

Sauk County Health Care Center
1051 Clark Street, Reedsburg, WI
Board of Trustees Meeting Minutes, February 14, 2013

Members present: Art Carlson, Joe Fish, Joan Smoke, Henry Netzing, Bill Higgins, and Mary Ellen Murray

Member absent: Terri Langer

Others present: Theresa Dietz, Kim Gochanour, Diane Gade, Marty Krueger, Staff, David and Greg Griffin

1. Meeting was called to order at 5:30 p.m. by Chair Mary Ellen Murray and certified compliance with the open meeting law.

2. Motion by Carlson, second by Netzing to adopt the agenda. Motion carried.

3. Motion by Carlson, second by Fish to approve the minutes of the previous meeting. Motion carried.

4. ELECTION OF OFFICERS:

Election of Chair: Nominations for Chair were open by Chair Mary Ellen Murray.

Motion by Netzing second by Fish to nominate Mary Ellen Murray for Chair. Motion carried.

There were no other nominations.

Motion by Netzing second by Higgins to close nominations and cast a unanimous ballot for Mary Ellen Murray. Motion carried unanimously.

Election of Vice-Chair: Nominations for Vice-chair were open.

Motion by Carlson, second by Smoke to nominate Art Carlson for vice-chair. Motion carried.

Motion by Higgins, second by Netzing to nominate Joe Fish for vice-chair. Motion carried.

Each nominee was given an opportunity to state their qualifications for the position.

Vote was held by secret ballot. Count was 1 for Art Carlson and 5 for Joe Fish. Joe Fish is the new vice chair of this board.

5. No public comment.

6. Communication. Chair Murray indicated that we will include an agenda item for next month's meeting to update the board on the progress of the Foundation. Kim has been receiving phone calls from architectural firms expressing interest in any future plans we may have. Kim also passed around packets of information on Lobby day which is on April 17 and 18. Let Kim know if you are interested in attending.

7. Presentation by Greg and David Griffin of ElderSpan. David Griffin gave a history and summarized the experience of their business including staff, locations, types of facilities and partnerships established. He discussed the sorts of senior living options that might mesh with the Health Care Center. Types of options that may be included in a Continuum of Care Retirement Complex (CCRC) would be Adult Family Homes, Residential Care Apartment Complex (RCAC) and Community Based Residential Facility (CBRF). The CBRF is the most regulated of the options, however the most services are able to be provided to the residents. Normally the payer mix for assisted living is 80% private pay and 20% Medicaid and nursing homes are 80% Medicaid and 20% Private Pay. The next step this board needs to look at is what type of senior living product they want, ownership options, financing options and whether or not to include leasable space. The HCC could just sell land to outside interests with conditions for what can be developed or partner with others for development, ownership or operations of a facility.

Each ownership option has risks and rewards and control-related issues. Those include:

A. Total Ownership – greatest risk/reward

B. Joint Venture Partnerships – share risk/reward

a. Operational Options

i. Run it yourself

1. Rewards: Greatest control, greatest financial upside

2. Risks: Steep learning curve in new industry, greatest financial downside.
- ii. Lease Operations
 1. Outside management expert receives all revenue and pays all expense. Payment to owner covers debt service plus investment return.
 - a. Rewards: Minimal financial risk
 - b. Risks: Minimum financial reward/less control
- iii. Management Contract
 1. Outside expert receives set service fee. Owner receives all revenue and pays all expenses.
 - a. Rewards: Maximum financial reward/more control
 - b. Risks: Full financial risk

Many lenders stopped lending for senior living services after the housing market crash, however recently have been more open to lending to the industry. There are several governmental programs available such as USDA, HUD, and Bonds (WHEDA/WHEFA). There are also local and regional banks and private equity-partnerships. Some programs are available for projects with limited equity contributions.

There are many risks for long term care including rising acuity and dementia needs, shrinking reimbursement, the focus on the least restrictive environment and increased competition. The Affordable Care Act implementation also has serious risks for long term care. Future success of long term care is closely related to those with a “campus” model which includes multiple senior living options tied to a “Main Street” concept. It is also related to those who figure out how to share the risks across different living options and reimbursements, different owner/partnership models, and merging quality care with quality life.

Chair Murray discussed the fact that our mission is not to provide as much for those who can pay privately but those unable to pay such as MA residents.

Family care will be expanding in the future and those residents are able to use those funds for assisted living facilities provided the facility will accept them. The payer mix has to ensure the financial success of the facility. This facility has the opportunity to bring a for profit entity on the campus and run the assisted living while the HCC would own the plant/land and receive payments in a lease-type arrangement. Also, the MA rate in a CBRF is more negotiable than it is in a nursing home so the rate difference is smaller. ElderSpan provides consultation only services to facilities so that a new building would be “turn key”

8. Mid Term Assessment. County Board Chairman Krueger discussed the reasons and process for the midterm assessment. This board needs to determine what it wants to present to the full board and come up with a one minute presentation. Was decided that this board will discuss a plan at the next meeting.

9. Barbara Sandberg’s retirement resolution was discussed.

Motion by Carlson, second by Netzinger to approve the resolution commending Barbara Sandberg for 7+ years of service. Motion carried.

10. Business Office report. Theresa presented the vouchers and Kim highlighted items of interest. Operations statement and aging were also discussed.

Motion by Netzinger, second by Higgins to approve the vouchers in the amount of \$52,572.79 and \$26,952.05. Motion carried.

11. Administrator’s report. Kim attended the normal meetings during the month of January. During the month of January we had an 18 day quarantine which resulted in suspension of admissions. Attached is a report given to finance committee on February 12. We are exploring TENA continence products and doing a 3 month study with the goal of reduction in product usage. We continue to work

on updating our policies and on an RFP for food provision and Pharmacy. Attended the WACH meeting and participated in the United Fund Radio Auction.

12. Possible agenda items for the next meeting were discussed. The board would like more information on the Affordable Care Act, update on Foundation activities and adjustments for the quarter.

13. Next meeting date is Thursday, March 14th at 5:30 p.m.

Motion by Netzinger, second by Fish, to adjourn. Motion carried.

Mary Ellen Murray - Chairperson