization.

D. The Contract Specialist shall maintain and use the most recent version of the NCHC Business Associate Agreement. The Privacy Officer and/or Compliance Officer periodically review and make any necessary revisions to the Business Associate Agreement. Legal counsel is consulted as necessary. Legal Counsel may approve or require revisions to the Business Associate Agreement or deviations from the standard form as necessary.

E. Special consideration and contractual provisions are required when information that is protected under 42 CFR Part 2 ("Part 2") may be disclosed. Part 2 applies to treatment records relating to alcohol and/or substance use disorders. NCHC will maintain separate policies that will apply when Part 2 protected information might be involved. Consult with Part 2 policies and the Privacy Officer when Part 2 information may be involved. In many cases legal counsel advice may be required in this area. Part 2 violations involve potential criminal penalties and the circumstances when use and/or disclosure are permitted is quite limited.

F. In general, health care information that is protected under 42 CFR Part 2 may only be disclosed for payment and/or health care operations activities as defined in 42 CFR Part, Sec 83 Fed. Reg. 239 (January 3, 2018.)

G. Each disclosure made with the patient's written consent must be accompanied by a written statement complying with 42 CFR § 2.32.

H. Release of Part 2 protected information may only take place if there is a written contract in place that provides that the contractor is fully bound by the provisions of Part 2. The Business Associate Agreement to be used by NCHC shall contain appropriate language needed to comply with Part 2 requirements.

I. Note that Part 2 applies in cases that do not involve Business Associates. Compliance with Part 2 requires separate analysis and contractual requirements before disclosure may be considered and may apply in circumstances that do not require a Business Associate Agreement under HIPAA.

J. Consider Part 2 in all cases that could involve use or disclosure of Alcohol and for Substance Use disorder information.

3. When a Business Associate Agreement is Not Necessary:

   A. When the evaluation of the contractual relationship results in the determination that an entity or person does not meet the definition of Business Associate, then a Business Associate Agreement is not necessary. In those cases, the Contract Specialist must document the reasons why a Business Associate Agreement was not required. Documentation must support the reasonable conclusion, that the party is not a Business Associate or that the disclosure of information is permissible without establishing a Business Associate relationship. NCHC may still require the contracting entity to execute a Business Associate or confidentiality agreement.

4. Violations of Business Associate or Confidentiality Agreements:

   A. A Confidentiality Agreement may be necessary and appropriate for entities that do not need access to PHI to do their contracted task.

   B. If NCHC becomes aware that a breach or violation of privacy by a Business Associate has occurred, NCHC will take reasonable steps to cure the problem or possibly terminate the contract. The Business Associate Agreement obligates the Business Associate to advise NCHC if a privacy violation has occurred, and assist in remediation.

   C. Privacy-related complaints are handled per NCHC policy.

V. Program-Specific Requirements:

References:

Joint Commission:

CMS:

Related Documents:

Deleted: <#>Proper process is followed when it is determined that a Business Associate Agreement is not required. In those cases, the Contract Specialist must document the reasons why a Business Associate Agreement was not required. Documentation must support the reasonable conclusion, that the party is not a Business Associate or that the disclosure of information is permissible without establishing a Business Associate relationship.¶

EXHIBIT A

Business Associate acknowledges that NCHC operates a drug and alcohol treatment program ("Part 2 Program) that must comply with the Federal Confidentiality of Alcohol and Drug Abuse Patient Records law and regulations, 42 U.S.C. § 290dd-2 and 2 and all regulations and guidance issued thereunder, including but not limited to 42 CFR Part 2, as revised on 82 Federal Register 6082, et seq [SAMHSA-4162-20; RIN 0930-AA21] and 83 Federal Register 239, et seq [SAMHSA-4162-20; RIN 0930-ZA07], and all other and subsequent promulgations related thereto (collectively referred to as the "SAMHSA Regulations"). Certain information may involve individuals who have applied for or been given diagnosis or treatment for alcohol or drug abuse as part of a Part 2 Program ("Part 2 Protected Individuals"). Information relating to Part 2 Protected Individuals will be subject to the special restrictions on confidentiality contained in the SAMHSA Regulations. Business Associate further acknowledges that the SAMHSA Regulations place affirmative obligations on Business Associate for information that it may receive for purposes of performing. It will be the responsibility of Business Associate to comply with Business Associate obligations as a Qualified Service Organization (as defined in the SAMHSA Regulations) of NCHC. Information received by Business Associate relating to Part 2 Protected Individuals may only be used by Business Associate for purposes of performing services within the scope of permissible functions and for no other purpose. Business Associate is not permitted to receive or use Part 2 protected information unless a proper consent is obtained from the patient and then only for specific purposes permitted under Part 2. Business Associate must immediately notify NCHC if it improperly receives any Part 2 protected information. NCHC is never obligated to provide Business Associate with any Part 2 protected information and nothing herein shall imply or require otherwise. Business Associate will resist in judicial proceedings any effort to obtain access to patient identifying information related to substance use disorder, diagnosis, treatment, or referral for treatment except as permitted by the SAMHSA Regulations. Business Associate shall implement such safeguards as are necessary to prevent unauthorized uses and disclosures and to otherwise assure its compliance with the SAMHSA Regulations. Business Associate shall acknowledge that further disclosure by Business Associate ("re-disclosure") may be prohibited or will require compliance by Business Associate with the SAMHSA Regulations. Consistent with the provisions of the SAMHSA Regulations, and notwithstanding any other provision contained herein, Business Associate shall not use or disclose any information relating to Part 2 Protected Individuals for activities related to a patient's diagnosis, treatment, or referral for treatment.

APPENDIX 1

Examples of Business Associates

EXAMPLES OF BUSINESS ARRANGEMENTS THAT MAY INVOLVE DISCLOSURE OF PHI & REQUIRE BUSINESS ASSOCIATE AGREEMENTS	
Accrediting Licensing Agencies (JCAHO)	Pathology Services Contracts
Accounting Consultants/Vendors	Paper Recycling Contracts
Actuarial Consultants/Vendors	Patient Satisfaction Survey Contracts
Agents/Contractors Accessing PHI (Consultants)	Payer-Provider Contracts (Provider for Health Plan)
Application Service Providers (i.e. prescription mgmt.)	Physical Billing Services
Attorneys/Legal Counsel	Physician Contracts
Auditors	Practice Management Consultants/Vendors
Benchmarking Organizations	Professional Services Contracts
Benefit Management Organizations	Quality Assurance Consultants/Vendors
Claims Processing/Clearinghouse Agency Contracts	Radiology Services Contracts
Coding Vendor Contracts	Record Copying Service Vendor Contracts
Collection Agency Contracts	Record Storage Vendors
Computer Hardware Contracts	Release of Information Service Vendor Contracts
Computer Software Contracts	Repair Contractors of Devices Containing PHI
Consultants/Consulting Firms	Revenue Enhancement/DRG Optimization Contracts
Data Analysis Consultants/Vendors	Risk Management Consulting Vendor Contracts
Data Warehouse Contracts	Schools-Students Job Shadowing
Emergency Physician Services Contracts	Shared Service/Joint Venture Contracts with Other Healthcare Organizations
Hospital Contracts	Statement Outsource Vendors
Insurance Contracts (Coverage for Risk, Malpractice, etc.)	Telemedicine Program Contracts
Interpreter Services Contracts	Third Party Administrators
IT/IS Vendors	Transcription Vendor Contracts
Legal Services Contracts	Waste Disposal Contracts (Hauling, Shredding)
Medical Staff Credentialing Software Contracts	
Microfilming Vendor Contracts	
Optical Disc Conversion Contracts	

EXAMPLES OF ARRANGEMENTS THAT ARE NOT BUSINESS ASSOCIATE RELATIONSHIPS & DO NOT REQUIRE BUSINESS ASSOCIATE AGREEMENTS	
Banks Processing Credit Care Payments Blood Bank/Red Cross (Provider) Cleaning/Janitorial Services Clinics (Provider Relationships) Courier Services Delivering Specimens Devise Manufacturers Require PHI to Produce Pacemakers, Hearing aids, glasses, etc. DME for equipment for Treatment Purposes Educational/School Programs (Student Privacy Education Required as Workforce member) Health Oversight Agencies authorized by law (State surveys) Health Plans Contracting with Network Providers Health Plans for Purposes of Payment Hospitals Housekeeping/Environmental Services (Incidental Exp.) Infusion Provider for Treatment Law Enforcement Agencies Members of an Affiliated Covered Entity	Members of the Organization's Workforce Nursing Homes Organ Procurement Organizations Pharmacy (Healthcare Provider/Treatment) Providers (Involved in Care & Treatment of Patient) Quality Improvement Organization-Agent of CMS (MetaStar) Rental Employee Agencies (No PHI Shared-Employees Need Privacy Training) Repair Contractors (Maintenance, Copy Machine, Plumbing, Electricity, etc. – No PHI involved). School Health Nurses Supply Services Support Services Agreements for Supplies/Tx Purposes Tissue Banks U.S. Post Office and Other Couriers Volunteers (Board Members, Ethics Committee Members)

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APPENDIX 2

Business Associate Agreement Checklist

North Central Health Care may serve as a Business Associate (BA) to another covered entity. Covered entities may ask the organization to review and sign a BA Agreement. A BA is defined as a person or entity who, on behalf of a Covered Entity (CE), performs or assists in performing a function or activity involving the use or disclosure of individually identifiable health information/Protected Health Information (PHI). **This is a sample list only and may not contain all of the provisions necessary for an effective business associate agreement that complies with a covered entities needs**; the list addresses those provisions outlined in HIPAA 45 CFR 164.504(e)(2) and ARRA/HITECH Act. The Checklist is located on the next page.

Business Associate Agreement Checklist

Date Received/Reviewed:	
Received From (Department):	
Name & Contact Information of BA:	
General Description of Type of Service:	
Other:	
	PROVISIONS OF BUSINESS ASSOCIATE AGREEMENT
	Establish the **permitted and required uses and disclosures** of such information by the business associate. The contract may not authorize the business associated to use or further disclose the information in a manner that would violate the requirements of the contract, if done by the covered entity, except that: A. The contract may permit the business associate to use and disclose Protected Health Information for the proper management and administration of the business associate; and B. The contract may permit the business associate to provide data aggregation services relating to the health care operations of the covered entity *(45 CFR 164.50(e)(2)(i)(A-B)*
	Provide that the business associate will **not use or further disclose the information** other than as permitted or required by the contract *(45 CFR 164.504(e)(2)(ii)(A)*
	Provide that the business associate use or disclose only the **minimum necessary** PHI to perform or fulfill a specific required or permitted function. (ARRA/HITECH Title XIII, Section 13405 (1)(a)
	Provide that the business associate will use appropriate **safeguards** to prevent use or disclosure of the information other than as provided for by its contract *(45 CFR 164.504(e)(2)(ii)(B)*
	Provide that the business associate will ensure that any **subcontractors or agents**, to whom it provides Protected Health Information received from, or created or received by the business associate on behalf of, the covered entity agrees to the same restrictions and conditions that apply to the business associate with respect to such information *(45 CFR 164.504(e)(2)(ii)(D) & (45 CFR 164.314(2)(i)(B)*
	Provide that the business associate will provide **access** and make available Protected Health Information in accordance with *164.525 (45 CFR 164.50(e)(2)(ii)(E)*
	Provide that the business associate will make available Protected Health Information for **amendment** and incorporate any amendments to Protected Health Information in accordance with 164.526 *(45 CFR 164.504(e)(2)(ii)(F)*
	Provide that the BA will **report any incident/breach, unauthorized disclosure or misuse of PHI** including those occurrences reported to the BA by its subcontractors or agents, a discovery of a breach or any use of disclosure of PHI which is not in compliance with the terms of the agreement. ARRA/HITECH Title XIII, Section 13402(b)
	Provide that the BA will **report to the covered entity** any discovery of any use of PHI in **violation** of the agreement *(45 CFR 164.50(e)(2)(ii)(C)*

Name of Document: **Investment Policy** **Policy: X Procedure:**	North Central Health Care Person centered. Outcome focused.
Document #: 0105-1	Department:
Primary Approving Body: NCCSP Board	Secondary Approving Body: CEO

Related Forms:

- None

I. Document Statement

The timely deposit and investment of North Central Health Care's (NCHC) cash is an important and integral part of the cash management program. The policy designates the Chief Financial Officer as the investment officer and with the authority to make the investment decisions and responsibility of reporting monthly to the North Central Health Care Board the status of such investments. ~~The CEO recommends the policy for approval to the North Central Community Services Program Board (Board).~~ The Investment Policy shall be reviewed annually by the Board.

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II. Purpose

The purpose of the Investment Policy is to formulate investment guidelines that allow the opportunity for investments that are prudent and beneficial for NCHC and meet WI Statutes 66.0603. The policy also establishes the guidelines for investments which allow the investment officer to make decisions on investment opportunities.

III. Definitions

IV. General Procedure

The primary objectives of North Central Health Care's investment activities, in priority order, shall be safety, liquidity, and yield.

1) Safety

The safety of the principal shall be the foremost objective of the investment program. NCHC's investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

A. Credit Risk
Risk of loss due to the failure of the security issuer or backer, will be minimized by:
   i. Limiting investments to the types of securities as allowed by the investment policy;
   ii. Prequalifying the financial institute in which NCHC will do business with in accordance with this policy; and
   iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one issuer will be minimized.

B. Interest Rate Risk
Risk that the market value of securities in the portfolio will fall due to changes in market interest rates, will be minimized by:
   i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell or redeem securities prior to maturity; and
   ii. Investing operating funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

C. Liquidity
The investment portfolio shall remain sufficiently liquid to meet operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature to meet anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist of securities to meet unanticipated cash needs in the event they arise. A portion of the portfolio may be placed in local government investment pools which offer same day liquidity for short term funds.

D. Yield
The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk and constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be generally held until maturity except when a security experiencing declining credit may be sold or redeemed early to minimize loss of principle or liquidity needs of the portfolio require that the security be sold.

E. Other considerations
The portfolio should be built to allow NCHC to have ample cash to meet operation needs for 3 to 6 months in the event routine cash flow is jeopardized. The status of this section will be reviewed by the Board on an annual basis.

2) Standards of Care

A. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the content of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

B. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of North Central Health Care.

C. Delegation of Authority

Authority to manage the investment program is granted to the Chief Financial Officer, herein referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. The North Central Community Services Program Board may also delegate its investment decision making authority to the Chief Executive Officer (CEO), and may seek advice from another party, such as an investment advisor. Any delegated authority shall follow this policy and other written instructions as are provided.

3) Authorized Financial Institutions, Depositories, and Broker/Dealers
North Central Health Care will maintain a listing of all institutions that hold funding on behalf of the organization. The financial institutions must be qualified for investment transactions, must comply with state and federal capital adequacy guidelines, maintain adequate insurance coverage, and submit evidence to NCHC. The investment officer is responsible for obtaining the required information. The Board will review the criteria on an annual basis and may modify criteria.

If NCHC is using an investment advisor, NCHC may rely on the investment advisor's list of authorized financial institutions, depositories and broker/dealers for the NCHC's list of financial institutions and depositories. NCHC will review the list of the investment advisor's list on an annual basis.

4) Safekeeping and Internal Controls
Securities will be held by third party custodians selected by North Central Health Care and evidenced by safekeeping receipts in NCHC's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Audit Standards No. 70 or SAS70) as requested by North Central Health Care or its independent auditors.

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NCHC shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by NCHC's Board, where present, and with the independent auditor. The controls should be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employee and officers of NCHC.

5) Permitted Investments
Permitted investments will be made in accordance with Section 66.0603 of the Wisconsin Statues governing investment practices and with this policy. Permitted investments are:

A. Certificate of Deposit (CD)
An interest bearing negotiable time deposit of fixed maturity at a commercial bank. Certificate of Depot investments shall have maturities not to exceed three years, and which are FDIC insured or collateralized at 100% of market value by U.S. Treasury obligations or federal agency securities.

B. Local Government Investment Pool
An aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment by the State of WI Investment Board.

C. Government Obligations
Financial debt instruments backed by the United States government, such as Treasury Bills or Treasury Notes. A Treasury Bill has $1,000 denominations that mature in less than one year. A Treasury Note has $1,000 denominations that mature in 1 to 10 years.

D. Savings and Money Market Accounts
Insured savings account or money market funds and accounts. Deposits in excess of $250,000 must have additional insurance to protect the investment.

6) Collateralization
Where allowed by law, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

7) Investment Parameters
   A. Investments shall be made with institutions that meet the criteria as indicated in this policy.

   B. The investment portfolio shall include no more than 60% of investments at one institution.

   C. Investments are not limited to the State of Wisconsin.

   D. The investment portfolio may have investment times at different levels such as 6 months, 1 year, or longer than 1 year. For investments exceeding 1 year of maturity, penalties for early withdrawal must be reviewed by the investment officer.

8) Maximum Maturities
To the extent possible, NCHC shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, NCHC will not directly invest in securities maturing more than three (3) years form the date of purchase or in accordance with any federal, state or local statutes or ordinances.

9) Reporting
A summary of investments will be provided to the Board on a monthly basis. The summary will include by security the location, principal amount, interest rate, and maturity date. The investment portfolio will also be reviewed during the annual financial audit. Any policy concerns will be addressed by the Board.

10) Policy Considerations

A. Exemption
Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. Amendments
This policy shall be reviewed on an annual basis. Any changes must be approved the Board, as well as with individuals charged with maintaining this policy.

Program-Specific Requirements:

References:

Joint Commission:

CMS:

Related Documents:

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: June 21, 2019
TO: North Central Community Services Program Board
FROM: Michael Loy, Chief Executive Officer
RE: CEO Report

The following items are general updates and communications to support the Board on key activities and/or updates since our last meeting:

1) Campus Renovation: The RFP for the pool construction has been released in the middle of June with a due date of mid-July. Following receipt and consideration of the bids, a contract will be signed and a ground breaking will be scheduled shortly thereafter. The second bid will be released early fall and will include the 8-bed youth hospital, 16-bed CBRF and the new nursing home tower. Construction on those projects will begin later this fall. Internal transitions are being planned and final design work is ongoing.

2) Recruitments: Recruitments for the Operations Executive, Chief Nursing Officer, Chief Medical Officer, and Behavioral Health Services Director continued in June. We have two finalist candidates we are considering for the Operations Executive. There have been new BHS Director and Chief Nursing Officer candidates.

3) Real Estate Transactions: The Hillcrest property has officially been sold. The property located on 529 McClellan Street in Wausau is still finalizing the transfer and contribution agreement for the property.

4) Attorney General Visit: Attorney General Josh Kaul will be touring NCHC on Tuesday, June 25, 2019 to learn about our programs, initiatives and work we have been doing in partnership with law enforcement. A media event is scheduled following his visit.

Objective	Accountability	Start Date	Measure(s) of Success	Interim Updates	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Develop NCHC into a Learning Organization	NCCSP	Jan-19	Board approved Roadmap for Learning Organization	Senior Management Team continues to meet on this initiative.	Open												
Build Medical Staff Leadership Capacity	NCCSP	Jan-19	All budgeted FTEs are filled. Physician roles defined and development plans in place. MCW PGY3 implemented	Recruitments for open Psychiatry positions ongoing. Initial PGY3 rotation is being finalized. Three new PGY1 residents are starting June 24th. Recruitment for Medial Director continuing.	Open												
Refresh Information Services Platform	NCCSP	Jan-19	By the end of 2021, have upgraded all of our five core systems.	MatrixCare EMR implementation is fully implemented with only the dietary module and optimization tasks left. A new occurrence reporting system contract has been signed and implementation has begun. A proposal for the TIER replacement will be included 2020 Budget. The HR and Learning Platforms will start their implementation in July	Open												
CEO Appraisal	NCCSP	Bi-annually	Completed Appraisal forwarded to the RCA semi-annually	CEO met with the RCA and NCCSP Board Chair for the Annual Review in May.	Complete												
Annual Audit	NCCSP	Jan-19	Acceptance of annual audit by NCCSP Board and RCA	Audit is complete and will be presented to the Board in March.	Complete												
Policy Governance for the NCCSP Board	NCCSP	Jan-19	Policy Governance Monitoring System Established	Work has commenced with the Executive Committee to prepare for the annual evaluation of board governance in September.	Open												
Nursing Home Governance	NCCSP	Jan-19	Approved Management Agreement	Sent to Marathon County Corporation Counsel for initial review.	Open												
Pool Management Governance	NCCSP	Jan-19	Approved Management Agreement	A Management Agreement for the pool will be fashioned and drafted after the Mount View Care Center Management Agreement has been approved.	Pending												
Prepare Local Plan	NCCSP	Jan-19	Adopted 3 Year Local Plan	Contract has been signed with the Human Services Research Institute which will deliver a strategic plan for behavioral health programs. The 2020 Budget will present rolling two year forecast.	Open												
Develop Training Plan for Counties	NCCSP	Jan-19	Adopted Annual Training Plan	NCHC staff are working on developing a formal outreach plan in 2019. Efforts to reach out and educate continue.	Open												
County Fund Balance Reconciliation	NCCSP	Apr-19	Fund Balance Presentation	Presented at the March NCCSP Board meeting.	Complete												
Facility Use Agreements	NCCSP	Jan-19	Signed agreements with each of the three Counties	A draft Facility Use Agreement was delivered to members of the RCA and will be discuseed at an upcoming meeting. We are now working to mold this into a Lease Agreement following a meeting with our auditors.	Open												
Develop Conflict Resolution Protocol	NCCSP	Jan-19	Board adoption of Conflict Resolution Protocol	Item remains pending RCA approval before going to NCCSP Board.	Pending												
Reserve Policy Review	RCA	Apr-19	CFO will meet with County Finance Directors annually to review Audit and Financial performance relative to reserve policy and status	CFO has delivered the reports and is meeting with County Finance Directors.	Complete												
Annual Report	NCCSP	Apr-19	Annual Report Released and Presentations made to County Boards	The report is in final development and will be presented in June. It was delayed due to difficulty pulling data.	Open												
Programs and Services Report	NCCSP	Bi-annually	RCA Accepts Report	A report will be provided to the RCA as soon as it is available (delayed per above) for prior year and in August for year to date.	Open												
Financial Review	NCCSP	Bi-annually	Meeting held between the County Finance Directors and CFO and follow-up items addressed	Ongoing, as needed.	Open												
Substance Abuse Strategy	NCCSP	Jan-19	A strategic plan for substance use treatment services will be approved by the NCCSP Board	Finalizing project scope and gathering data.	Open												

Objective	Accountability	Start Date	Measure(s) of Success	Interim Updates	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Develop a Comprehensive Youth Crisis Stabilization Continuum	RCA	Jan-19	A clearly defined and communicated 24/7 Youth Crisis stabilization program.	Working on one-page overview of current resources. Hiring a Youth Behavioral Health program director. Interviews occuring in July. Finalizing youth hospital design.	Open												
Clarification and Communication of Services	RCA	Jan-19	A marketing and outreach plan will be approved by the NCCSP Board. Communication mediums will be updated and/or enhanced.	Identifying scope of the plan and resources to support its development.	Open												
Improved Data Sharing	RCA	Jan-19	Essential crisis plan information is shared to improve care coordination while remaining protected.	Discussions on solutions to achieve success are pending.	Open												
Proposal for County Treatment Housing Needs	RCA	Jan-19	A written proposal for NCHC's service expansion in treatment focused housing.	The Langlade County Board has approved the project along with their one-time commitment funding and ongoing funding. The community fundraising for the remaining $130,000 in needed funds has begun and so far we have committed approximately $30,000. There are requests out for consideration that would attain the goal.	Complete												
Annual Budget	RCA	May-19	Adopted Budget within Budgetary Direction of the RCA and NCCSP Board	The 2020 Budget schedule and preliminary planning has begun.	Open												
CEO Appraisal & Compensation	RCA	Jan-19	Completed Appraisal	See "CEO Appraisal" item above.	Open												
Performance Standards	RCA	Jul-19	Adopted Annual Performance Standards	Will occur in July.	Pending												
Tri-County Contral Annual Review	RCA	Jan-19	Revision Recommendation to County Boards if necessary	This item is pending as needed.	Pending												

DEPARTMENT: NORTH CENTRAL HEALTH CARE FISCAL YEAR: 2019

PRIMARY OUTCOME GOAL	⇧⇩	TARGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2019 YTD	2018
PEOPLE																
Vacancy Rate	⇩	5 - 7%	10.3%	9.0%	9.4%	9.0%	8.1%								9.2%	9.5%
Retention Rate	⇧	80 - 82%	97.8%	96.5%	95.2%	94.1%	93.3%								83.9%	82.0%
SERVICE																
Patient Experience	⇧	88.3 - 90.5	90.9	89.3	90.0	90.8	84.3								88.8	N/A
CLINICAL																
Readmission Rate	⇩	8 - 10%	6.7%	13.0%	8.6%	14.1%	13.1%								11.1%	11.3%
Nursing Home Star Rating	⇧	4+ Stars	★★	★★	★★	★★★	★★★								★★★	★★
Adverse Event Rate	⇩	PAT: 0.71 - 0.73	0.65	0.53	0.39	0.70	0.48								0.55	0.75
		NCHC EMP: 3.31 - 3.51	8.90	11.49	2.52	5.67	3.78								6.14	3.77
Hospital Days	⇩	735 or less per month	770	667	816	685	688								725	N/A
COMMUNITY																
Access Rate	⇧	90 - 95%	92.0%	86.2%	85.6%	80.1%	88.1%								86.7%	88.3%
FINANCE																
Direct Expense/Gross Patient Revenue	⇩	60 - 64%	64.9%	68.0%	73.3%	65.5%	71.9%								68.7%	68.2%
Indirect Expense/Direct Expense	⇩	36 - 38%	33.7%	37.9%	34.7%	31.9%	34.7%								34.5%	35.5%
Net Income	⇧	2 - 3%	1.3%	-1.6%	-12.4%	0.2%	-9.2%								-6.2%	0.7%

⇧ Higher rates are positive

⇩ Lower rates are positive

DASHBOARD MEASUREMENT OUTCOME DEFINITIONS AND DETAILS

PEOPLE	
Vacancy Rate	Total number of vacant positions as of month end divided by total number of authorized positions as of month end.
Retention Rate	Annualized number of employees onboard on January 1st who remain employed divided the number of employees onboard on January 1st.
SERVICE	
Patient Experience	Mean score of responses to the overall satisfaction rating question on the survey.
CLINICAL	
Readmission Rate	Number of residents re-hospitalized within 30 days of admission to nursing home / total admissions. Percent of patients who are readmitted within 30 days of discharge from the Inpatient Behavioral Health hospital for Mental Health primary diagnosis. *Benchmark: American Health Care Association/National Center for Assistive Living (AHCA/NCAL) Quality Initiative*
Nursing Home Star Rating	Star rating as determined by CMS Standards.
Adverse Event Rate	Patients: # of actual harm events that reached patients/number of patient days x1000 Employees: #of OSHA Reportables x 200,000/hours worked
Total Hospital Days	Total Hospital days that all patients spend hospitalized for psychiatric stabilization or evaluation either in our inpatient unit or at external diversion sites. The current figure totals the NCHC current month hospital days to out of facility hospital days from the previous month. This lag is due to the processing time of invoices from other facilities.
COMMUNITY	
Access Rate	• Adult Day Services - within 2 weeks of receiving required enrollment documents
	• Aquatic Services - within 2 weeks of referral or client phone requests
	• Birth to 3 - within 45 days of referral
	• Community Corner Clubhouse - within 2 weeks
	• Community Treatment - within 60 days of referral
	• Outpatient Services
	- within 4 days following screen by referral coordinator for counseling or non-hospitalized patients,
	- within 4 days following discharge for counseling/post-discharge check
	- 14 days from hospital discharge to psychiatry visit
	• Prevocational Services - within 2 weeks of receiving required enrollment documents
	• Residential Services - within 1 month of referral
	• Post Acute Care % of eligible referred residents admitted within 48 hours
	• Long Term Care % of eligible referred residents admitted within 2 weeks
	• CBRF % of eligible patients admitted within 24 hours
	• MMT % of eligible patients admitted within 60 days of UPC
	• Crisis Services % of individuals with commitments and settlement agreements enrolled in CCS or CSP programs for eligible individuals within 60 days of referral
	• Inpatient Services
	- within 4 days following discharge for counseling/post-discharge check
	- 14 days from hospital discharge to psychiatry visit
	- Ratio of patient days served at NCHC vs. Out of County placements
FINANCE	
Direct Expense/Gross Patient Revenue	Percentage of total direct expense compared to gross revenue.
Indirect Expense/Direct Revenue	Percentage of total indirect expenses compared to direct expenses.
Net Income	Net earnings after all expenses have been deducted from revenue.

North Central Health Care
Person centered. Outcome focused.

Quality Executive Summary

June 2019

Organizational Outcomes

People

- **Vacancy Rate**

  The Vacancy Rate target range for 2019 is 5.0 - 7.0%. Currently, the rate is 8.1% for May, a reduction of 0.9% from the prior month. The year average is 9.2%. There was very low turnover in the month of May, impacting the retention rate.

- **Employee Retention Rate**

  The Employee Retention Rate target range for 2019 is 80.0 – 82.0%. The rate is 93.3% for the month of May. Currently, the rate is projected to end the year at 83.9%, which is within our target range.

Service

- **Patient Experience**

  NCHC Patient Experience target is 88.3-90.5. We are measuring patient experience via mean score of responses to the overall satisfaction question on the patient experience surveys. This month, we are below our target at 84.3 which brings our projection to 88.8. Scores decreased below target in MMT, CBRF, and Birth to 3 in May. A number of patient experience action items will impact scores including a complete restructure of the MMT curriculum. Birth to 3's return rate is low, so one survey impacted the score. Starting in July, Birth to 3 will no longer be accounted for in NCHC's metrics.

Clinical

- **Readmission Rate**

  The Readmission Rate is a combined measure consisting of the total number of residents re-hospitalized within 30 days of admission and the percent of patients who are readmitted within 30 days of discharge from the inpatient behavioral hospital for mental health primary diagnosis. Our target for 2019 is 8-10% total readmission rate. The rate for this month is 13.1%. The nursing home showed improvement from previous months with a rate of 15.8%. There were 6 readmissions; all of them were deemed unavoidable admissions.

- **Nursing Home Star Rating**

  For 2019, we will be measuring the Nursing Home Star Rating as determined by CMS Standards with a target of 4 stars. The CMS lifted the moratorium in April and Mount View is now at a 3 star. We continue to hold at a 3 star for May.

- **Adverse Event Rate**

  For 2019, we will be measuring adverse events for both patients and employees. Our definition of "adverse" is actual harm that reached the patient or the employee. This measure will not include "near misses" or events that could have had the potential for harm, although this data will be collected, measured, and analyzed for quality process improvement efforts.

  For 2019, the target range for Patient Adverse Event is .71-.72 per 1,000 patient days. For May we were below

target at 0.48. This showed a significant decrease from last month. (See program descriptions below for more information.)

The target range for Employee Adverse Event s is 3.31 - 3.51. For May, we were slightly above our target at 3.78, with a year to date rate of 6.14. May had 2 employee events due to tripping and other muscular skeletal strain.

- **Total Hospital Days**
  This measure includes the total number of days that all patients spend hospitalized for psychiatric care or evaluation either in our inpatient unit or at external diversion sites. The data for external diversion days will be at a one month lag. Our target for 2019 is 735 or less total hospital days. This May, the total hospital days exceeded our goal, with only 688 hospital days.

Community

- **Access Rate for Behavioral Health Services**
  The target range for this measure for 2019 is 90-95%. For May, we are below target at 88.1%. The following programs were under target for access in April:
  - BHS (Linkage Patients getting linked to CCS)
  - Outpatient (Hospital patients getting a post-discharge appointment w/in 4 days of discharge and Day Treatment)
  - Community Treatment
  - Community Living (Prevocational Services and Residential)
  - Mount View Care Center – This showed a slight increase from April to May. This is being driven by access to our short term rehab beds. Long Term Care (LTC) beds remain at 100%.

  (See program descriptions below for more information.)

Finance

- **Direct Expense/Gross Patient Revenue**
  This measure looks at percentage of total direct expense to gross patient revenue. The 2019 target is 60-64%. The percentage for May shifted backwards again. While the revenues are improving, the direct expenses increased again in May. Health insurance and diversions again are the most significant items exceeding targets. Food and drugs are also over target due to 5 invoice days in May compared to the normal 4.

- **Indirect Expense/Direct Expense**
  Indirect Expense/Direct Expense is the percentage of total indirect expenses compared to direct expenses and the 2019 target is 36-38%. The percentage for May is 34.7%, which is better than target. With expenses in the direct areas running over budget, support programs are trying to keep expenses down to help offset some of the direct overages.

- **Net Income**
  Net Income is the net earnings after all expenses have been deducted from revenue. The target for 2019 is 2-3%. The target for May was not met. The organization saw another large loss for the month, which contributes to the year to date target being further off target.

Program-Specific Outcomes - *items not addressed in analysis above*

The following outcomes reported are measures that were not met at the program-specific level. They do not represent all data elements monitored by a given department/program, only the targets that were not met for the month.

Human Service Operations

- **Behavioral Health Services (Inpatient, MMT, CBRF, Crisis):**

  Measures not met in this group were:

  - The BHS Vacancy Rate was at 14.4% for May, which was unchanged since April. The program target is 5.8-7.8%. These direct care programs have experienced some vacancies due to employees starting advanced degree or certification programming. Crisis in particular had 5 vacancies in May. Recruitment for open positions is ongoing. Nursing vacancies continue to be a challenge and are trending with statewide shortages.
  - Patient experience went down for BHS, which impacted the overall score. The programs of focus are MMT and the CBRF, and there are a number of changes to these programs that should positively impact patient experience in coming months.
  - The readmission rate is slightly above target in May at 11.5%. Utilization Review and Clinical Coordination teams have been working to coordinate care on high utilizers, which should have an increased impact in future months. Readmissions increase when there isn't a staff provider in the inpatient unit providing consistent care. Currently, NCHC uses locums coverage to provide care in the hospital, which can be many different providers contributing to care in the same week.
  - Patient Adverse Event Rate down in May, though it's still above target. It's the lowest this rate has been all year. The measure has a target of 0.71 to 0.73 and currently BHS is at 2.77. The rate was impacted because patients had a medical need to be transported to a higher level of care due to medical instability.
  - Direct Expense/Gross Patient Revenue for May BHS had 86.6% with a target of 64-69%. This measure was the highest it was this year. This was due to safety changes on the unit, causing additional staff expense. Our agency RN use continues to be high, due to vacancies. In May, BHS had a large unbudgeted expense due to purchasing psychological testing supplies, which is a beneficial program change for many patients.
  - BHS write-offs increased out of range for the second time this year. BHS is exploring purchasing software that will assist with proving medical necessity and decrease write offs in the future. Proving a patient's medical necessity for treatment provides the number 1 write off. Also, NCHC has to write off bills associated when a patient is on the unit simply because of placement issues, and not because they are in need for additional medical treatment. Demand for housing continues to be a challenge for many NCHC programs.

- **Birth to 3**
  - Vacancy rate for Birth to 3 was at 4.4% as there is one open position. This position will not be hired prior to the transition to Marathon County Special Education. This measure will persist in June, and then the program will transition to its new home and no new measures will be indicated in July.
  - Patient Experience decreased in May to just below target for the first time this year. This was the result of one survey.
  - Write offs: Birth to 3 had a few write offs that are being addressed by the interim management staff member.

❖ **Community Living (Residential/ADS/PreVoc):**

- Access Rate decreased to 20% for May, which was the lowest for all year. One driver of this measure is because we are transitioning prevocational sheltered based members into Community Based PreVoc Services, a focus that continues for 2019. All clients must first graduate from DVR before entering the PreVoc service, and has continued to cause a delay into the service line. The main impact on this measure is that NCHC does not have any more beds for CBRF or Supportive Apartments at this time. All living opportunities remain filled and this decreases our access for referrals dramatically.

❖ **Outpatient/Community Treatment/Community Corner Clubhouse:**

Measures not met in this group were:

- Vacancy: For May these programs had a combined vacancy rate of 5.6% with a target of 3.3-5.3%. This remains the same from the previous month. Recruitment for community treatment for qualified clinical staff continues to be a challenge. Program leadership has been working on a new compensation strategy to assist with recruiting new hires.
- Access Rate: The access rate for this service line was the highest it's been all year at 89.8%. Community Treatment continues to struggle with vacancies, which impacts the amount of time it takes to open new clients to the program. See above vacancy rate for more information.
- Direct Expense/Gross Patient Revenue: Driving this number is Community Corner Clubhouse and the Outpatient service lines currently. Outpatient has specific action items focusing on productivity standards, scheduling efficacy, and other related initiatives. Clubhouse's revenue is focused on case management through Community Treatment currently, which is being reviewed to determine if it is programmatically in line with Clubhouse's model. Several clients were recently re-assessed and were determined to need higher levels of care, which removes associated case management revenue from Clubhouse. Due to evaluation of Clubhouse's model, one case manager position vacancy at the site has not been filled, which provides an operational deficit.

Nursing Home Operations

❖ **Aquatic Services:**

- Vacancy Rate is still the same with an open physical therapist position that is being recruited for and a physical therapy assistant that is also currently being recruited for. A Physical Therapist has been hired and will be starting the end of July.
- Direct Expense Budget/Gross Patient Revenue is 51-56%. May was at 60.6%, with no pool closures. Productivity is still down due to open positions.

❖ **MVCC Overall:**

- Vacancy Rate for the month of May was at 12.6% with a target range of 6.4-8.4%. This did show a slight improvement in May. The nursing home has a Vacancy and Retention Committee that meets weekly and is working to impact this outcome. Food service is showing significant vacancies which are driving our vacancy rate. We are implementing a sign on and referral bonus for dietary specific to assist in filling open positions.
- Readmission Rate target for 2019 is 8-10%. In May the readmission rate dropped to 15.1%. In April we had 6 readmissions with all of them being 30 day. All were unavoidable admissions. From review we are continuing to see a trend of high acuity which is contributing to our readmission rate. Further education of staff on ways to review and possibly reduce readmissions is being done.
- Adverse Event Rate for May stayed constant at 2.8 events per 1,000 patient days. Medication errors still are showing a trend with our recent implementation. Anticipate this reducing over the next few months.

- Access Rate for May was at 83.4%. The short term target for 2019 is for a referral to have an admission within 48 hours after acceptance. This goal has been revised to measure when the facility accepts a referral versus actual referral date. This reduction in number is being driven by access to short term rehab beds. Long term care beds access was at 100% for May. We continue to work to ensure creative options to increase this target.
- Direct Expense/Gross Patient Revenue for May was at 60.9% with a target of 46-51%. This was an increase from April. Even though we had the best census of 184.5 for the month, factors that influenced this are: payer mix remains off in Medicaid vent for the month. Expenses were high with training of Matrix system for nursing assistants, overtime usage, and equipment rental still are driving factors. Team is working on reduction of overtime, supply management, and payer mix.

Support Programs

❖ **APS:**

- Vacancy rate for May was at 14.7% with a target of 3.7-5.7%. APS filled its vacancy but is anticipating another vacancy in August.

❖ **Health Information (HIM):**

- Vacancy Rate for the month of April was at 13.2% with a target of 3.3-5.3%. This is due to the new Coding and Documentation Specialist position that was added in April. Offer has been accepted and the role will be filled in July.

❖ **Patient Financial Services:**

- Direct Expense Budget target is $$66,088-$69,393 per month. Expenses for May are at $72,508, which is just over the target. The overage is due to collection expense being over target. There is revenue associated with this expense. The revenue for this is much more favorable than target.

❖ **Pharmacy:**

- The Direct Expense/Gross Patient Revenue for May was at 44.6 % with a target range of 37-41%. This year to date is 42.5% which is a little off target. Factor influencing this is drug costs more than budget. Working on our contract for better drug costs.

❖ **Volunteers:**

- The Direct Expense budget is $9453 to $9926. In May we are back in line at $9254 and anticipate remaining the rest of the year.

2019 - Primary Dashboard Measure List

⇧ Higher rates are positive

⇩ Lower rates are positive

Department	Domain	Outcome Measure	2018	⇧⇩	Target Level	2019 YTD
NORTH CENTRAL HEALTH CARE OVERALL	People	Vacancy Rate	9.5%	⇩	5 - 7%	9.2%
		Retention Rate	82.0%	⇧	80 - 82%	83.9%
	Service	Patient Experience: % Top Box Rate	N/A	⇧	88.3 - 90.5	88.8
	Clinical	Readmission Rate	11.3%	⇩	8 - 10%	11.1%
		Nursing Home Star Rating	★★	⇧	4+ Stars	★★★
		Adverse Event Rate	0.75	⇩	PAT: 0.71 - 0.73	0.55
			3.77		NCHC EMP: 3.31 - 3.51	6.14
		Hospital Days	N/A	⇩	<= 735 / month	725
	Community	Access Rate	88.3%	⇧	90 - 95%	86.7%
	Finance	Direct Expense/Gross Patient Revenue	68.2%	⇩	60 - 64%	68.7%
		Indirect Expense/Direct Expense	35.5%	⇩	36 - 38%	34.5%
		Net Income	0.7%	⇧	2 - 3%	-6.2%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
BHS	People	BHS Vacancy Rate	⇩	5.8 - 7.8%	15.8%
		BHS Retention Rate	⇧	80 - 82%	78.4%
	Service	BHS Patient Experience	⇧	88.3 - 90.5	85.5
	Clinical	BHS Readmission Rate	⇩	8 - 10%	9.1%
		BHS Adverse Event Rate	⇩	PAT: 0.71 - 0.73	4.40
				NCHC EMP: 3.31 - 3.51	6.14
		Hospital Days	⇩	<= 735 / month	725
	Community	BHS Access	⇧	90 - 95%	/
	Finance	BHS Budgeted Direct Expense/Gross Patient Revenue	⇩	64 - 69%	79.0%
		BHS Write-Offs	⇩	0.69%	0.84%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
BIRTH TO 3	People	Birth To 3 Vacancy Rate	⇩	1.8 - 3.8%	3.7%
		Birth To 3 Retention Rate	⇧	80 - 82%	81.5%
	Service	Birth To 3 Patient Experience	⇧	88.3 - 90.5	90.3
	Clinical	Birth To 3 Adverse Event Rate	⇩	PAT: 0.71 - 0.73	0.00
				NCHC EMP: 3.31 - 3.51	6.14
	Community	Birth To 3 Access	⇧	90 - 95%	100.0%
	Finance	Birth To 3 Direct Expense/Gross Patient Revenue	⇩	139 - 144%	126.0%
		Birth To 3 Write-Offs	⇩	0.57%	0.45%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
COMMUNITY LIVING	People	Community Living Vacancy Rate	⇩	4.6 - 6.6%	6.0%
		Community Living Retention Rate	⇧	80 - 82%	80.6%
	Service	Community Living Patient Experience	⇧	88.3 - 90.5	94.3
	Clinical	Community Living Adverse Event Rate	⇩	PAT: 0.73 - 0.75	0.96
				NCHC EMP: 3.31 - 3.51	6.14
	Community	Community Living Access Rate	⇧	90 - 95%	32.0%
	Finance	Community Living Direct Expense/Gross Patient Revenue	⇩	56 - 61%	55.2%
		Community Living Write-Offs	⇩	0.10%	0.02%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
OP/CT/CLUBHOUSE	People	OP/CT/Clubhouse Vacancy Rate	⇩	3.3 - 5.3%	6.3%
		OP/CT/Clubhouse Retention Rate	⇧	80 - 82%	88.0%
	Service	OP/CT/Clubhouse Patient Experience	⇧	88.3 - 90.5	90.3
	Clinical	OP/CT/Clubhouse Adverse Event Rate	⇩	PAT: 0.71 - 0.73	0.05
				NCHC EMP: 3.31 - 3.51	6.14
	Community	OP/CT/Clubhouse Access Rate	⇧	90 - 95%	85.2%
	Finance	OP/CT/Clubhouse Direct Expense/Gross Patient Revenue	⇩	73 -78%	84.7%
		OP/CT/Clubhouse Write-Offs	⇩	0.45%	0.26%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
AQUATIC	People	Aquatic Vacancy Rate	⇩	3.7 - 5.7%	6.3%
		Aquatic Retention Rate	⇧	80 - 82%	56.3%
	Service	Aquatic Patient Experience	⇧	88.3 - 90.5	95.4
	Clinical	Support Programs Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Community	Aquatic Access	⇧	90 - 95%	95.9%
	Finance	Aquatic Direct Expense/Gross Patient Revenue	⇩	51 - 56%	62.1%
		Aquatic Write-Offs	⇩	0.45%	1.34%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
MOUNT VIEW CARE CENTER	People	MVCC Vacancy Rate	⇩	6.4 - 8.4%	13.4%
		MVCC Retention Rate	⇧	80 - 82%	82.5%
	Service	MVCC Patient Experience	⇧	88.3 - 90.5	90.2
	Clinical	MVCC Readmission Rate	⇩	8 - 10%	15.6%
		MVCC Nursing Home 5-Star Rating	⇧	4+ Stars	★★★
		MVCC Adverse Event Rate	⇩	2.43 - 2.55	2.60
	Community	MVCC Access Rate	⇧	90 - 95%	78.2%
	Finance	MVCC Direct Expense/Gross Patient Revenue	⇩	46 - 51%	59.4%
		MVCC Write-Offs	⇩	0.16%	0.07%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
APS	People	APS Vacancy Rate	⇩	3.7 - 5.7%	14.7%
		APS Retention Rate	⇧	80 - 82%	65.7%
	Service	APS Patient Experience	⇧	88.3 - 90.5	100.0
	Clinical	Support Programs Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	APS Direct Expense Budget	⇩	$45,491 - $47,765 per month	$43,558

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
BUSINESS OPERATIONS	**People**	Business Operations Vacancy Rate	⇩	3.8 - 5.8%	0.0%
		Business Operations Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Business Operations Direct Expense Budget	⇩	$57,205 - $60,065 per month	$56,364

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
HIM	**People**	HIM Vacancy Rate	⇩	3.3 - 5.3%	11.4%
		HIM Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	HIM Direct Expense Budget	⇩	$34,970 - $36,719 per month	$40,450

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
HUMAN RESOURCES	**People**	Human Resources Vacancy Rate	⇩	3.6 - 5.6%	0.0%
		Human Resources Retention Rate	⇧	80 - 82%	65.7%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Human Resources Direct Expense Budget	⇩	$74,859 - $78,602 per month	$61,480

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
IMS	**People**	IMS Vacancy Rate	⇩	3.1 - 5.1%	2.9%
		IMS Retention Rate	⇧	80 - 82%	65.7%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	IMS Direct Expense Budget	⇩	$191,668 - $201,251 per month	$177,128

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
MARKETING AND COMMUNICATION	People	MARCOM Vacancy Rate	⇩	6.3 - 8.3%	0.0%
		MARCOM Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	MARCOM Direct Expense Budget	⇩	$30,931 - $32,477 per month	$33,973.00

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
ORGANIZATIONAL DEVELOPMENT	People	Org Dev Vacancy Rate	⇩	8.3 - 10.3%	6.7%
		Org Dev Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Org Dev Direct Expense Budget	⇩	$44,077 - $46,280 per month	$30,790

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
PATIENT ACCESS SERVICES	People	Patient Access Services Vacancy Rate	⇩	2.1 - 4.1%	1.9%
		Patient Access Services Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Patient Access Services Direct Expense Budget	⇩	$50,225 - $52,737 per month	$47,646

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
PATIENT FINANCIAL SERVICES	People	Patient Financial Services Vacancy Rate	⇩	1.9 - 3.9%	0.0%
		Patient Financial Services Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Patient Financial Services Direct Expense Budget	⇩	$66,088 - $69,393 per month	$70,701

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
PHARMACY	People	Pharmacy Vacancy Rate	⇩	2.7 - 4.7%	0.0%
		Pharmacy Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Pharmacy Budgeted Direct Expense/Gross Patient Revenue	⇩	37 - 41%	42.5%

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
PURCHASING	People	Purchasing Vacancy Rate	⇩	7.5 - 9.5%	0.0%
		Purchasing Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Purchasing Direct Expense Budget	⇩	$18,643 - $19,575 per month	$19,269

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
TRANSPORTATION	People	Transportation Vacancy Rate	⇩	3.7 - 5.7%	0.0%
		Transportation Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
		Access: On-Time Arrivals	⇧	90 - 95%	94.6%
	Finance	Transportation Direct Expense Budget	⇩	$32,062 - $33,665 per month	$30,909

Department	Domain	Outcome Measure	⇧⇩	Target Level	2019 YTD
VOLUNTEER SERVICES	People	Volunteer Services Vacancy Rate	⇩	16.1 - 18.1%	0.0%
		Volunteer Services Retention Rate	⇧	80 - 82%	100.0%
	Service	NCHC Overall Patient Experience	⇧	88.3 - 90.5	88.8
	Clinical	Support Program Overall Adverse Event Rate	⇩	NCHC EMP: 3.31 - 3.51	6.14
	Finance	Volunteer Services Direct Expense Budget	⇩	$9,453 - $9,926 per month	$10,081

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: June 21, 2019
TO: North Central Community Services Program Board
FROM: Brenda Glodowski, Chief Financial Officer
RE: Monthly CFO Report

The following items are general updates and communication to support the Board on key activities and/or updates of financial activity since our last meeting.

1) **Financial Results:** The month of May shows a loss of ($462,407) compared to the targeted gain of $9,099 resulting in a negative variance of ($471,506). Year to date, the organization shows a loss of ($1,256,600). The year to date loss is significant, and measures are still being taken to work on bringing this back down over the next several months.

2) **Revenue Key Points:**
   - The nursing home census averaged 185/day which is an improvement over prior months and is also the target. The nursing home census is showing improvement and continues to show this improvement in June.
   - The hospital census continues to average 14/day, which is the target.
   - Revenue in a number of the outpatient areas continues to show improvements. With the summer months coming, there may be some decline in some of the outpatient areas.

3) **Expense Key Points:**
   - Overall expenses for the month are over budget target by $503,606.
   - The major drivers of the increased expenses continue to be health insurance and diversions.
   - Food and drugs were higher in May due to an additional invoice day.
   - The support programs continue to overall remain below budget targets. This continues to help with some of the overages in the direct programs.

4) **2020 Budget:** The 2020 budget process continues. Requests have been submitted and are being reviewed. Revenue meetings to review 2020 revenue projections have been completed. Budget information for Lincoln Industries is also being reviewed.

5) **Dashboard Workgroups:** Workgroups have been formed to analyze and make recommendations for dashboard improvements. Recommendations will include improvements for financial performance.

NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET POSITION
MAY 2019

	Human Services	Nursing Home	Total	Prior Year Combined
Current Assets:				
Cash and cash equivalents	(134,910)	1,380,447	1,245,537	4,543,494
Accounts receivable:				
Patient - Net	3,371,735	1,682,116	5,053,852	4,555,069
Outpatient - WIMCR & CCS	3,051,667	0	3,051,667	2,083,750
Nursing home - Supplemental payment program	0	875,000	875,000	910,000
Marathon County	705,938	250,000	955,938	1,163,207
Appropriations receivable	0	0	0	0
Net state receivable	1,505,792	0	1,505,792	1,184,084
Other	452,272	0	452,272	311,984
Inventory	398,393	29,294	427,687	342,220
Other	606,209	405,488	1,011,697	913,520
Total current assets	9,957,096	4,622,345	14,579,441	16,007,328
Noncurrent Assets:				
Investments	13,642,000	0	13,642,000	11,726,000
Assets limited as to use	513,502	146,382	659,884	1,262,058
Contingency funds	500,000	500,000	1,000,000	500,000
Restricted assets - Patient trust funds	15,671	23,662	39,333	40,948
Receivable restricted to pool project	3,213,262		3,213,262	0
Net pension asset	3,331,431	2,228,367	5,559,798	0
Nondepreciable capital assets	720,229	41,145	761,374	1,314,690
Depreciable capital assets - Net	7,329,248	3,274,733	10,603,981	10,555,122
Total noncurrent assets	29,265,342	6,214,289	35,479,632	25,398,818
Deferred outflows of resources - Related to pensions	6,154,191	4,116,489	10,270,680	12,070,837
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	45,376,629	14,953,123	60,329,752	53,476,983

NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET POSITION
MAY 2019

	Human Services	Nursing Home	Total	Prior Year Combined
Current Liabilities:				
Current portion of capital lease liability	22,460	6,789	29,249	0
Accounts payable - Trade	585,339	391,529	976,868	1,510,256
Appropriations advances	84,242	0	84,242	84,242
Accrued liabilities:				
Salaries and retirement	1,011,202	676,385	1,687,586	1,365,610
Compensated absences	1,069,778	715,566	1,785,344	1,480,325
Health and dental insurance	507,522	339,478	847,000	622,000
Other Payables	129,608	86,694	216,302	239,000
Amounts payable to third-party reimbursement programs	220,000	0	220,000	250,118
Unearned revenue	41,104	0	41,104	76,795
Total current liabilities	3,671,256	2,216,439	5,887,695	5,628,346
Noncurrent Liabilities:				
Net pension liability	565,969	378,572	944,541	1,582,088
Long-term portion of capital lease liability	68,978	20,849	89,827	0
Related-party liability - Master Facility Plan	263,719	79,710	343,429	0
Patient trust funds	15,671	23,662	39,333	40,948
Total noncurrent liabilities	914,337	502,793	1,417,130	1,623,036
Total liabilities	4,585,593	2,719,232	7,304,825	7,251,382
Deferred inflows of resources - Related to pensions	6,587,067	4,406,036	10,993,103	5,021,704
Net Position:				
Net investment in capital assets	7,676,799	3,315,878	10,992,677	11,869,812
Restricted for capital assets - pool project	3,213,262	0	3,213,262	0
Unrestricted:				
Board designated for contingency	500,000	500,000	1,000,000	500,000
Board designated for capital assets	513,502	146,382	659,884	1,262,058
Undesignated	23,087,911	4,334,690	27,422,601	27,352,235
Operating Income / (Loss)	(787,506)	(469,094)	(1,256,600)	219,792
Total net position	34,203,968	7,827,856	42,031,824	41,203,897
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	45,376,629	14,953,123	60,329,752	53,476,983

NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING MAY 31, 2019

TOTAL	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
Revenue:						
Net Patient Service Revenue	$4,354,265	$4,415,970	($61,704)	$21,161,944	$21,619,437	($457,494)
Other Revenue:						
State Match / Addendum	418,151	418,151	0	2,090,753	2,090,753	0
Grant Revenue	227,698	210,375	17,323	1,053,240	1,051,875	1,365
County Appropriations - Net	525,486	525,486	(0)	2,627,429	2,627,430	(0)
Departmental and Other Revenue	338,724	349,219	(10,495)	1,698,289	1,746,093	(47,804)
Total Other Revenue	1,510,058	1,503,230	6,828	7,469,710	7,516,150	(46,440)
Total Revenue	5,864,323	5,919,200	(54,876)	28,631,654	29,135,587	(503,933)
Expenses:						
Direct Expenses	4,920,181	4,422,619	497,562	23,160,713	21,532,762	1,627,951
Indirect Expenses	1,459,483	1,508,315	(48,832)	6,912,256	7,459,300	(547,043)
Total Expenses	6,379,664	5,930,934	448,730	30,072,970	28,992,062	1,080,908
Operating Income (Loss)	(515,340)	(11,734)	(503,606)	(1,441,316)	143,526	(1,584,841)
Nonoperating Gains (Losses):						
Interest Income	30,094	20,833	9,261	152,530	104,167	48,364
Donations and Gifts	22,839	0	22,839	32,185	0	32,185
Gain / (Loss) on Disposal of Assets	0	0	0	0	0	0
Total Nonoperating Gains / (Losses)	52,934	20,833	32,100	184,716	104,167	80,549
Income / (Loss)	($462,407)	$9,099	($471,506)	($1,256,600)	$247,692	($1,504,292)

NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING MAY 31, 2019

51.42./.437 PROGRAMS	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
Revenue:						
Net Patient Service Revenue	$2,701,960	$2,734,477	($32,517)	$13,043,672	$13,381,063	($337,390)
Other Revenue:						
State Match / Addendum	418,151	418,151	0	2,090,753	2,090,753	0
Grant Revenue	227,698	210,375	17,323	1,053,240	1,051,875	1,365
County Appropriations - Net	400,486	400,486	(0)	2,002,429	2,002,430	(0)
Departmental and Other Revenue	215,191	238,277	(23,086)	1,111,106	1,191,385	(80,279)
Total Other Revenue	1,261,525	1,267,288	(5,763)	6,257,528	6,336,442	(78,914)
Total Revenue	3,963,485	4,001,766	(38,280)	19,301,200	19,717,505	(416,304)
Expenses:						
Direct Expenses	3,524,292	3,169,938	354,354	16,439,160	15,453,711	985,448
Indirect Expenses	812,382	839,181	(26,800)	3,824,423	4,150,131	(325,708)
Total Expenses	4,336,673	4,009,119	327,554	20,263,582	19,603,842	659,741
Operating Income (Loss)	(373,188)	(7,353)	(365,834)	(962,382)	113,663	(1,076,045)
Nonoperating Gains (Losses):						
Interest Income	30,094	20,833	9,261	152,530	104,167	48,364
Donations and Gifts	15,755	0	15,755	22,346	0	22,346
Gain / (Loss) on Disposal of Assets	0	0	0	0	0	0
Total Nonoperating Gains / (Losses)	45,849	20,833	25,016	174,876	104,167	70,709
Income / (Loss)	($327,339)	$13,480	($340,818)	($787,506)	$217,830	($1,005,335)

NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING MAY 31, 2019

NURSING HOME	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
Revenue:						
Net Patient Service Revenue	$1,652,305	$1,681,492	($29,187)	$8,118,271	$8,238,375	($120,103)
Other Revenue:						
County Appropriations - Net	125,000	125,000	0	625,000	625,000	0
Departmental and Other Revenue	123,533	110,942	12,591	587,182	554,708	32,474
Total Other Revenue	248,533	235,942	12,591	1,212,182	1,179,708	32,474
Total Revenue	1,900,838	1,917,434	(16,596)	9,330,454	9,418,083	(87,629)
Expenses:						
Direct Expenses	1,395,889	1,252,681	143,208	6,721,554	6,079,051	642,503
Indirect Expenses	647,101	669,134	(22,033)	3,087,833	3,309,169	(221,336)
Total Expenses	2,042,991	1,921,815	121,176	9,809,387	9,388,220	421,167
Operating Income (Loss)	(142,153)	(4,381)	(137,772)	(478,934)	29,863	(508,796)
Nonoperating Gains (Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	7,084	0	7,084	9,840	0	9,840
Gain / (Loss) on Disposal of Assets	0	0	0	0	0	0
Total Nonoperating Gains / (Losses)	7,084	0	7,084	9,840	0	9,840
Income / (Loss)	($135,068)	($4,381)	($130,687)	($469,094)	$29,863	($498,956)

NORTH CENTRAL HEALTH CARE

REPORT ON AVAILABILITY OF FUNDS

May 31, 2019

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT	Insured/ Collateralized
PFM Investments	367 Days	6/3/2019	2.40%	$486,000	X
PFM Investments	545 Days	7/10/2019	2.02%	$483,000	X
Abby Bank	730 Days	7/19/2019	1.30%	$500,000	X
People's State Bank	365 Days	8/21/2019	2.30%	$500,000	X
CoVantage Credit Union	605 Days	9/8/2019	2.00%	$500,000	X
CoVantage Credit Union	365 Days	10/28/2019	2.00%	$300,000	X
Abby Bank	730 Days	10/29/2019	1.61%	$500,000	X
CoVantage Credit Union	730 Days	11/18/2019	1.50%	$500,000	X
CoVantage Credit Union	608 Days	11/30/2019	2.00%	$500,000	X
PFM Investments	365 Days	12/5/2019	2.84%	$484,000	X
PFM Investments	545 Days	12/10/2019	2.58%	$480,000	X
Abby Bank	730 Days	12/30/2019	1.61%	$500,000	X
PFM Investments	367 Days	1/2/2020	2.80%	$968,000	X
PFM Investments	455 Days	2/13/2020	2.73%	$482,000	X
BMO Harris	549 Days	2/26/2020	2.50%	$500,000	X
Abby Bank	730 Days	3/15/2020	1.71%	$400,000	X
People's State Bank	365 Days	3/28/2020	2.10%	$250,000	X
PFM Investments	365 Days	4/4/2020	2.58%	$486,000	x
PFM Investments	730 Days	4/29/2020	2.57%	$473,000	X
Abby Bank	730 Days	5/3/2020	2.00%	$500,000	X
BMO Harris	365 Days	5/28/2020	2.45%	$500,000	X
People's State Bank	365 Days	5/29/2020	2.40%	$350,000	X
People's State Bank	365 Days	5/30/2020	2.40%	$500,000	X
Abby Bank	730 Days	8/29/2020	2.57%	$500,000	X
Abby Bank	730 Days	9/1/2020	2.57%	$500,000	X
Abby Bank	730 Days	1/6/2021	2.65%	$500,000	X
Abby Bank	730 Days	2/25/2021	2.69%	$500,000	X
CoVantage Credit Union	730 Days	3/8/2021	2.72%	$500,000	X
TOTAL FUNDS AVAILABLE				$13,642,000	
WEIGHTED AVERAGE	562.68 Days		2.297% INTEREST		

NCHC-DONATED FUNDS
Balance Sheet
As of May 31, 2019

ASSETS	
Current Assets	
Checking/Savings	
CHECKING ACCOUNT	
Adult Day Services	6,574.78
Adventure Camp	1,999.67
Birth to 3 Program	2,035.00
Clubhouse	3,563.73
Community Treatment - Adult	690.03
Community Treatment - Youth	7,387.37
Fishing Without Boundries	4,519.70
General Donated Funds	59,230.11
Hope House	4,554.59
Housing - DD Services	1,370.47
Inpatient	1,000.00
Langlade HCC	3,167.95
Legacies by the Lake	
Music in Memory	1,958.25
Legacies by the Lake - Other	2,055.55
Total Legacies by the Lake	4,013.80
Marathon Cty Suicide Prev Task	27,010.29
National Suicide Lifeline Stipe	3,176.37
Northern Valley West	6,377.82
Nursing Home - General Fund	5,233.95
Outpatient Services - Marathon	401.08
Pool	29,227.94
Prevent Suicide Langlade Co.	2,444.55
Recovery Coach	20,000.00
Resident Council	521.05
United Way	1,437.62
Voyages for Growth	33,442.72
Total CHECKING ACCOUNT	229,380.59
Total Checking/Savings	229,380.59
Total Current Assets	229,380.59
TOTAL ASSETS	**229,380.59**
LIABILITIES & EQUITY	
Equity	
Opening Bal Equity	123,523.75
Retained Earnings	86,757.12
Net Income	19,099.72
Total Equity	229,380.59
TOTAL LIABILITIES & EQUITY	**229,380.59**

North Central Health Care
Budget Revenue/Expense Report

Month Ending May 31, 2019

ACCOUNT DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YTD ACTUAL	YTD BUDGET	DIFFERENCE
REVENUE:					
Total Operating Revenue	5,864,323	5,919,200	28,631,654	29,135,587	(503,933)
EXPENSES:					
Salaries and Wages	2,722,336	2,939,119	13,364,051	14,177,439	(813,388)
Fringe Benefits	1,177,705	1,090,818	5,677,254	5,261,938	415,316
Departments Supplies	762,020	666,986	3,300,076	3,334,930	(34,853)
Purchased Services	753,361	501,254	3,527,789	2,554,271	973,519
Utilitites/Maintenance Agreements	349,546	259,704	1,639,605	1,298,521	341,084
Personal Development/Travel	41,730	44,663	187,325	223,313	(35,988)
Other Operating Expenses	126,277	177,224	574,631	885,817	(311,186)
Insurance	63,704	39,250	182,560	196,250	(13,690)
Depreciation & Amortization	158,534	145,250	813,001	726,250	86,751
Client Purchased Services	224,450	66,667	806,677	333,333	473,343
TOTAL EXPENSES	**6,379,664**	**5,930,934**	**30,072,970**	**28,992,062**	**1,080,908**
Nonoperating Income	52,934	20,833	184,716	104,167	80,549
EXCESS REVENUE (EXPENSE)	**(462,407)**	**9,099**	**(1,256,600)**	**247,692**	**(1,504,292)**

North Central Health Care
Write-Off Summary
May 2019

	Current Month	Current Year To Date	Prior Year To Date
Inpatient:			
Administrative Write-Off	$12,699	$28,873	$51,966
Bad Debt	$65	$295	$8,440
Outpatient:			
Administrative Write-Off	$8,710	$35,520	$47,247
Bad Debt	$1,076	$2,188	$2,052
Nursing Home:			
Daily Services:			
Administrative Write-Off	$430	$5,397	$30,580
Bad Debt	$9	$1,437	$9,169
Ancillary Services:			
Administrative Write-Off	$60	$509	$2,126
Bad Debt	$0	$0	$0
Pharmacy:			
Administrative Write-Off	$26	$803	$2,637
Bad Debt	$0	$14	$0
Total - Administrative Write-Off	$21,926	$71,101	$134,555
Total - Bad Debt	$1,150	$3,934	$19,661

North Central Health Care
2019 Patient Days

Month		Budget	Actual	Variance	Budgeted Occupancy	Actual Occupancy
January	Nursing Home	5,735	5,491	(244)	92.50%	88.56%
	Hospital	434	360	(74)	87.50%	72.58%
February	Nursing Home	5,180	5,050	(130)	92.50%	90.18%
	Hospital	392	336	(56)	87.50%	75.00%
March	Nursing Home	5,735	5,591	(144)	92.50%	90.18%
	Hospital	434	457	23	87.50%	92.14%
April	Nursing Home	5,550	5,367	(183)	92.50%	89.45%
	Hospital	420	420	0	87.50%	87.50%
May	Nursing Home	5,735	5,720	(15)	92.50%	92.26%
	Hospital	434	433	(1)	87.50%	87.30%
				0		
June	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
July	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
August	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
September	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
October	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
November	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
December	Nursing Home	0	0	0	0.00%	0.00%
	Hospital	0	0	0	0.00%	0.00%
YTD	Nursing Home	27,935	27,219	(716)	92.50%	90.13%
	Hospital	2,114	2,006	(108)	87.50%	83.03%

North Central Health Care
Review of 2019 Services
Langlade County

Direct Services:	2019 May Actual Rev	2019 May Budg Rev	Variance	2019 May Actual Exp	2019 May Budg Exp	Variance	Variance by Program
Outpatient Services	$210,168	$282,495	($72,327)	$272,439	$332,588	$60,149	($12,178)
Community Treatment-Adult	$294,970	$248,872	$46,098	$239,460	$252,622	$13,162	$59,260
Community Treatment-Youth	$601,576	$532,293	$69,283	$521,551	$532,293	$10,742	$80,025
Day Services	$117,855	$135,833	($17,978)	$141,375	$135,833	($5,542)	($23,520)
	$1,224,569	$1,199,494	$25,075	$1,174,825	$1,253,337	$78,512	$103,587
Shared Services:							
Inpatient	$183,171	$193,855	($10,684)	$230,149	$226,894	($3,255)	($13,940)
Hospital Psychiatry	$15,171	$38,676	($23,505)	$103,414	$78,630	($24,784)	($48,289)
CBRF	$62,137	$39,778	$22,359	$39,681	$39,778	$97	$22,456
Crisis	$30,142	$25,921	$4,221	$136,059	$123,129	($12,930)	($8,709)
MMT (Lakeside Recovery)	$20,812	$23,155	($2,343)	$42,924	$36,664	($6,260)	($8,602)
Outpatient Psychiatry	$38,116	$57,576	($19,460)	$187,479	$180,907	($6,572)	($26,033)
Protective Services	$11,097	$10,758	$340	$31,579	$35,470	$3,891	$4,231
Birth To Three	$39,879	$43,653	($3,774)	$65,967	$80,443	$14,476	$10,702
Group Homes	$119,880	$81,120	$38,760	$112,713	$81,120	($31,593)	$7,167
Supported Apartments	$0	$0	$0	$0	$0	$0	$0
Contract Services	$0	$0	$0	$98,720	$41,132	($57,588)	($57,588)
	$520,405	$514,493	$5,912	$1,048,685	$924,168	($124,517)	($118,605)
Totals	$1,744,974	$1,713,986	$30,988	$2,223,510	$2,177,505	($46,005)	($15,018)
Base County Allocation	$332,721	$332,721	($0)				($0)
Nonoperating Revenue	$9,860	$6,429	$3,431				$3,431
County Appropriation	$124,368	$124,368	$0				$0
Excess Revenue/(Expense)	$2,211,923	$2,177,505	$34,418	$2,223,510	$2,177,505	($46,005)	($11,587)

North Central Health Care
Review of 2019 Services
Lincoln County

Direct Services:	2019 May Actual Rev	2019 May Budget Rev	Variance	2019 May Actual Exp	2019 May Budg Exp	Variance	Variance By Program
Outpatient Services	$127,282	$178,607	($51,325)	$150,187	$271,346	$121,159	$69,834
Community Treatment-Adult	$321,154	$291,366	$29,788	$258,923	$295,116	$36,193	$65,981
Community Treatment-Youth	$696,038	$692,843	$3,195	$726,730	$692,843	($33,887)	($30,692)
	$1,144,474	$1,162,816	($18,342)	$1,135,840	$1,259,305	$123,465	$105,123
Shared Services:							
Inpatient	$249,778	$264,348	($14,570)	$313,839	$309,401	($4,438)	($19,007)
Inpatient Psychiatry	$20,687	$52,740	($32,053)	$141,020	$107,223	($33,797)	($65,850)
CBRF	$84,733	$54,243	$30,490	$54,110	$54,243	$133	$30,623
Crisis	$41,103	$35,348	$5,756	$185,535	$167,903	($17,632)	($11,876)
Outpatient Psychiatry	$51,976	$78,513	($26,537)	$255,654	$246,691	($8,963)	($35,501)
MMT (Lakeside Recovery)	$28,379	$31,575	($3,196)	$58,532	$49,996	($8,536)	($11,731)
Protective Services	$15,131	$14,670	$461	$43,062	$48,368	$5,306	$5,767
Birth To Three	$51,061	$55,558	($4,497)	$84,463	$102,382	$17,919	$13,422
Apartments	$0	$0	$0	$0	$0	$0	$0
Contract Services	$0	$0	$0	$134,619	$56,089	($78,530)	($78,530)
	$542,848	$586,994	($44,146)	$1,270,834	$1,142,298	($128,537)	($172,682)
Totals	$1,687,322	$1,749,810	($62,488)	$2,406,674	$2,401,603	($5,071)	($67,559)
Base County Allocation	$345,824	$345,824	$0				$0
Nonoperating Revenue	$13,762	$9,129	$4,633				$4,633
County Appropriation	$296,840	$296,840	$0				$0
Excess Revenue (Expense)	$2,343,748	$2,401,603	($57,855)	$2,406,674	$2,401,603	($5,071)	($62,926)

North Central Health Care
Review of 2019 Services
Marathon County

Direct Services:	2019 May Actual Rev	2019 May Budget Rev	Variance	2019 May Actual Exp	2019 May Budget Exp	Variance	Variance by Program
Outpatient Services	$597,196	$792,025	($194,829)	$876,450	$937,202	$60,752	($134,078)
Community Treatment-Adult	$1,530,749	$1,629,607	($98,858)	$1,507,238	$1,662,940	$155,702	$56,844
Community Treatment-Youth	$1,702,081	$1,560,706	$141,375	$1,486,509	$1,560,706	$74,197	$215,572
Day Services	$578,549	$620,939	($42,390)	$602,301	$620,939	$18,638	($23,752)
Clubhouse	$144,599	$210,041	($65,442)	$215,551	$248,375	$32,824	($32,619)
Demand Transportation	$183,356	$182,598	$758	$171,355	$182,598	$11,243	$12,001
Aquatic Services	$285,841	$333,943	($48,102)	$449,521	$476,587	$27,066	($21,036)
Pharmacy	$2,259,749	$2,136,620	$123,129	$2,299,176	$2,136,620	($162,556)	($39,427)
	$7,282,120	$7,466,479	($184,359)	$7,608,101	$7,825,965	$217,864	$33,506
Shared Services:							
Inpatient	$1,232,237	$1,304,118	($71,881)	$1,548,273	$1,526,377	($21,896)	($93,778)
Inpatient Psychiatry	$102,058	$260,185	($158,127)	$695,697	$528,970	($166,727)	($324,854)
CBRF	$418,015	$267,600	$150,415	$266,945	$267,600	$655	$151,070
Crisis Services	$202,773	$174,381	$28,392	$915,307	$828,323	($86,984)	($58,592)
MMT (Lakeside Recovery)	$140,005	$155,768	($15,763)	$288,758	$246,649	($42,109)	($57,871)
Outpatient Psychiatry	$256,417	$387,331	($130,914)	$1,261,225	$1,217,008	($44,217)	($175,131)
Protective Services	$74,649	$72,369	$2,280	$212,438	$238,615	$26,177	$28,457
Birth To Three	$293,878	$253,979	$39,899	$486,125	$468,033	($18,093)	$21,807
Group Homes	$735,047	$752,213	($17,166)	$691,104	$752,213	$61,109	$43,943
Supported Apartments	$1,060,868	$993,333	$67,535	$995,304	$993,333	($1,971)	$65,564
Contracted Services	$0	$0	$0	$664,120	$276,707	($387,413)	($387,413)
	$4,515,947	$4,621,277	($105,330)	$8,025,296	$7,343,828	($681,469)	($786,798)
Totals	$11,798,067	$12,087,755	($289,688)	$15,633,397	$15,169,793	($463,604)	($753,293)
Base County Allocation	$1,412,208	$1,412,208	$1				$1
Nonoperating Revenue	$128,908	$88,608	$40,300				$40,300
County Appropriation	$1,581,222	$1,581,222	$0				$0
Excess Revenue/(Expense)	$14,920,405	$15,169,793	($249,388)	$15,633,397	$15,169,793	($463,604)	($712,992)

North Central Health Care
Person centered. Outcome focused.

MEMORANDUM

DATE: June 21, 2019
TO: North Central Community Services Program Board
FROM: Laura Scudiere, HSO Executive
RE: Monthly Human Services Operations Report

The following items are general updates and communications to support the Board on key activities and/or updates of the Human Service Operations service line since our last meeting:

1. **Zero Suicide:** A group of NCHC staff went to a Zero Suicide conference and education session in Eau Claire on 6/20. This group will be responsible for implementing ongoing Zero Suicide programming for NCHC. Staff continue their enthusiasm and commitment for the evidence-based Zero Suicide programming, which could make a positive impact on the number of suicidal events that occur within our community each year.

2. **Youth Crisis In-Home Stabilization Grant:** A Youth Crisis Director position has been created and is being recruited currently. This position would oversee the activities of the In-Home Stabilization Grant, the implementation plan for the Youth Psychiatric Hospital, and the 23-Hour Youth Stabilization program. The program will provide families with a clinical team, who will do in-home visits and treatment.

3. **Marathon County Exploration of Jail Medically Assisted Treatment Program:** NCHC was awarded a grant to provide medically assisted treatment in the Marathon County Jail. This is a collaborative project with Marathon County, Aspirus physicians, and NCHC. The grant supports a position that would coordinate program design and coordination activities. Candidates are currently being interviewed for this position. Services are slated to begin in the jail as of the end of December.

4. **Langlade County Sober Living:** The Apricity model has been purchased and is being reviewed by staff. A building has been identified for use as an 8-bed women's sober living house operated by NCHC. Langlade County is experiencing some challenges with acquiring the property. Fundraising continues and grants have been submitted on behalf of the project by Meghan Mattek.

5. **North Central Recovery Coaching Collaborative:** NCHC has been convening meetings of the collaborative since the beginning of the year. The group has conducted research on how to best proceed with recovery coaching in the community. The group is proposing to join with RecoveryCorp and host Recovery Coaches through their program. A proposal for this approach will be provided to the NCHC Board this month.

6. **Birth to 3:** NCHC continues to move forward with transitioning Birth to 3 staff to Marathon County Special Education. The implementation team has ensured that patients and families have not had any interruption or change in service during the transition. Most staff have already moved their offices to the newly renovated space and the move will be officially completed by the end of June. Staff have expressed positivity about the move, as they will have access to peer support, more equipment, and newly renovated offices.

7. **Lincoln Industries:** Lincoln County approved transitioning Lincoln Industries (Prevocational, Adult Day Services and Demand Transportation) under NCHC's management. The services would move under NCHC's management as of January 1, 2020. Lincoln Industries operates two locations, Merrill and Tomahawk.

North Central Health Care
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PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Kimberly S. Heenecke, D.O. (Appoint/Reappoint) 06-27-2019 to 02-28-2021
Time Period

Requested Privileges
_____ Medical (Includes Family Practice, Internal Medicine)
__X__ Psychiatry _____ Medical Director
_____ Mid-Level Practitioner _____ BHS Medical Director

Medical Staff Status __X__ Courtesy _____ Active

Provider Type
_____ Employee
__X__ Locum Locum Agency: Jackson + Coker
_____ Contract Contract Name: _____

MEDICAL EXECUTIVE COMMITTEE

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

_____ 6-20-19
(Medical Executive Committee Signature) (Signature Date)

MEDICAL STAFF

Medical Staff recommends that:
__✓__ He/she be appointed/reappointed to the Medical Staff as requested
_____ Action be deferred on the application
_____ The application be denied

_____ 6-20-19
(Medical Staff President Signature) (Signature Date)

GOVERNING BOARD

Reviewed by Governing Board: _____
(Date)

Response:
_____ Concur
_____ Recommend further reconsideration

_____ _____
(Governing Board Signature) (Signature Date)

_____ _____
(Chief Executive Officer Signature) (Signature Date)

North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Jeffrey A. Drexler, M.D. Appoint/Reappoint 08-01-2019 to 07-31-2021
Time Period

Requested Privileges
_____ Medical (Includes Family Practice, Internal Medicine)
__X__ Psychiatry
_____ Mid-Level Practitioner
_____ Medical Director
_____ BHS Medical Director

Medical Staff Status
__X__ Courtesy
_____ Active

Provider Type
_____ Employee
__X__ Locum Locum Agency: Barton Associates
_____ Contract Contract Name: _____

MEDICAL EXECUTIVE COMMITTEE

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

_____ 6-11-19
(Medical Executive Committee Signature) (Signature Date)

MEDICAL STAFF

Medical Staff recommends that:
__✓__ He/she be appointed/reappointed to the Medical Staff as requested
_____ Action be deferred on the application
_____ The application be denied

_____ 6-20-19
(Medical Staff President Signature) (Signature Date)

GOVERNING BOARD

Reviewed by Governing Board: _____
(Date)

Response:
_____ Concur
_____ Recommend further reconsideration

_____ _____
(Governing Board Signature) (Signature Date)

_____ _____
(Chief Executive Officer Signature) (Signature Date)

North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Debra A. Knapp, APNP Appoint/Reappoint 07-01-2019 to 09-30-2020
Time Period

Requested Privileges
_____ Medical (Includes Family Practice, Internal Medicine)
_____ Psychiatry
_____ Medical Director
__X__ Mid-Level Practitioner
_____ BHS Medical Director

Medical Staff Status
_____ Courtesy
__X__ Active

Provider Type
__X__ Employee
_____ Locum Locum Agency: _____
_____ Contract Contract Name: _____

MEDICAL EXECUTIVE COMMITTEE

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

_____ 6-11-19
(Medical Executive Committee Signature) (Signature Date)

MEDICAL STAFF

Medical Staff recommends that:
✓ He/she be appointed/reappointed to the Medical Staff as requested
_____ Action be deferred on the application
_____ The application be denied

_____ 6-20-19
(Medical Staff President Signature) (Signature Date)

GOVERNING BOARD

Reviewed by Governing Board: _____
(Date)

Response:
_____ Concur
_____ Recommend further reconsideration

_____ _____
(Governing Board Signature) (Signature Date)

_____ _____
(Chief Executive Officer Signature) (Signature Date)

North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Leandrea S. Lamberton, M.D. Appoint/Reappoint 07-01-2019 to 06-30-2020
Time Period

Requested Privileges
_____ Medical (Includes Family Practice, Internal Medicine)
__X__ Psychiatry _____ Medical Director
_____ Mid-Level Practitioner _____ BHS Medical Director

Medical Staff Status _____ Courtesy __X__ Active

Provider Type __X__ Employee
_____ Locum Locum Agency: _____
_____ Contract Contract Name: _____

MEDICAL EXECUTIVE COMMITTEE

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

_____ 6-11-19
(Medical Executive Committee Signature) (Signature Date)

MEDICAL STAFF

Medical Staff recommends that:
__✓__ He/she be appointed/reappointed to the Medical Staff as requested
_____ Action be deferred on the application
_____ The application be denied

_____ 6-20-19
(Medical Staff President Signature) (Signature Date)

GOVERNING BOARD

Reviewed by Governing Board: _____
(Date)

Response: _____ Concur
_____ Recommend further reconsideration

_____ _____
(Governing Board Signature) (Signature Date)

_____ _____
(Chief Executive Officer Signature) (Signature Date)

Do You Know?

- Do we have a Compliance Program?
- Who is your Compliance Officer?
- How does the Compliance Program work at NCHC?
- Do you understand your responsibility as related to Compliance oversight?

Objectives

- Overview of Corporate Compliance Program Elements
- Define Board member's responsibility for oversight of compliance
- Emerging Trends
- Next Steps

What is a Compliance Program?

On a very basic level it is about:	System of policies and procedures	Ongoing
• Prevention • Detection • Collaboration • Enforcement	• Developed to ensure compliance with all federal and state laws governing our organization	• Part of the culture of the organization • Commitment to an ethical way of conducting ourselves • Doing the right thing

Why do we need it?

Effective Compliance Programs:

- Demonstrates to our community that we have a strong commitment to be an honest and a trustworthy provider of health care
- Reinforce employees' innate sense of right and wrong
- Helps providers fulfill their legal duty to government and private payers
- Are cost effective
- Provides a more accurate view of employee and contractor behavior relating to fraud and abuse

Why do we need it?

Effective Compliance Programs:

- The quality of care provided to patients is enhanced
- Provides procedures to promptly correct misconduct
- May mitigate any sanction imposed by the OIG
- May protect corporate directors from personal liability.

Program Elements

1. Code of Conduct, Policies and Procedures
2. Compliance Officer and Compliance Committee
3. Education
4. Monitoring and Auditing
5. Reporting and Investigating
6. Enforcement and Discipline
7. Response and Prevention

Federal Sentencing Guidelines

The "governing authority shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight" of it;

"[h]igh-level personnel … shall ensure that the organization has an effective compliance and ethics program"

Why Is Compliance Important?

Emerging Trends

- Structure
- Budgeting
- Autonomy
- Relationship

DOJ Evaluation Guidance

- U.S. Department of Justice (Criminal Division)
- Evaluation of Corporate Compliance Programs
- April 2019

Compliance Autonomy

- Structural Issue
- Seniority Within Organization
- Autonomy From Business Function
- Dual/Single Role

Compliance Budget

- Sufficiency of Personnel and Resources
- Size, Structure, Risk Profile
- Large/Small Dichotomy
- Compliance Function Must be Empowered

Reasonable Reliance on Experts

- Availability of Compliance Expertise to the Board

Effectiveness Context

- Every Organization Will Have to Prove the Effectiveness of Their Compliance Program
- *Usually While Under Fire*

Board Oversight Responsibility

Unique Corporate/Business Structure

Important to Understand Role

Sentencing Guidelines
Licensing Regulations
Conditions of Participation
Fraud Enforcement
RCO Doctrine
Fiduciary Duties
Loyalty, Care, Obedience

Next Steps

- Work Plan Approval
- Board Communication
- Enhanced Board Reporting

U.S. Department of Justice
Criminal Division

Evaluation of Corporate Compliance Programs

Guidance Document
Updated: April 2019

U.S. Department of Justice
Criminal Division

Evaluation of Corporate Compliance Programs

(Updated April 2019)

Introduction

The "Principles of Federal Prosecution of Business Organizations" in the Justice Manual describe specific factors that prosecutors should consider in conducting an investigation of a corporation, determining whether to bring charges, and negotiating plea or other agreements. JM 9-28.300. These factors include "the adequacy and effectiveness of the corporation's compliance program at the time of the offense, as well as at the time of a charging decision" and the corporation's remedial efforts "to implement an adequate and effective corporate compliance program or to improve an existing one." JM 9-28.300 (citing JM 9-28.800 and JM 9-28.1000). Additionally, the United States Sentencing Guidelines advise that consideration be given to whether the corporation had in place at the time of the misconduct an effective compliance program for purposes of calculating the appropriate organizational criminal fine. *See* U.S.S.G. §§ 8B2.1, 8C2.5(f), and 8C2.8(11). Moreover, the memorandum entitled "Selection of Monitors in Criminal Division Matters" issued by Assistant Attorney General Brian Benczkowski (hereafter, the "Benczkowski Memo") instructs prosecutors to consider, at the time of the resolution, "whether the corporation has made significant investments in, and improvements to, its corporate compliance program and internal controls systems" and "whether remedial improvements to the compliance program and internal controls have been tested to demonstrate that they would prevent or detect similar misconduct in the future" to determine whether a monitor is appropriate.

This document is meant to assist prosecutors in making informed decisions as to whether, and to what extent, the corporation's compliance program was effective at the time of the offense, and is effective at the time of a charging decision or resolution, for purposes of determining the appropriate (1) form of any resolution or prosecution; (2) monetary penalty, if any; and (3) compliance obligations contained in any corporate criminal resolution (e.g., monitorship or reporting obligations).

Because a corporate compliance program must be evaluated in the specific context of a criminal investigation, the Criminal Division does not use any rigid formula to assess the effectiveness of corporate compliance programs. We recognize that each company's risk profile and solutions to reduce its risks warrant particularized evaluation. Accordingly, we make an individualized determination in each case. There are, however, common questions that we may ask in the course of making an individualized determination. As the Justice Manual notes, there are three "fundamental questions" a prosecutor should ask:

U.S. Department of Justice
Criminal Division

Evaluation of Corporate Compliance Programs

(Updated April 2019)

1. "Is the corporation's compliance program well designed?"
2. "Is the program being applied earnestly and in good faith?" In other words, is the program being implemented effectively?
3. "Does the corporation's compliance program work" in practice?

See JM § 9-28.800.

In answering each of these three "fundamental questions," prosecutors may evaluate the company's performance on various topics that the Criminal Division has frequently found relevant in evaluating a corporate compliance program. The sample topics and questions below form neither a checklist nor a formula. In any particular case, the topics and questions set forth below may not all be relevant, and others may be more salient given the particular facts at issue.[1] Even though we have organized the topics under these three fundamental questions, we recognize that some topics necessarily fall under more than one category.

I. Is the Corporation's Compliance Program Well Designed?

The "critical factors in evaluating any program are whether the program is adequately designed for maximum effectiveness in preventing and detecting wrongdoing by employees and whether corporate management is enforcing the program or is tacitly encouraging or pressuring employees to engage in misconduct." JM 9-28.800.

Accordingly, prosecutors should examine "the comprehensiveness of the compliance program," JM 9-28.800, ensuring that there is not only a clear message that misconduct is not tolerated, but also policies and procedures – from appropriate assignments of responsibility, to training programs, to systems of incentives and discipline – that ensure the compliance program is well-integrated into the company's operations and workforce.

A. Risk Assessment

The starting point for a prosecutor's evaluation of whether a company has a well-designed compliance program is to understand the company's business from a commercial perspective, how the company has identified, assessed, and defined its risk profile, and the degree to which the program devotes appropriate scrutiny and resources to the spectrum of risks.

Prosecutors should consider whether the program is appropriately "designed to detect the particular types of misconduct most likely to occur in a particular corporation's line of business" and "complex regulatory environment[]." JM 9-28.800.[2] For example, prosecutors should consider whether the company has analyzed and addressed the varying risks presented by, among other factors, the location of its operations, the industry sector, the competitiveness

of the market, the regulatory landscape, potential clients and business partners, transactions with foreign governments, payments to foreign officials, use of third parties, gifts, travel, and entertainment expenses, and charitable and political donations.

Prosecutors should also consider "[t]he effectiveness of the company's risk assessment and the manner in which the company's compliance program has been tailored based on that risk assessment" and whether its criteria are "periodically updated." *See, e.g.*, JM 9-47-120(2)(c); U.S.S.G. § 8B2.1(c) ("the organization shall periodically assess the risk of criminal conduct and shall take appropriate steps to design, implement, or modify each requirement [of the compliance program] to reduce the risk of criminal conduct").

Prosecutors may credit the quality and effectiveness of a risk-based compliance program that devotes appropriate attention and resources to high-risk transactions, even if it fails to prevent an infraction in a low-risk area. Prosecutors should therefore consider, as an indicator of risk-tailoring, "revisions to corporate compliance programs in light of lessons learned." JM 9-28.800.

- ☐ **Risk Management Process** – What methodology has the company used to identify, analyze, and address the particular risks it faces? What information or metrics has the company collected and used to help detect the type of misconduct in question? How have the information or metrics informed the company's compliance program?

- ☐ **Risk-Tailored Resource Allocation –** Does the company devote a disproportionate amount of time to policing low-risk areas instead of high-risk areas, such as questionable payments to third-party consultants, suspicious trading activity, or excessive discounts to resellers and distributors? Does the company give greater scrutiny, as warranted, to high-risk transactions (for instance, a large-dollar contract with a government agency in a high-risk country) than more modest and routine hospitality and entertainment?

- ☐ **Updates and Revisions** – Is the risk assessment current and subject to periodic review? Have there been any updates to policies and procedures in light of lessons learned? Do these updates account for risks discovered through misconduct or other problems with the compliance program?

B. Policies and Procedures

Any well-designed compliance program entails policies and procedures that give both content and effect to ethical norms and that address and aim to reduce risks identified by the company as part of its risk assessment process. As a threshold matter, prosecutors should examine whether the company has a code of conduct that sets forth, among other things, the

company's commitment to full compliance with relevant Federal laws that is accessible and applicable to all company employees. As a corollary, prosecutors should also assess whether the company has established policies and procedures that incorporate the culture of compliance into its day-to-day operations.

- **Design** – What is the company's process for designing and implementing new policies and procedures, and has that process changed over time? Who has been involved in the design of policies and procedures? Have business units been consulted prior to rolling them out?

- **Comprehensiveness** – What efforts has the company made to monitor and implement policies and procedures that reflect and deal with the spectrum of risks it faces, including changes to the legal and regulatory landscape?

- **Accessibility** – How has the company communicated its policies and procedures to all employees and relevant third parties? If the company has foreign subsidiaries, are there linguistic or other barriers to foreign employees' access?

- **Responsibility for Operational Integration** – Who has been responsible for integrating policies and procedures? Have they been rolled out in a way that ensures employees' understanding of the policies? In what specific ways are compliance policies and procedures reinforced through the company's internal control systems?

- **Gatekeepers** – What, if any, guidance and training has been provided to key gatekeepers in the control processes (*e.g.*, those with approval authority or certification responsibilities)? Do they know what misconduct to look for? Do they know when and how to escalate concerns?

C. Training and Communications

Another hallmark of a well-designed compliance program is appropriately tailored training and communications.

Prosecutors should assess the steps taken by the company to ensure that policies and procedures have been integrated into the organization, including through periodic training and certification for all directors, officers, relevant employees, and, where appropriate, agents and business partners. Prosecutors should also assess whether the company has relayed information in a manner tailored to the audience's size, sophistication, or subject matter expertise. Some companies, for instance, give employees practical advice or case studies to address real-life scenarios, and/or guidance on how to obtain ethics advice on a case-by-case basis as needs arise.

Prosecutors should also assess whether the training adequately covers prior compliance incidents and how the company measures the effectiveness of its training curriculum.

Prosecutors, in short, should examine whether the compliance program is being disseminated to, and understood by, employees in practice in order to decide whether the compliance program is "truly effective." JM 9-28.800.

- **Risk-Based Training** – What training have employees in relevant control functions received? Has the company provided tailored training for high-risk and control employees, including training that addresses risks in the area where the misconduct occurred? Have supervisory employees received different or supplementary training? What analysis has the company undertaken to determine who should be trained and on what subjects?

- **Form/Content/Effectiveness of Training** – Has the training been offered in the form and language appropriate for the audience? Is the training provided online or in-person (or both), and what is the company's rationale for its choice? Has the training addressed lessons learned from prior compliance incidents? How has the company measured the effectiveness of the training? Have employees been tested on what they have learned? How has the company addressed employees who fail all or a portion of the testing?

- **Communications about Misconduct** – What has senior management done to let employees know the company's position concerning misconduct? What communications have there been generally when an employee is terminated or otherwise disciplined for failure to comply with the company's policies, procedures, and controls (*e.g.*, anonymized descriptions of the type of misconduct that leads to discipline)?

- **Availability of Guidance** – What resources have been available to employees to provide guidance relating to compliance policies? How has the company assessed whether its employees know when to seek advice and whether they would be willing to do so?

D. Confidential Reporting Structure and Investigation Process

Another hallmark of a well-designed compliance program is the existence of an efficient and trusted mechanism by which employees can anonymously or confidentially report allegations of a breach of the company's code of conduct, company policies, or suspected or actual misconduct. Prosecutors should assess whether the company's complaint-handling process includes pro-active measures to create a workplace atmosphere without fear of retaliation, appropriate processes for the submission of complaints, and processes to protect whistleblowers. Prosecutors should also assess the company's processes for handling

investigations of such complaints, including the routing of complaints to proper personnel, timely completion of thorough investigations, and appropriate follow-up and discipline.

Confidential reporting mechanisms are highly probative of whether a company has "established corporate governance mechanisms that can effectively detect and prevent misconduct." JM 9-28.800; *see also* U.S.S.G. § 8B2.1(b)(5)(C) (an effectively working compliance program will have in place, and have publicized, "a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation").

- **Effectiveness of the Reporting Mechanism** – Does the company have an anonymous reporting mechanism, and, if not, why not? How is the reporting mechanism publicized to the company's employees? Has it been used? How has the company assessed the seriousness of the allegations it received? Has the compliance function had full access to reporting and investigative information?

- **Properly Scoped Investigations by Qualified Personnel** – How does the company determine which complaints or red flags merit further investigation? How does the company ensure that investigations are properly scoped? What steps does the company take to ensure investigations are independent, objective, appropriately conducted, and properly documented? How does the company determine who should conduct an investigation, and who makes that determination?

- **Investigation Response** – Does the company apply timing metrics to ensure responsiveness? Does the company have a process for monitoring the outcome of investigations and ensuring accountability for the response to any findings or recommendations?

- **Resources and Tracking of Results** – Are the reporting and investigating mechanisms sufficiently funded? How has the company collected, tracked, analyzed, and used information from its reporting mechanisms? Does the company periodically analyze the reports or investigation findings for patterns of misconduct or other red flags for compliance weaknesses?

E. Third Party Management

A well-designed compliance program should apply risk-based due diligence to its third-party relationships. Although the degree of appropriate due diligence may vary based on the size

and nature of the company or transaction, prosecutors should assess the extent to which the company has an understanding of the qualifications and associations of third-party partners, including the agents, consultants, and distributors that are commonly used to conceal misconduct, such as the payment of bribes to foreign officials in international business transactions.

Prosecutors should also assess whether the company knows its third-party partners' reputations and relationships, if any, with foreign officials, and the business rationale for needing the third party in the transaction. For example, a prosecutor should analyze whether the company has ensured that contract terms with third parties specifically describe the services to be performed, that the third party is actually performing the work, and that its compensation is commensurate with the work being provided in that industry and geographical region. Prosecutors should further assess whether the company engaged in ongoing monitoring of the third-party relationships, be it through updated due diligence, training, audits, and/or annual compliance certifications by the third party.

In sum, a company's third-party due diligence practices are a factor that prosecutors should assess to determine whether a compliance program is in fact able to "detect the particular types of misconduct most likely to occur in a particular corporation's line of business." JM 9-28.800.

- **Risk-Based and Integrated Processes** – How has the company's third-party management process corresponded to the nature and level of the enterprise risk identified by the company? How has this process been integrated into the relevant procurement and vendor management processes?

- **Appropriate Controls** – How does the company ensure there is an appropriate business rationale for the use of third parties? If third parties were involved in the underlying misconduct, what was the business rationale for using those third parties? What mechanisms exist to ensure that the contract terms specifically describe the services to be performed, that the payment terms are appropriate, that the described contractual work is performed, and that compensation is commensurate with the services rendered?

- **Management of Relationships** – How has the company considered and analyzed the compensation and incentive structures for third parties against compliance risks? How does the company monitor its third parties? Does the company have audit rights to analyze the books and accounts of third parties, and has the company exercised those rights in the past? How does the company train its third party relationship

managers about compliance risks and how to manage them? How does the company incentivize compliance and ethical behavior by third parties?

- **Real Actions and Consequences** – Does the company track red flags that are identified from due diligence of third parties and how those red flags are addressed? Does the company keep track of third parties that do not pass the company's due diligence or that are terminated, and does the company take steps to ensure that those third parties are not hired or re-hired at a later date? If third parties were involved in the misconduct at issue in the investigation, were red flags identified from the due diligence or after hiring the third party, and how were they resolved? Has a similar third party been suspended, terminated, or audited as a result of compliance issues?

F. Mergers and Acquisitions (M&A)

A well-designed compliance program should include comprehensive due diligence of any acquisition targets. Pre-M&A due diligence enables the acquiring company to evaluate more accurately each target's value and negotiate for the costs of any corruption or misconduct to be borne by the target. Flawed or incomplete due diligence can allow misconduct to continue at the target company, causing resulting harm to a business's profitability and reputation and risking civil and criminal liability.

The extent to which a company subjects its acquisition targets to appropriate scrutiny is indicative of whether its compliance program is, as implemented, able to effectively enforce its internal controls and remediate misconduct at all levels of the organization.

- **Due Diligence Process** – Was the misconduct or the risk of misconduct identified during due diligence? Who conducted the risk review for the acquired/merged entities and how was it done? What is the M&A due diligence process generally?

- **Integration in the M&A Process** – How has the compliance function been integrated into the merger, acquisition, and integration process?

- **Process Connecting Due Diligence to Implementation** – What has been the company's process for tracking and remediating misconduct or misconduct risks identified during the due diligence process? What has been the company's process for implementing compliance policies and procedures at new entities?

II. Is the Corporation's Compliance Program Being Implemented Effectively?

Even a well-designed compliance program may be unsuccessful in practice if implementation is lax or ineffective. Prosecutors are instructed to probe specifically whether a compliance program is a "paper program" or one "implemented, reviewed, and revised, as appropriate, in an effective manner." JM 9-28.800. In addition, prosecutors should determine "whether the corporation has provided for a staff sufficient to audit, document, analyze, and utilize the results of the corporation's compliance efforts." JM 9-28.800. Prosecutors should also determine "whether the corporation's employees are adequately informed about the compliance program and are convinced of the corporation's commitment to it." JM 9-28.800; *see also* JM 9-47.120(2)(c) (criteria for an effective compliance program include "[t]he company's culture of compliance, including awareness among employees that any criminal conduct, including the conduct underlying the investigation, will not be tolerated").

A. Commitment by Senior and Middle Management

Beyond compliance structures, policies, and procedures, it is important for a company to create and foster a culture of ethics and compliance with the law. The effectiveness of a compliance program requires a high-level commitment by company leadership to implement a culture of compliance from the top.

The company's top leaders – the board of directors and executives – set the tone for the rest of the company. Prosecutors should examine the extent to which senior management have clearly articulated the company's ethical standards, conveyed and disseminated them in clear and unambiguous terms, and demonstrated rigorous adherence by example. Prosecutors should also examine how middle management, in turn, have reinforced those standards and encouraged employees to abide by them. *See* U.S.S.G. § 8B2.1(b)(2)(A)-(C) (the company's "*governing authority* shall be knowledgeable about the content and operation of the compliance and ethics program and shall exercise reasonable oversight" of it; "[*h*]*igh-level personnel* ... shall ensure that the organization has an effective compliance and ethics program" (emphasis added)).

- ☐ **Conduct at the Top** – How have senior leaders, through their words and actions, encouraged or discouraged compliance, including the type of misconduct involved in the investigation? What concrete actions have they taken to demonstrate leadership in the company's compliance and remediation efforts? How have they modelled proper behavior to subordinates? Have managers tolerated greater compliance risks in pursuit of new business or greater revenues? Have managers encouraged employees to act unethically to achieve a business objective, or impeded compliance personnel from effectively implementing their duties?

- **Shared Commitment** – What actions have senior leaders and middle-management stakeholders (*e.g.*, business and operational managers, finance, procurement, legal, human resources) taken to demonstrate their commitment to compliance or compliance personnel, including their remediation efforts? Have they persisted in that commitment in the face of competing interests or business objectives?

- **Oversight** – What compliance expertise has been available on the board of directors? Have the board of directors and/or external auditors held executive or private sessions with the compliance and control functions? What types of information have the board of directors and senior management examined in their exercise of oversight in the area in which the misconduct occurred?

B. Autonomy and Resources

Effective implementation also requires those charged with a compliance program's day-to-day oversight to act with adequate authority and stature. As a threshold matter, prosecutors should evaluate how the compliance program is structured. Additionally, prosecutors should address the sufficiency of the personnel and resources within the compliance function, in particular, whether those responsible for compliance have: (1) sufficient seniority within the organization; (2) sufficient resources, namely, staff to effectively undertake the requisite auditing, documentation, and analysis; and (3) sufficient autonomy from management, such as direct access to the board of directors or the board's audit committee. The sufficiency of each factor, however, will depend on the size, structure, and risk profile of the particular company. "A large organization generally shall devote more formal operations and greater resources . . . than shall a small organization." Commentary to U.S.S.G. § 8B2.1 note 2(C). By contrast, "a small organization may [rely on] less formality and fewer resources." *Id.* Regardless, if a compliance program is to be truly effective, compliance personnel must be empowered within the company.

Prosecutors should evaluate whether "internal audit functions [are] conducted at a level sufficient to ensure their independence and accuracy," as an indicator of whether compliance personnel are in fact empowered and positioned to "effectively detect and prevent misconduct." JM 9-28.800. Prosecutors should also evaluate "[t]he resources the company has dedicated to compliance," "[t]he quality and experience of the personnel involved in compliance, such that they can understand and identify the transactions and activities that pose a potential risk," and "[t]he authority and independence of the compliance function and the availability of compliance expertise to the board." JM 9-47.120(2)(c); *see also* JM 9-28.800 (instructing prosecutors to evaluate whether "the directors established an information and reporting system in the organization reasonably designed to provide management and directors with timely and accurate information sufficient to allow them to reach an informed decision regarding the organization's compliance with the law"); U.S.S.G. § 8B2.1(b)(2)(C) (those with "day-to-day operational

responsibility" shall have "adequate resources, appropriate authority and direct access to the governing authority or an appropriate subgroup of the governing authority").

- ☐ **Structure** – Where within the company is the compliance function housed (e.g., within the legal department, under a business function, or as an independent function reporting to the CEO and/or board)? To whom does the compliance function report? Is the compliance function run by a designated chief compliance officer, or another executive within the company, and does that person have other roles within the company? Are compliance personnel dedicated to compliance responsibilities, or do they have other, non-compliance responsibilities within the company? Why has the company chosen the compliance structure it has in place?

- ☐ **Seniority and Stature** – How does the compliance function compare with other strategic functions in the company in terms of stature, compensation levels, rank/title, reporting line, resources, and access to key decision-makers? What has been the turnover rate for compliance and relevant control function personnel? What role has compliance played in the company's strategic and operational decisions? How has the company responded to specific instances where compliance raised concerns? Have there been transactions or deals that were stopped, modified, or further scrutinized as a result of compliance concerns?

- ☐ **Experience and Qualifications** – Do compliance and control personnel have the appropriate experience and qualifications for their roles and responsibilities? Has the level of experience and qualifications in these roles changed over time? Who reviews the performance of the compliance function and what is the review process?

- ☐ **Funding and Resources** – Has there been sufficient staffing for compliance personnel to effectively audit, document, analyze, and act on the results of the compliance efforts? Has the company allocated sufficient funds for the same? Have there been times when requests for resources by compliance and control functions have been denied, and if so, on what grounds?

- ☐ **Autonomy** – Do the compliance and relevant control functions have direct reporting lines to anyone on the board of directors and/or audit committee? How often do they meet with directors? Are members of the senior management present for these meetings? How does the company ensure the independence of the compliance and control personnel?

- **Outsourced Compliance Functions** – Has the company outsourced all or parts of its compliance functions to an external firm or consultant? If so, why, and who is responsible for overseeing or liaising with the external firm or consultant? What level of access does the external firm or consultant have to company information? How has the effectiveness of the outsourced process been assessed?

C. Incentives and Disciplinary Measures

Another hallmark of effective implementation of a compliance program is the establishment of incentives for compliance and disincentives for non-compliance. Prosecutors should assess whether the company has clear disciplinary procedures in place, enforces them consistently across the organization, and ensures that the procedures are commensurate with the violations. Prosecutors should also assess the extent to which the company's communications convey to its employees that unethical conduct will not be tolerated and will bring swift consequences, regardless of the position or title of the employee who engages in the conduct. *See* U.S.S.G. § 8B2.1(b)(5)(C) ("the organization's compliance program shall be promoted and enforced consistently throughout the organization through (A) appropriate incentives to perform in accordance with the compliance and ethics program; and (B) appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct").

By way of example, some companies have found that publicizing disciplinary actions internally, where appropriate, can have valuable deterrent effects. At the same time, some companies have also found that providing positive incentives – personnel promotions, rewards, and bonuses for improving and developing a compliance program or demonstrating ethical leadership – have driven compliance. Some companies have even made compliance a significant metric for management bonuses and/or have made working on compliance a means of career advancement.

- **Human Resources Process** – Who participates in making disciplinary decisions, including for the type of misconduct at issue? Is the same process followed for each instance of misconduct, and if not, why? Are the actual reasons for discipline communicated to employees? If not, why not? Are there legal or investigation-related reasons for restricting information, or have pre-textual reasons been provided to protect the company from whistleblowing or outside scrutiny?

- **Consistent Application** – Have disciplinary actions and incentives been fairly and consistently applied across the organization? Are there similar instances of misconduct that were treated disparately, and if so, why?

- ☐ **Incentive System** – Has the company considered the implications of its incentives and rewards on compliance? How does the company incentivize compliance and ethical behavior? Have there been specific examples of actions taken (*e.g.*, promotions or awards denied) as a result of compliance and ethics considerations? Who determines the compensation, including bonuses, as well as discipline and promotion of compliance personnel?

III. Does the Corporation's Compliance Program Work in Practice?

The Principles of Federal Prosecution of Business Organizations require prosecutors to assess "the adequacy and effectiveness of the corporation's compliance program at the time of the offense, as well as at the time of a charging decision." JM 9-28.300. Due to the backward-looking nature of the first inquiry, one of the most difficult questions prosecutors must answer in evaluating a compliance program following misconduct is whether the program was working effectively at the time of the offense, especially where the misconduct was not immediately detected.

In answering this question, it is important to note that the existence of misconduct does not, by itself, mean that a compliance program did not work or was ineffective at the time of the offense. *See* U.S.S.G. § 8B2.1(a) ("[t]he failure to prevent or detect the instant offense does not mean that the program is not generally effective in preventing and deterring misconduct"). Indeed, "[t]he Department recognizes that no compliance program can ever prevent all criminal activity by a corporation's employees." JM 9-28.800. Of course, if a compliance program did effectively identify misconduct, including allowing for timely remediation and self-reporting, a prosecutor should view the occurrence as a strong indicator that the compliance program was working effectively.

In assessing whether a company's compliance program was effective at the time of the misconduct, prosecutors should consider whether and how the misconduct was detected, what investigation resources were in place to investigate suspected misconduct, and the nature and thoroughness of the company's remedial efforts.

To determine whether a company's compliance program is working effectively at the time of a charging decision or resolution, prosecutors should consider whether the program evolved over time to address existing and changing compliance risks. Prosecutors should also consider whether the company undertook an adequate and honest root cause analysis to understand both what contributed to the misconduct and the degree of remediation needed to prevent similar events in the future.

For example, prosecutors should consider, among other factors, "whether the corporation has made significant investments in, and improvements to, its corporate compliance

program and internal controls systems" and "whether remedial improvements to the compliance program and internal controls have been tested to demonstrate that they would prevent or detect similar misconduct in the future." Benczkowski Memo at 2 (observing that "[w]here a corporation's compliance program and controls are demonstrated to be effective and appropriately resourced at the time of resolution, a monitor will not likely be necessary").

A. Continuous Improvement, Periodic Testing, and Review

One hallmark of an effective compliance program is its capacity to improve and evolve. The actual implementation of controls in practice will necessarily reveal areas of risk and potential adjustment. A company's business changes over time, as do the environments in which it operates, the nature of its customers, the laws that govern its actions, and the applicable industry standards. Accordingly, prosecutors should consider whether the company has engaged in meaningful efforts to review its compliance program and ensure that it is not stale. Some companies survey employees to gauge the compliance culture and evaluate the strength of controls, and/or conduct periodic audits to ensure that controls are functioning well, though the nature and frequency of evaluations may depend on the company's size and complexity.

Prosecutors may reward efforts to promote improvement and sustainability. In evaluating whether a particular compliance program works in practice, prosecutors should consider "revisions to corporate compliance programs in light of lessons learned." JM 9-28.800; *see also* JM 9-47-120(2)(c) (looking to "[t]he auditing of the compliance program to assure its effectiveness"). Prosecutors should likewise look to whether a company has taken "reasonable steps" to "ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct," and "evaluate periodically the effectiveness of the organization's" program. U.S.S.G. § 8B2.1(b)(5). Proactive efforts like these may not only be rewarded in connection with the form of any resolution or prosecution (such as through remediation credit or a lower applicable fine range under the Sentencing Guidelines), but more importantly, may avert problems down the line.

- **Internal Audit** – What is the process for determining where and how frequently internal audit will undertake an audit, and what is the rationale behind that process? How are audits carried out? What types of audits would have identified issues relevant to the misconduct? Did those audits occur and what were the findings? What types of relevant audit findings and remediation progress have been reported to management and the board on a regular basis? How have management and the board followed up? How often does internal audit conduct assessments in high-risk areas?

- ☐ **Control Testing** – Has the company reviewed and audited its compliance program in the area relating to the misconduct? More generally, what testing of controls, collection and analysis of compliance data, and interviews of employees and third-parties does the company undertake? How are the results reported and action items tracked?

- ☐ **Evolving Updates** – How often has the company updated its risk assessments and reviewed its compliance policies, procedures, and practices? Has the company undertaken a gap analysis to determine if particular areas of risk are not sufficiently addressed in its policies, controls, or training? What steps has the company taken to determine whether policies/procedures/practices make sense for particular business segments/subsidiaries?

- ☐ **Culture of Compliance** – How often and how does the company measure its culture of compliance? Does the company seek input from all levels of employees to determine whether they perceive senior and middle management's commitment to compliance? What steps has the company taken in response to its measurement of the compliance culture?

B. Investigation of Misconduct

Another hallmark of a compliance program that is working effectively is the existence of a well-functioning and appropriately funded mechanism for the timely and thorough investigations of any allegations or suspicions of misconduct by the company, its employees, or agents. An effective investigations structure will also have an established means of documenting the company's response, including any disciplinary or remediation measures taken.

- ☐ **Properly Scoped Investigation by Qualified Personnel** – How has the company ensured that the investigations have been properly scoped, and were independent, objective, appropriately conducted, and properly documented?

- ☐ **Response to Investigations** – Have the company's investigations been used to identify root causes, system vulnerabilities, and accountability lapses, including among supervisory manager and senior executives? What has been the process for responding to investigative findings? How high up in the company do investigative findings go?

C. Analysis and Remediation of Any Underlying Misconduct

Finally, a hallmark of a compliance program that is working effectively in practice is the extent to which a company is able to conduct a thoughtful root cause analysis of misconduct and timely and appropriately remediate to address the root causes.

Prosecutors evaluating the effectiveness of a compliance program are instructed to reflect back on "the extent and pervasiveness of the criminal misconduct; the number and level of the corporate employees involved; the seriousness, duration, and frequency of the misconduct; and any remedial actions taken by the corporation, including, for example, disciplinary action against past violators uncovered by the prior compliance program, and revisions to corporate compliance programs in light of lessons learned." JM 9-28.800; *see also* JM 9-47.120(3)(c) ("to receive full credit for timely and appropriate remediation" under the FCPA Corporate Enforcement Policy, a company should demonstrate "a root cause analysis" and, where appropriate, "remediation to address the root causes").

Prosecutors should consider "any remedial actions taken by the corporation, including, for example, disciplinary action against past violators uncovered by the prior compliance program." JM 98-28.800; *see also* JM 9-47-120(2)(c) (looking to "[a]ppropriate discipline of employees, including those identified by the company as responsible for the misconduct, either through direct participation or failure in oversight, as well as those with supervisory authority over the area in which the criminal conduct occurred" and "any additional steps that demonstrate recognition of the seriousness of the misconduct, acceptance of responsibility for it, and the implementation of measures to reduce the risk of repetition of such misconduct, including measures to identify future risk").

- ☐ **Root Cause Analysis** – What is the company's root cause analysis of the misconduct at issue? Were any systemic issues identified? Who in the company was involved in making the analysis?

- ☐ **Prior Weaknesses** – What controls failed? If policies or procedures should have prohibited the misconduct, were they effectively implemented, and have functions that had ownership of these policies and procedures been held accountable?

- ☐ **Payment Systems** – How was the misconduct in question funded (*e.g.*, purchase orders, employee reimbursements, discounts, petty cash)? What processes could have prevented or detected improper access to these funds? Have those processes been improved?

- ☐ **Vendor Management** – If vendors were involved in the misconduct, what was the process for vendor selection and did the vendor undergo that process?

- ☐ **Prior Indications** – Were there prior opportunities to detect the misconduct in question, such as audit reports identifying relevant control failures or allegations, complaints, or investigations? What is the company's analysis of why such opportunities were missed?

- ☐ **Remediation** – What specific changes has the company made to reduce the risk that the same or similar issues will not occur in the future? What specific remediation has addressed the issues identified in the root cause and missed opportunity analysis?

- ☐ **Accountability** – What disciplinary actions did the company take in response to the misconduct and were they timely? Were managers held accountable for misconduct that occurred under their supervision? Did the company consider disciplinary actions for failures in supervision? What is the company's record (*e.g.*, number and types of disciplinary actions) on employee discipline relating to the types of conduct at issue? Has the company ever terminated or otherwise disciplined anyone (reduced or eliminated bonuses, issued a warning letter, etc.) for the type of misconduct at issue?

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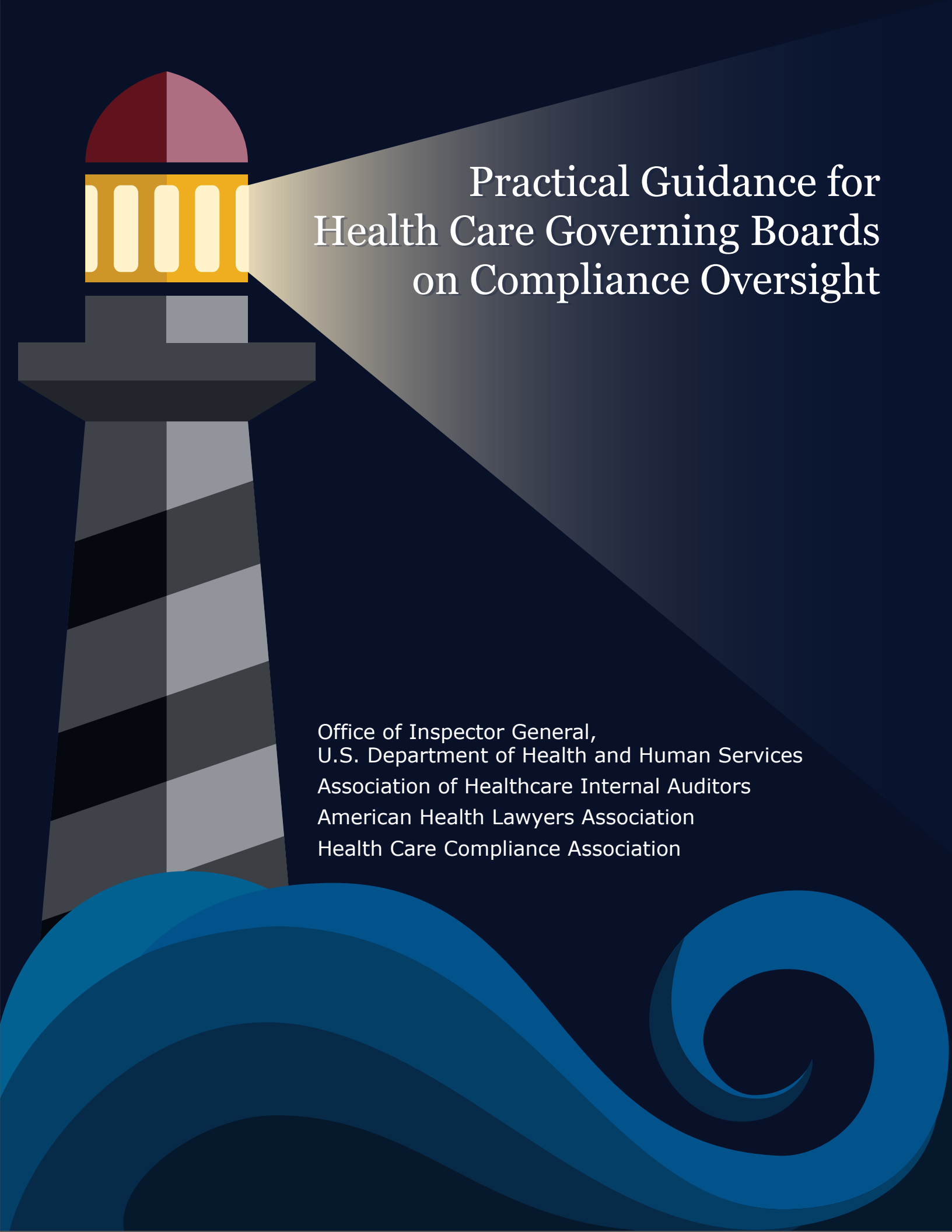
[1] Many of the topics also appear in the following resources:

- Justice Manual ("JM")
  - JM 9-28.000 Principles of Federal Prosecution of Business Organizations, Justice Manual ("JM"), *available at* https://www.justice.gov/jm/jm-9-28000-principles-federal-prosecution-business-organizations.
  - JM 9-47.120 FCPA Corporate Enforcement Policy, *available at* https://www.justice.gov/jm/jm-9-47000-foreign-corrupt-practices-act-1977#9-47.120.
- Chapter 8 – Sentencing of Organizations - United States Sentencing Guidelines ("U.S.S.G."), *available at* https://www.ussc.gov/guidelines/2018-guidelines-manual/2018-chapter-8#NaN.

- Memorandum entitled "Selection of Monitors in Criminal Division Matters," issued by Assistant Attorney General Brian Benczkowski on October 11, 2018, *available at* https://www.justice.gov/criminal-fraud/file/1100366/download.
- Criminal Division corporate resolution agreements, *available at* https://www.justice.gov/news (DOJ's Public Affairs website contains press releases for all Criminal Division corporate resolutions which contain links to charging documents and agreements).
- A Resource Guide to the U.S. Foreign Corrupt Practices Act ("FCPA Guide") published in November 2012 by the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) *available at* https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2015/01/16/guide.pdf.
- Good Practice Guidance on Internal Controls, Ethics, and Compliance adopted by the Organization for Economic Co-operation and Development ("OECD") Council on February 18, 2010 *available at* https://www.oecd.org/daf/anti-bribery/44884389.pdf.
- Anti-Corruption Ethics and Compliance Handbook for Business ("OECD Handbook") published in 2013 by OECD, United Nations Office on Drugs and Crime, and the World Bank *available at* https://www.oecd.org/corruption/Anti-CorruptionEthicsComplianceHandbook.pdf.

[2] As discussed in the Justice Manual, many companies operate in complex regulatory environments outside the normal experience of criminal prosecutors. JM 9-28.000. For example, financial institutions such as banks, subject to the Bank Secrecy Act statute and regulations, require prosecutors to conduct specialized analyses of their compliance programs in the context of their anti-money laundering requirements. Consultation with the Money Laundering and Asset Recovery Section is recommended when reviewing AML compliance. *See* https://www.justice.gov/criminal-mlars. Prosecutors may also wish to review guidance published by relevant federal and state agencies. *See* Federal Financial Institutions Examination Council/Bank Secrecy Act/Anti-Money Laundering Examination Manual, *available at* https://www.ffiec.gov/bsa_aml_infobase/pages_manual/manual_online.htm).



Practical Guidance for Health Care Governing Boards on Compliance Oversight

Office of Inspector General,
U.S. Department of Health and Human Services
Association of Healthcare Internal Auditors
American Health Lawyers Association
Health Care Compliance Association

About the Organizations

This educational resource was developed in collaboration between the Association of Healthcare Internal Auditors (AHIA), the American Health Lawyers Association (AHLA), the Health Care Compliance Association (HCCA), and the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS).

AHIA is an international organization dedicated to the advancement of the health care internal auditing profession. The AHLA is the Nation's largest nonpartisan, educational organization devoted to legal issues in the health care field. HCCA is a member-based, nonprofit organization serving compliance professionals throughout the health care field. OIG's mission is to protect the integrity of more than 100 HHS programs, including Medicare and Medicaid, as well as the health and welfare of program beneficiaries.

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This document is intended to assist governing boards of health care organizations (Boards) to responsibly carry out their compliance plan oversight obligations under applicable laws. This document is intended as guidance and should not be interpreted as setting any particular standards of conduct. The authors recognize that each health care entity can, and should, take the necessary steps to ensure compliance with applicable Federal, State, and local law. At the same time, the authors also recognize that there is no uniform approach to compliance. No part of this document should be taken as the opinion of, or as legal or professional advice from, any of the authors or their respective agencies or organizations.

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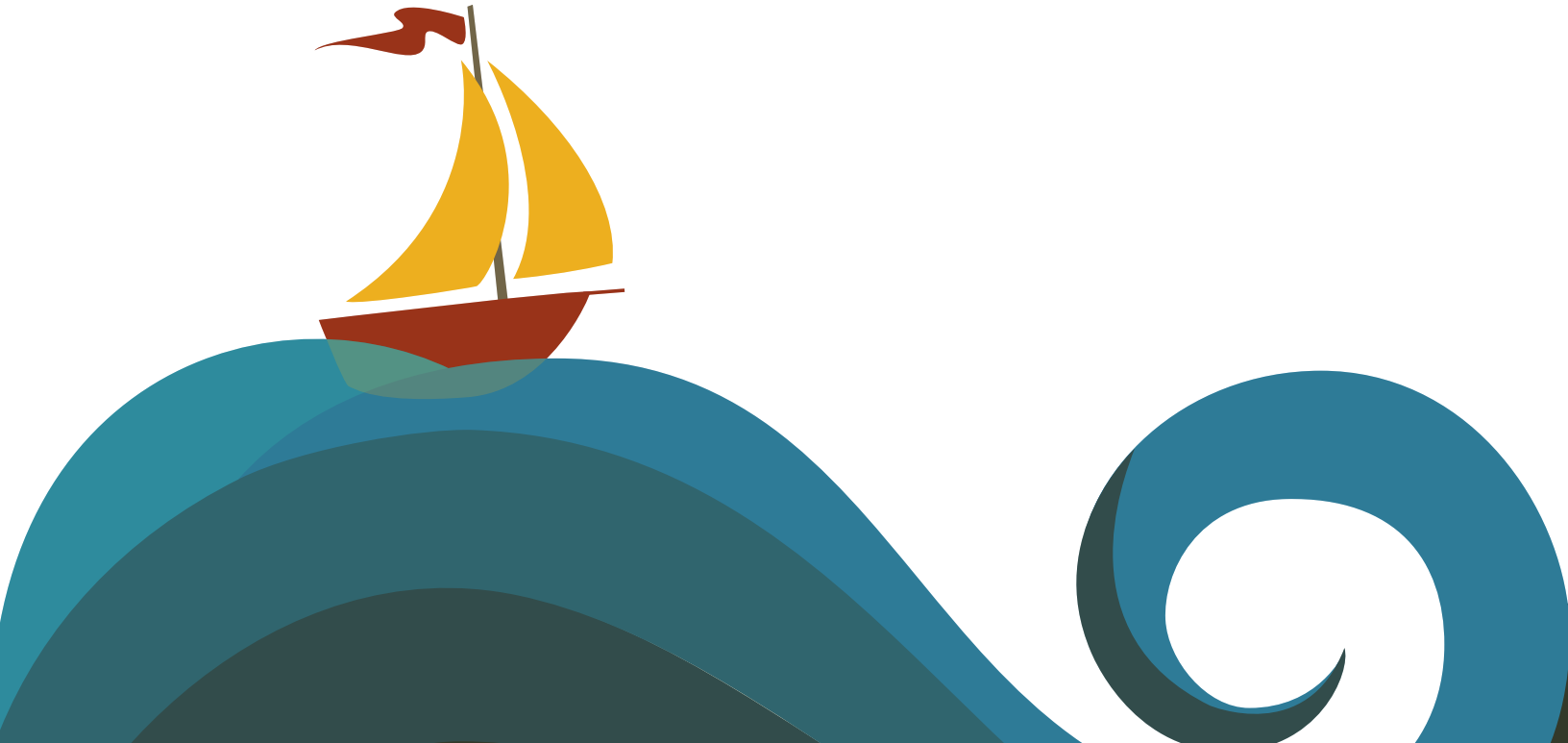

Introduction

Previous guidance[1] has consistently emphasized the need for Boards to be fully engaged in their oversight responsibility. A critical element of effective oversight is the process of asking the right questions of management to determine the adequacy and effectiveness of the organization's compliance program, as well as the performance of those who develop and execute that program, and to make compliance a responsibility for all levels of management. Given heightened industry and professional interest in governance and transparency issues, this document seeks to provide practical tips for Boards as they work to effectuate their oversight role of their organizations' compliance with State and Federal laws that regulate the health care industry. Specifically, this document addresses issues relating to a Board's oversight and review of compliance program functions, including the: (1) roles of, and relationships between, the organization's audit, compliance, and legal departments; (2) mechanism and process for issue-reporting within an organization; (3) approach to identifying regulatory risk; and (4) methods of encouraging enterprise-wide accountability for achievement of compliance goals and objectives.

A critical element of effective oversight is the process of asking the right questions....

1 OIG and AHLA, *Corporate Responsibility and Corporate Compliance: A Resource for Health Care Boards of Directors* (2003); OIG and AHLA, *An Integrated Approach to Corporate Compliance: A Resource for Health Care Organization Boards of Directors* (2004); and OIG and AHLA, *Corporate Responsibility and Health Care Quality: A Resource for Health Care Boards of Directors* (2007).

Expectations for Board Oversight of Compliance Program Functions

A Board must act in good faith in the exercise of its oversight responsibility for its organization, including making inquiries to ensure: (1) a corporate information and reporting system exists and (2) the reporting system is adequate to assure the Board that appropriate information relating to compliance with applicable laws will come to its attention timely and as a matter of course.[2] The existence of a corporate reporting system is a key compliance program element, which not only keeps the Board informed of the activities of the organization, but also enables an organization to evaluate and respond to issues of potentially illegal or otherwise inappropriate activity.

Boards are encouraged to use widely recognized public compliance resources as benchmarks for their organizations. The Federal Sentencing Guidelines (Guidelines),[3] OIG's voluntary compliance program guidance documents,[4] and OIG Corporate Integrity Agreements (CIAs) can be used as baseline assessment tools for Boards and management in determining what specific functions may be necessary to meet the requirements of an effective compliance program. The Guidelines "offer incentives to organizations to reduce and ultimately eliminate criminal conduct by providing a structural foundation from which an organization may self-police its own conduct through an effective compliance and ethics program."[5] The compliance program guidance documents were developed by OIG to encourage the development and use of internal controls to monitor adherence to applicable statutes, regulations, and program requirements. CIAs impose specific structural and reporting requirements to

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2 *In re Caremark Int'l, Inc. Derivative Litig.*, 698 A.2d 959 (Del. Ch. 1996).

3 U.S. Sentencing Commission, *Guidelines Manual* (Nov. 2013) (USSG), http://www.ussc.gov/sites/default/files/pdf/guidelines-manual/2013/manual-pdf/2013_Guidelines_Manual_Full.pdf.

4 OIG, *Compliance Guidance*, http://oig.hhs.gov/compliance/compliance-guidance/index.asp.

5 USSG Ch. 8, Intro. Comment.

promote compliance with Federal health care program standards at entities that have resolved fraud allegations.

Basic CIA elements mirror those in the Guidelines, but a CIA also includes obligations tailored to the organization and its compliance risks. Existing CIAs may be helpful resources for Boards seeking to evaluate their organizations' compliance programs. OIG has required some settling entities, such as health systems and hospitals, to agree to Board-level requirements, including annual resolutions. These resolutions are signed by each member of the Board, or the designated Board committee, and detail the activities that have been undertaken to review and oversee the organization's compliance with Federal health care program and CIA requirements. OIG has not required this level of Board involvement in every case, but these provisions demonstrate the importance placed on Board oversight in cases OIG believes reflect serious compliance failures.

Although compliance program design is not a "one size fits all" issue, Boards are expected to put forth a meaningful effort....

Although compliance program design is not a "one size fits all" issue, Boards are expected to put forth a meaningful effort to review the adequacy of existing compliance systems and functions. Ensuring that management is aware of the Guidelines, compliance program guidance, and relevant CIAs is a good first step.

One area of inquiry for Board members of health care organizations should be the scope and adequacy of the compliance program in light of the size and complexity of their organizations. The Guidelines allow for variation according to "the size of the organization."[6] In accordance with the Guidelines,

6 USSG § 8B2.1, comment. (n. 2).

OIG recognizes that the design of a compliance program will depend on the size and resources of the organization.[7] Additionally, the complexity of the organization will likely dictate the nature and magnitude of regulatory impact and thereby the nature and skill set of resources needed to manage and monitor compliance.

While smaller or less complex organizations must demonstrate the same degree of commitment to ethical conduct and compliance as larger organizations, the Government recognizes that they may meet the Guidelines requirements with less formality and fewer resources than would be expected of larger and more complex organizations.[8] Smaller organizations may meet their compliance responsibility by "using available personnel, rather than employing separate staff, to carry out the compliance and ethics program." Board members of such organizations may wish to evaluate whether the organization is "modeling its own compliance and ethics programs on existing, well-regarded compliance and ethics programs and best practices of other similar organizations."[9] The Guidelines also foresee that Boards of smaller organizations may need to become more involved in the organizations' compliance and ethics efforts than their larger counterparts.[10]

Boards should develop a formal plan to stay abreast of the ever-changing regulatory landscape and operating environment. The plan may involve periodic updates from informed staff or review of regulatory resources made available to them by staff. With an understanding of the dynamic regulatory environment, Boards will be in a position to ask more pertinent questions of management

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7 Compliance Program for Individual and Small Group Physician Practices, 65 Fed. Reg. 59434, 59436 (Oct. 5, 2000) ("The extent of implementation [of the seven components of a voluntary compliance program] will depend on the size and resources of the practice. Smaller physician practices may incorporate each of the components in a manner that best suits the practice. By contrast, larger physician practices often have the means to incorporate the components in a more systematic manner."); Compliance Program Guidance for Nursing Facilities, 65 Fed. Reg. 14,289 (Mar. 16, 2000) (recognizing that smaller providers may not be able to outsource their screening process or afford to maintain a telephone hotline).

8 USSG § 8B2.1, comment. (n. 2).

9 *Id.*

10 *Id.*

and make informed strategic decisions regarding the organizations' compliance programs, including matters that relate to funding and resource allocation. For instance, new standards and reporting requirements, as required by law, may, but do not necessarily, result in increased compliance costs for an organization. Board members may also wish to take advantage of outside educational programs that provide them with opportunities to develop a better understanding of industry risks, regulatory requirements, and how effective compliance and ethics programs operate. In addition, Boards may want management to create a formal education calendar that ensures that Board members are periodically educated on the organizations' highest risks.

Finally, a Board can raise its level of substantive expertise with respect to regulatory and compliance matters by adding to the Board, or periodically consulting with, an experienced regulatory, compliance, or legal professional. The presence of a professional with health care compliance expertise on the Board sends a strong message about the organization's commitment to compliance, provides a valuable resource to other Board members, and helps the Board better fulfill its oversight obligations. Board members are generally entitled to rely on the advice of experts in fulfilling their duties.[11] OIG sometimes requires entities under a CIA to retain an expert in compliance or governance issues to assist the Board in fulfilling its responsibilities under the CIA.[12] Experts can assist Boards and management in a variety of ways, including the identification of risk areas, provision of insight into best practices in governance, or consultation on other substantive or investigative matters.

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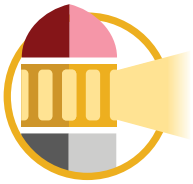
11 *See* Del Code Ann. tit. 8, § 141(e) (2010); ABA Revised Model Business Corporation Act, §§ 8.30(e), (f)(2) Standards of Conduct for Directors.

12 *See* Corporate Integrity Agreements between OIG and Halifax Hospital Medical Center and Halifax Staffing, Inc. (2014, compliance and governance); Johnson & Johnson (2013); Dallas County Hospital District d/b/a Parkland Health and Hospital System (2013, compliance and governance); Forest Laboratories, Inc. (2010); Novartis Pharmaceuticals Corporation (2010); Ortho-McNeil-Janssen Pharmaceuticals, Inc. (2010); Synthes, Inc. (2010, compliance expert retained by Audit Committee); The University of Medicine and Dentistry of New Jersey (2009, compliance expert retained by Audit Committee); Quest Diagnostics Incorporated (2009); Amerigroup Corporation (2008); Bayer HealthCare LLC (2008); and Tenet Healthcare Corporation (2006; retained by the Quality, Compliance, and Ethics Committee of the Board).

Roles and Relationships

Organizations should define the interrelationship of the audit, compliance, and legal functions in charters or other organizational documents. The structure, reporting relationships, and interaction of these and other functions (e.g., quality, risk management, and human resources) should be included as departmental roles and responsibilities are defined. One approach is for the charters to draw functional boundaries while also setting an expectation of cooperation and collaboration among those functions. One illustration is the following, recognizing that not all entities may possess sufficient resources to support this structure:



The compliance function promotes the prevention, detection, and resolution of actions that do not conform to legal, policy, or business standards. This responsibility includes the obligation to develop policies and procedures that provide employees guidance, the creation of incentives to promote employee compliance, the development of plans to improve or sustain compliance, the development of metrics to measure execution (particularly by management) of the program and implementation of corrective actions, and the development of reports and dashboards that help management and the Board evaluate the effectiveness of the program.

The legal function advises the organization on the legal and regulatory risks of its business strategies, providing advice and counsel to management and the Board about relevant laws and regulations that govern, relate to, or impact the organization. The function also defends the organization in legal proceedings and initiates legal proceedings against other parties if such action is warranted.

The internal audit function provides an objective evaluation of the existing risk and internal control systems and framework within an organization. Internal audits ensure monitoring functions are working as intended and identify where management monitoring and/or additional

Board oversight may be required. Internal audit helps management (and the compliance function) develop actions to enhance internal controls, reduce risk to the organization, and promote more effective and efficient use of resources. Internal audit can fulfill the auditing requirements of the Guidelines.

The human resources function manages the recruiting, screening, and hiring of employees; coordinates employee benefits; and provides employee training and development opportunities.

The quality improvement function promotes consistent, safe, and high quality practices within health care organizations. This function improves efficiency and health outcomes by measuring and reporting on quality outcomes and recommends necessary changes to clinical processes to management and the Board. Quality improvement is critical to maintaining patient-centered care and helping the organization minimize risk of patient harm.

Boards should be aware of, and evaluate, the adequacy, independence,[13] and performance of different functions within an organization on a periodic basis. OIG believes an organization's Compliance Officer should neither be counsel for the provider, nor be subordinate in function or position to counsel or the legal department, in any manner.[14] While independent, an organization's counsel and compliance officer should collaborate to further the interests of the organization. OIG's position on separate compliance and legal functions reflects the independent roles and professional obligations of each function;[15]

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13 Evaluation of independence typically includes assessing whether the function has uninhibited access to the relevant Board committees, is free from organizational bias through an appropriate administrative reporting relationship, and receives fair compensation adjustments based on input from any relevant Board committee.

14 *See* OIG and AHLA, *An Integrated Approach to Corporate Compliance: A Resource for Health Care Organization Boards of Directors*, 3 (2004) (citing Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,987, 8,997 (Feb. 23, 1998)).

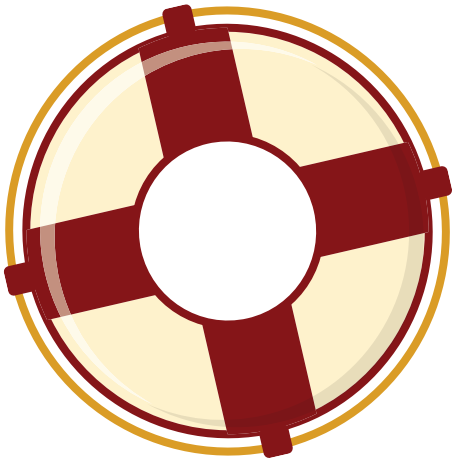
15 *See, generally, id.*

the same is true for internal audit.[16] To operate effectively, the compliance, legal, and internal audit functions should have access to appropriate and relevant corporate information and resources. As part of this effort, organizations will need to balance any existing attorney-client privilege with the goal of providing such access to key individuals who are charged with the responsibility for ensuring compliance, as well as properly reporting and remediating any violations of civil, criminal, or administrative law.

The Board should have a process to ensure appropriate access to information; this process may be set forth in a formal charter document approved by the Audit Committee of the Board or in other appropriate documents. Organizations that do not separate these functions (and some organizations may not have the resources to make this complete separation) should recognize the potential risks of such an arrangement. To partially mitigate these potential risks, organizations should provide individuals serving in multiple roles the capability to execute each function in an independent manner when necessary, including through reporting opportunities with the Board and executive management.

Boards should also evaluate and discuss how management works together to address risk, including the role of each in:

1. identifying compliance risks,
2. investigating compliance risks and avoiding duplication of effort,
3. identifying and implementing appropriate corrective actions and decision-making, and
4. communicating between the various functions throughout the process.



16 Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,987, 8,997 (Feb. 23, 1998) (auditing and monitoring function should "[b]e independent of physicians and line management"); Compliance Program Guidance for Home Health Agencies, 63 Fed. Reg. 42,410, 42,424 (Aug. 7, 1998) (auditing and monitoring function should "[b]e objective and independent of line management to the extent reasonably possible"); Compliance Program Guidance for Nursing Facilities, 65 Fed. Reg. 14,289, 14,302 (Mar. 16, 2000).

Boards should understand how management approaches conflicts or disagreements with respect to the resolution of compliance issues and how it decides on the appropriate course of action. The audit, compliance, and legal functions should speak a common language, at least to the Board and management, with respect to governance concepts, such as accountability, risk, compliance, auditing, and monitoring. Agreeing on the adoption of certain frameworks and definitions can help to develop such a common language.

Reporting to the Board

The Board should set and enforce expectations for receiving particular types of compliance-related information from various members of management. The Board should receive regular reports regarding the organization's risk mitigation and compliance efforts—separately and independently—from a variety of key players, including those responsible for audit, compliance, human resources, legal, quality, and information technology. By engaging the leadership team and others deeper in the organization, the Board can identify who can provide relevant information about operations and operational risks. It may be helpful and productive for the Board to establish clear expectations for members of the management team and to hold them accountable for performing and informing the Board in accordance with those expectations. The Board may request the development of objective scorecards that measure how well management is executing the compliance program, mitigating risks, and implementing corrective action plans. Expectations could also include reporting information on internal and external investigations, serious issues raised in internal and external audits, hotline call activity, all allegations of material fraud or senior management misconduct, and all management exceptions to the organization's

The Board should receive regular reports regarding the organization's risk mitigation and compliance efforts....

code of conduct and/or expense reimbursement policy. In addition, the Board should expect that management will address significant regulatory changes and enforcement events relevant to the organization's business.

Boards of health care organizations should receive compliance and risk-related information in a format sufficient to satisfy the interests or concerns of their members and to fit their capacity to review that information. Some Boards use tools such as dashboards—containing key financial, operational and compliance indicators to assess risk, performance against budgets, strategic plans, policies and procedures, or other goals and objectives—in order to strike a balance between too much and too little information. For instance, Board quality committees can work with management to create the content of the dashboards with a goal of identifying and responding to risks and improving quality of care. Boards should also consider establishing a risk-based reporting system, in which those responsible for the compliance function provide reports to the Board when certain risk-based criteria are met. The Board should be assured that there are mechanisms in place to ensure timely reporting of suspected violations and to evaluate and implement remedial measures. These tools may also be used to track and identify trends in organizational performance against corrective action plans developed in response to compliance concerns. Regular internal reviews that provide a Board with a snapshot of where the organization is, and where it may be going, in terms of compliance and quality improvement, should produce better compliance results and higher quality services.

As part of its oversight responsibilities, the Board may want to consider conducting regular "executive sessions" (i.e., excluding senior management) with leadership from the compliance, legal, internal audit, and quality functions to encourage more open communication. Scheduling regular executive sessions creates a continuous expectation of open dialogue, rather than calling such a session only when a problem arises, and is helpful to avoid suspicion among management about why a special executive session is being called.

Identifying and Auditing Potential Risk Areas

Some regulatory risk areas are common to all health care providers. Compliance in health care requires monitoring of activities that are highly vulnerable to fraud or other violations. Areas of particular interest include referral relationships and arrangements, billing problems (e.g., upcoding, submitting claims for services not rendered and/or medically unnecessary services), privacy breaches, and quality-related events.

The Board should ensure that management and the Board have strong processes for identifying risk areas. Risk areas may be identified from internal or external information sources. For instance, Boards and management may identify regulatory risks from internal sources, such as employee reports to an internal compliance hotline or internal audits. External sources that may be used to identify regulatory risks might include professional organization publications, OIG-issued guidance, consultants, competitors, or news media. When failures or problems in similar organizations are publicized, Board members should ask their own management teams whether there are controls and processes in place to reduce the risk of, and to identify, similar misconduct or issues within their organizations.

The Board should ensure that management consistently reviews and audits risk areas, as well as develops, implements, and monitors corrective action plans. One of the reasonable steps an organization is expected to take

under the Guidelines is "monitoring and auditing to detect criminal conduct."[17] Audits can pinpoint potential risk factors, identify regulatory or compliance problems, or confirm the effectiveness of compliance controls. Audit results that reflect compliance issues or control deficiencies should be accompanied by corrective action plans.[18]

Recent industry trends should also be considered when designing risk assessment plans. Compliance functions tasked with monitoring new areas of risk should take into account the increasing emphasis on quality, industry consolidation, and changes in insurance coverage and reimbursement. New forms of reimbursement (e.g., value-based purchasing, bundling of services for a single payment, and global payments for maintaining and improving the health of individual patients and even entire populations) lead to new incentives and compliance risks. Payment policies that align payment with quality care have placed increasing pressure to conform to recommended quality guidelines and improve quality outcomes. New payment models have also incentivized consolidation among health care providers and more employment and contractual relationships (e.g., between hospitals and physicians). In light of the fact that statutes applicable to provider-physician relationships are very broad, Boards of entities that have financial relationships with referral sources or recipients should ask how their organizations are reviewing these arrangements for compliance with the physician self-referral (Stark) and anti-kickback laws. There should also be a clear understanding between the Board and management as to how the entity will approach and implement those relationships and what level of risk is acceptable in such arrangements.

Emerging trends in the health care industry to increase transparency can present health care organizations with opportunities and risks. For example, the Government is collecting and publishing data on health outcomes and quality measures (e.g., Centers for Medicare & Medicaid Services (CMS) Quality Compare Measures), Medicare payment data are now publicly available (e.g.,

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17 *See* USSG § 8B2.1(b)(5).

18 *See* USSG § 8B2.1(c).

CMS physician payment data), and the Sunshine Rule[19] offers public access to data on payments from the pharmaceutical and device industries to physicians. Boards should consider all beneficial use of this newly available information. For example, Boards may choose to compare accessible data against organizational peers and incorporate national benchmarks when assessing organizational risk and compliance. Also, Boards of organizations that employ physicians should be cognizant of the relationships that exist between their employees and other health care entities and whether those relationships could have an impact on such matters as clinical and research decision-making. Because so much more information is becoming public, Boards may be asked significant compliance-oriented questions by various stakeholders, including patients, employees, government officials, donors, the media, and whistleblowers.

Encouraging Accountability and Compliance

Compliance is an enterprise-wide responsibility. While audit, compliance, and legal functions serve as advisors, evaluators, identifiers, and monitors of risk and compliance, it is the responsibility of the entire organization to execute the compliance program.

Compliance is an enterprise-wide responsiblity.

In an effort to support the concept that compliance is "a way of life," a Board may assess employee performance in promoting and adhering to compliance.[20] An organization may assess individual, department, or facility-level performance or consistency in executing the compliance program. These assessments can then be used to either withhold incentives or to provide bonuses

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19 *See* Sunshine Rule, 42 C.F.R. § 403.904, and CMS *Open Payments*, http://www.cms.gov/Regulations-and-Guidance/Legislation/National-Physician-Payment-Transparency-Program/index.html.

20 Compliance Program Guidance for Nursing Facilities, 65 Fed. Reg. 14,289, 14,298-14,299 (Mar. 16, 2000).

based on compliance and quality outcomes. Some companies have made participation in annual incentive programs contingent on satisfactorily meeting annual compliance goals. Others have instituted employee and executive compensation claw-back/recoupment provisions if compliance metrics are not met. Such approaches mirror Government trends. For example, OIG is increasingly requiring certifications of compliance from managers outside the compliance department. Through a system of defined compliance goals and objectives against which performance may be measured and incentivized, organizations can effectively communicate the message that everyone is ultimately responsible for compliance.

Governing Boards have multiple incentives to build compliance programs that encourage self-identification of compliance failures and to voluntarily disclose such failures to the Government. For instance, providers enrolled in Medicare or Medicaid are required by statute to report and refund any overpayments under what is called the 60 Day Rule.[21] The 60-Day Rule requires all Medicare and Medicaid participating providers and suppliers to report and refund known overpayments within 60 days from the date the overpayment is "identified" or within 60 days of the date when any corresponding cost report is due. Failure to follow the 60-Day Rule can result in False Claims Act or civil monetary penalty liability. The final regulations, when released, should provide additional guidance and clarity as to what it means to "identify" an overpayment.[22] However, as an example, a Board would be well served by asking management about its efforts to develop policies for identifying and returning overpayments. Such an inquiry would inform the Board about how proactive the organization's compliance program may be in correcting and remediating compliance issues.

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21 42 U.S.C. § 1320a-7k.

22 Medicare Program; Reporting and Returning of Overpayments, 77 Fed. Reg. 9179, 9182 (Feb. 16, 2012) (Under the proposed regulations interpreting this statutory requirement, an overpayment is "identified" when a person "has actual knowledge of the existence of the overpayment or acts in reckless disregard or deliberate ignorance of the overpayment.") disregard or deliberate ignorance of the overpayment."); Medicare Program; Reporting and Returning of Overpayments; Extensions of Timeline for Publication of the Final Rule, 80 Fed. Reg. 8247 (Feb. 17, 2015).

Organizations that discover a violation of law often engage in an internal analysis of the benefits and costs of disclosing—and risks of failing to disclose—such violation to OIG and/or another governmental agency. Organizations that are proactive in self-disclosing issues under OIG's Self-Disclosure Protocol realize certain benefits, such as (1) faster resolution of the case—the average OIG self-disclosure is resolved in less than one year; (2) lower payment—OIG settles most self-disclosure cases for 1.5 times damages rather than for double or treble damages and penalties available under the False Claims Act; and (3) exclusion release as part of settlement with no CIA or other compliance obligations.[23] OIG believes that providers have legal and ethical obligations to disclose known violations of law occurring within their organizations.[24] Boards should ask management how it handles the identification of probable violations of law, including voluntary self-disclosure of such issues to the Government.

As an extension of their oversight of reporting mechanisms and structures, Boards would also be well served by evaluating whether compliance systems and processes encourage effective communication across the organizations and whether employees feel confident that raising compliance concerns, questions, or complaints will result in meaningful inquiry without retaliation or retribution. Further, the Board should request and receive sufficient information to evaluate the appropriateness of management's responses to identified violations of the organization's policies or Federal or State laws.

Conclusion

A health care governing Board should make efforts to increase its knowledge of relevant and emerging regulatory risks, the role and functioning of the organization's compliance program in the face of those risks, and the flow and elevation of reporting of potential issues and problems to

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23 *See* OIG, *Self-Disclosure Information*, http://oig.hhs.gov/compliance/self-disclosure-info.

24 *See id.*, at 2 ("we believe that using the [Self-Disclosure Protocol] may mitigate potential exposure under section 1128J(d) of the Act, 42 U.S.C. 1320a-7k(d).")

senior management. A Board should also encourage a level of compliance accountability across the organization. A Board may find that not every measure addressed in this document is appropriate for its organization, but every Board is responsible for ensuring that its organization complies with relevant Federal, State, and local laws. The recommendations presented in this document are intended to assist Boards with the performance of those activities that are key to their compliance program oversight responsibilities. Ultimately, compliance efforts are necessary to protect patients and public funds, but the form and manner of such efforts will always be dependent on the organization's individual situation.

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North Central Health Care
Person centered. Outcome focused.

TIER REPLACEMENT

Tom Boutain, Information Services Executive
June 2019

Agenda

- Why do we need an EHR
- History of TIER
- What's in TIER
- Looking Forward
- Issues with TIER
- Replacement Process
- Proposed timeline
- Budget
- Questions

Why do we need an EHR

- Federally mandated documentation requirements
- Quality of care reporting
- Ease of use
- Reimbursement justification
- Pay-for-performance programs
- Payor incentive programs
- Telling the story of the patient

History of TIER

- 6/11/2011 - Request for Proposal's (RFP's) were sent out
  - TIER was selected from top 5 RFP's
- 4/18/2012 - Contract signed
  - 7/1/2013 - Proposed go-live
- 4/1/2013 - Addendum with revised Implementation Plan and clarified interpretation of contract expectations.
- 1/1/2014 - Go-Live scheduled
- 4/1/2014 – Actual Go-Live
- 10/1/2015 - Upgraded to Meaningful Use 2 and ICD-10 requirements
- TIER continues to be enhanced to meet NCHC's needs.

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What's in TIER

- TIER is NCHC's current Master Client Index.
- Behavioral Health Programs
  - MMT, Day Treatment, Contracted Services, Outpatient AODA/MH, Psychiatry, Crisis, Crisis CBRF, Community Treatment programs (CSP, CCS, CM, CRS, CLTS, CST, Supported Employment), Clubhouse.
- Non-Behavioral Health Programs
  - Demand Transportation, Adult Protective Services, At Risk, Birth-To-Three, Aquatic, Adult Day Services, Prevocational Services, Residential.
- Billing for both Behavioral Health and Non-Behavioral Health programs.
- Occurrence Reporting.

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Looking Forward

- It will be for Behavioral Health only!
- It will not be for Non-Behavioral Health

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Issues with TIER

- Not user friendly, inefficient, cumbersome
- Poor system navigation
- Disconnects, loss of data, locks up
- Too many clicks
- Can't find clinical information
- Too slow, poor performance
- Only 1 person can be in a chart at a time (Only pertains to certain parts of the chart)
- No mobility for application
- No "alerts" system or auto-triggers
- Program level not patient level
- Hinders our ability to work together

Vendor's Being Reviewed

- Currently sent out Request for Information (RFI's) to 15 vendors, 10 are already eliminated.
  - Epic, ~~Advanced MD~~, ~~Lauris Online~~, ~~eClinicalWorks~~, ~~DrChrono~~, ~~AthenaOne~~, ~~Azalea Health~~, ~~Valant~~, InSync, ~~Credible~~, Cerner, Qualifacts, Meditech, ~~Askesis~~, ~~CureMD~~.
- Utilized the following sources:
  - Gartner, Forester
  - Software Advice, Select Hub
  - Agency for Healthcare Research and Quality

Epic

NCHC not large enough to go direct, we must use Community Connect.

- Aspirus
  - MMT and CBRF would not be a fit
- Ochin
  - Did not return inquiry
- Ascension
  - Not part of Community Connect yet, reached out to our contact for an update.
- Gundersen Health System
  - Not an option at this time
- Unity Point
  - Just received a contact

Proposed Timeline

- 5/31/2019 - RFI narrowed down to 4 with high-level budget
- Add to 2020 budget
- 6/30/2019 - Develop RFP
  - Engage for input/requirements
    - Clinical
    - Information Management Services
- Establish review team
- 8/1/2019 - Post RFP with a response date of 9/1/2019
- 10/1/2019 - Initial Onsite demos
- 11/1/2019 - Decision/Recommendations
- 12/31/2019 - Contracts negotiation complete
- Q1 2020 – Initiate TIER replacement project
- TBD – Project completion

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Budget

Current spend - TIER $23,158/Month

Proposed 2020 Budget

- $25,000 - $35,000/Month
- Implementation Costs $400,000 - $600,000

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Questions

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PROGRAM APPLICATION TO THE RETAINED COUNTY AUTHORITY COMMITTEE

DATE: June 19, 2019
TO: North Central Community Services Program Board
FROM: Laura Scudiere, Human Services Operations Executive
Michael Loy, Chief Executive Officer
RE: RecoveryCorp Participation

Purpose

NCHC is proposing to amend a prior program application for developing a recovery coach network that can enhance the treatment needs in our community by shifting direction and move instead to enter into an agreement with Marshfield Clinic's RecoveryCorp (AmeriCorp) program.

Current Situation and Program Overview

Background (Recap)

In August 2017 the Central Wisconsin Recovery Coaching Network was launched after 28 coaches were trained in Wausau. Since that time 75 coaches have been trained in recovery coaching through ongoing trainings provided all over the state. Recovery Coaches are recommended to have one year of sobriety, but can be anyone including individuals in recovery or impacted by recovery. Coaches were trained with the intent to have ongoing trainings and support for coaches, however, the training agency that agreed to provide this was unable to fulfill that commitment.

The network existed informally with backbone support from the Marathon County Health Department's Health Educator Melissa Moore. Moore acted as a coordinator who would match individuals in recovery to a coach through a closed Facebook group. On review of this practice, it was determined that the demand and clinical acuity outweighed the ability for the health department to support the network indefinitely. Discussions with NCHC were conducted with the intent of addressing appropriate structure and clinical oversight, with the intent of NCHC becoming the coordinator of the network going forward.

Michelle Hazuka, North Central Health Care's former Community Clubhouse Director, participated in focus group discussions with recovery coaches in the Central Wisconsin Recovery Coaching Network. During those sessions they brought up ongoing concerns about lack of training, coordination, support, direction and questions about liability. While there are approximately 14 truly active recovery coaches in the network, the network itself does not have any formal support, quality control, structure, or governing body.

Further, a Memorandum of Understanding (MOU) had been signed between the Central Wisconsin Recovery Network and United Way of Marathon County's 211 with the purpose of providing a referral source to the recovery network. The MOU has since been dissolved, but United Way remains interested in making this connection for their callers and would provide a steady referral source.

Background (Updated)

In December 2018, NCHC's Board and the Retained County Authority approved NCHC to provide backbone support for the Recovery Coaching Collaborative. Members of the Collaborative's steering committee were identified and have involved participation from the following organizations: Aspirus, Haven, Lincoln County Social Services, Marathon County Health Department, Peaceful Solutions Counseling and NCHC. The goals of the committee were to provide a structure of support and training for existing recovery coaches and to provide accessibility to a quality recovery coaching program for interested parties within our three county region. Research on similar programs led to considerations that needed to be addressed as the structure for the program was built, including quality of care concerns, relapse prevention and intervention, boundary issues, and ethical responsibilities of coaches. Research on successful programming that addresses these issues led the group to explore RecoveryCorp, a program out of Marshfield Clinic Health System.

Since 2017, Marshfield Clinic Health System has placed full-time AmeriCorps members with training in the Connecticut Community for Addiction Recovery (CCAR) model of recovery coaching to serve as recovery coaches. Their focus is to reduce prescription drug, opioid, and other substance use disorders through one-on-one contact, outreach phone calls, and community education in the northcentral Wisconsin region as an extension of the HOPE Consortium. This program is called "RecoveryCorp." AmeriCorps places thousands of individuals into positions where they learn valuable work skills, earn money for education and develop an appreciation for citizenship.

Marshfield Clinic Health System (MCHS) Center for Community Health Advancement has operated AmeriCorps programs in Wisconsin since 2000. Marshfield Clinic AmeriCorps programs have consistently been ranked in the top tier of AmeriCorps programs by Serve Wisconsin. The Recovery Corps program is administered by Marshfield Clinic Health System (MCHS) in partnership with the HOPE Consortium. During the 2019-2020 program year, 20 full-time MCHS AmeriCorps Recovery Corps members will be placed with HOPE Consortium partners to focus on the reduction of prescription drugs, opioid, and other substance use disorders through one-on-one contact, outreach phone calls, and community education. Consortium members that are selected are known as host sites and will be responsible for their own member recruitment with materials and guidance provided by MCHS.

Staff from MCHS and the HOPE Consortium provide required and necessary trainings at the AmeriCorps orientation in September to prepare members for their term of service. Host site supervisors will participate in orientation in order to prepare them to manage their members and to begin development of the Member Service Plan. After orientation, members will begin providing recovery coaching services at their host site. Members will serve 35-40 hours per week, providing direct support to individuals in their communities and supporting substance abuse reduction. Members also receive a bi-weekly living allowance, health insurance, and assistance with child care costs. Upon successful completion of their term of service, members receive a $6,015 education award. Staff from MCHS and the HOPE Consortium provides each member with education, training, and technical assistance throughout the term of service.

In May 2019, MCHS approved moving forward with assigning 5 RecoveryCorp members to Marathon, Lincoln, and Langlade Counties. Agencies participating in the Recovery Coaching Collaborative have been identified to apply as host sites for the positions, including Aspirus Wausau Hospital, Aspirus Langlade Hospital, NCHC, and Lincoln County Social Services.

Recommendation

NCHC would become the host site for up to 5 recovery coaches. The daily supervision would be provided by a newly created Recovery Services Coordinator position at NCHC, however, the majority of the clinical supervision would occur through RecoveryCorp.

All five of the coaches would be pooled together for training and weekly supervision purposes, and used to cover each other in case of relapse, sickness, or general absence. The coaches would be used for Marathon, Lincoln, and Langlade County services. Lincoln County Social Services would reimburse NCHC for the cost of the stipend. Aspirus Wausau Hospital is committed to fund one stipend, plus funding to assist with another partial stipend. Aspirus Langlade Hospital is being engaged to determine if they are able to fund a stipend as well.

When not providing coaching services, the RecoveryCorp members would be tasked with organizing ongoing trainings for the existing recovery coaches in the community. Ongoing trainings would include boundary and ethics sessions, information on new programs and services, relapse prevention and more. Work would continue on behalf of the Recovery Coaching Collaborative, and the coaches would participate actively.

Marshfield Clinic has voiced their intention to grow this program in the future, so there could be additional opportunity to host additional coaches in future years.

Marshfield has reported positive results from its first year of RecoveryCorp, with coaches gaining active employment or seeking out further education after their service year with the educational credit awarded to them.

Projected Costs

Revenues

Greenheck Foundation has donated $20,000 to the project and has approved us to use this for RecoveryCorp stipends. Lincoln County Social Services has agreed to pay for one stipend out of grant funds related to substance use prevention. Aspirus Wausau Hospital has committed to supporting the project for $14,600.

The RecoveryCorp positions would provide no revenue as these services would not be billed.

Expenses – Personnel

5.0 FTE RecoveryCorp Coaches: Total Cost of $40,500 ($8,100 per Coach)

Other Expenses

Supplies:	$100
Cell phones:	$150
IT Support:	$3,258
Computer:	$1,800
Travel	$5,400
Total:	$10,708

Net Operations (Year 1)

Revenue:	$42,700 (grant funding)
Expenses:	$51,208
Total:	($8,508)

Financial Implications

Aspirus Langlade County is reviewing their participation. Should they decide to move forward, the remaining stipend would be granted to NCHC. If grant funds are not secured, NCHC would choose not to hire the 5th RecoveryCorp member.

Grants will be sought for event costs for any trainings or educational sessions that are generated out of the existing collaborative.

Risk Factors

1. If a RecoveryCorp member is unable to serve due to illness, absence, or termination after they have been trained, the host site is unable to rehire for the position until the following year and the stipend is not refundable.
2. Volumes of referrals outpaces the ability for the 5 coaches to assist.
3. Host site is unable to recruit a member prior to the orientation session deadline in September 2019 (host agency does not provide a stipend in that situation).
4. The program is operated by Marshfield, so if it is modified, discontinued, or the funding for the program is lost, then it would impact NCHC's ability to retain coaches through RecoveryCorp.

I. **Summary of Other Factors**

Impact on Other NCCSP Programs

- This collaboration would enhance the continuum of service provided by North Central Health Care currently
- This could be a feeder of staff into our existing clinical treatment teams and an effective referral system into existing treatment modalities
- Opportunity to increase collaboration between treatment modalities and provide enhanced transitions of care within NCHC's existing system
- Recovery Coaches work outside of normal business hours, which provides more access to support
- Potentially would increase patient's follow through on treatment programming, decrease no show rates

Implementation Milestones

- Approval by NCHC Board and RCA (June 2019)
- Host site application submitted and approved (July 2019)
- Members recruited (August 2019)
- Members trained (September 2019)
- Members conduct coaching sessions in the community
- Members hold 2 training sessions for community-based collaborative

II. **Summary of Impact on Member County Programs and Resources**

Impact on County Programs

- Increased coordination of recovery focused services within the three county region
- Supporting existing coaches, who are within county-based systems (OWI Court, hospital settings)

North Central Health Care
Person centered. Outcome focused.

2019 NCCSP Board Retreat

Updates to Mission Vision, Values and End Statements

Mission

Langlade, Lincoln and Marathon Counties partnering together to provide compassionate and high quality ~~specialized~~ care for ~~people~~ individuals and families with ~~complex behavioral~~ mental health, recovery and skilled nursing needs.

Vision

Lives Enriched and Fulfilled

Core Values

Dignity: We are dedicated to providing excellent service with acceptance and respect to every individual, every day.

Integrity: We keep our promises and act in a way where doing the right things for the right reasons is standard.

Accountability: We commit to positive outcomes and each other's success.

Partnership: We are successful by building positive relationships ~~by~~ in working towards a system of seamless care ~~across the organization and~~ as a trusted community and county partner.

Continuous Improvement: We embrace change through purpose-driven data, creativity and ~~value~~ feedback ~~and the~~ in pursuit of the advancement of excellence.

End Statements

People
Individuals served by North Central Health Care will have excellent outcomes as a result of a stable, highly qualified and competent staff who take pride in their work and the organization.

North Central Health Care will be an employer of choice with a strong caring culture, fostering a learning environment, providing careers with opportunities for growth and development, and ensuring a best practices focus through a commitment to continuous improvement.

Service
We exceed our Consumer and referral source expectations and satisfaction as a result of our readiness, clarity of communication, and superb ability to follow through.

~~Clinical~~ Quality
North Central Health Care meets or exceeds established regulatory requirements and best practice guidelines. We are a leader in our ability to assess and develop a comprehensive treatment plan, deliver excellent services and measure outcomes in real-time.

Community
Our Community will be able to access our services through a highly responsive seamless integration of services. We have strong affiliations with both public and private partners, proactively collaborating, and developing a continuum of care both prior to and after delivering services, constantly aware of our collective impact on the health of the population we serve.

Financial
We are a financially viable organization providing increasing value by driving efficiency, growth and diversification, being highly adaptable to changing conditions, and futuristic in our perspective.

2019 NCCSP BOARD CALENDAR – Next Three Months

Thursday July 25, 2019– 12:00 PM – 2:00 PM

Educational Presentation: Review Employee Compensation, Recruitment and Retention Strategies – Review current practices and performance around the human capital management of the organization.

Strategy for Bending the Employee Health Care Spending Trend

Crisis Assessment Response Team (C.A.R.T) Update

Board Action: Performance Expectations – Review and approve the performance expectations in conjunction with the Retained County Authority Committee.

Board Policy to Review: Employee Compensation Policy

Board Policy Discussion Generative Topic: Corporate Structure Discussion – Review the Current Administrative and Clinical Leadership Structure and Determine Future State to Achieve the Organization's Vision

Thursday August 29, 2019– 12:00 PM – 2:00 PM

Educational Presentation: Budget Presentation

Board Action: Budget – Recommend to Retained County Authority Committee

Board Policy to Review: Budget Policy

Board Policy Discussion Generative Topic: TBD

Thursday September 26, 2019 12:00 PM – 2:00 PM

Educational Presentation: Board Governance Best Practices

Board Action: Review and Approve Modifications to Board Bylaws

Board Policy to Review: Policy Governance Manual

Board Policy Discussion Generative Topic: Focus on the board's performance and areas for improvement.