

**Southwest Family Care Alliance (SFCA) Board
Minutes for Meeting on August 17, 2009**

Members present: Carla Cady, Joan Fordham, David Hammer, Betty Irwin, Jeanetta Kirkpatrick, Beverly Larson, Ron Leys, Harvey Mandel, Philomena Poole, Ray Schmitz, Karen Thomas, Larry Wolf, Dave Wytttenbach

Members absent: Betty Broadbent, Dwayne Hiltbrand

Others present: Neal Blackburn, Teri Buros, Tammy Garrelts, Joan Hansen, Patty Kemerling, Tom MacDonald, Terry Metzger, Bill Orth, Linda Overbeek, Steve Ruff, Sherrie Sime.

Roll Call Attendance: Chair Ray Schmitz called the meeting to order at 3:30 p.m., and Linda Overbeek took roll call attendance. A quorum was present.

Review and Approve Agenda and Posting: Motion by Larry Wolf, seconded by Joan Fordham, to approve the agenda and posting. Teri Buros pointed out that the topics that'll be addressed under agenda items #7 – 10 are substantial and could take 1 ½ hours, in case the Board wanted to consider those earlier on the agenda. The Board agreed. A vote was taken on the motion to approve the agenda and posting, and the motion carried.

Approve Minutes of the July 20, 2009 Board Meeting (Mail Out #1) Motion by David Hammer, seconded by Betty Irwin, to approve the minutes. The motion carried. Ms. Buros referenced a proposal discussed at the July 20 Board meeting to consider allowing SFCA staff to contribute or donate sick leave. The Board had directed Ms. Buros to get a legal opinion from Andy Phillips on the matter and then to bring the matter back before the Board. Ms. Buros informed the Board that she had just recently received Mr. Phillip's feedback but not in time to carry the topic forward for discussion at today's meeting. She will do so at a future Board meeting.

Citizen Comments: None.

Strategic Planning Session: This agenda item will be considered at the end of today's meeting.

2008 Financial Status, including 2008 Audit and Final Risk Sharing Numbers; Take Action on Same, if any: SFCA expects to receive its 2008 Audit Report from Vig & Associates next week and will bring copies to the SFCA Board's September meeting. However, the Wisconsin Department of Health Services (DHS) needs to get a copy before September. SFCA Board indicated that they would not have a problem with a copy being sent to DHS before the Board receives the official copy of the 2008 Audit.

SFCA's Net Income at year-end 2008 was \$215,000. This takes into account \$145,000 SFCA had to pay DHS to meet the terms of the risk sharing arrangement in place for that year.

2009 SFCA Financials; Take Action on Same, if any: Terry Metzger distributed two documents: 1) the standard financial report package (Income Statement, Balance Sheet, Statement of Cash Flows, Monthly Enrollment Activity by Target Group), and 2) hard copy of a Power Point presentation for today's meeting, focusing on a review of July financials and bringing care under management.

- Revenue grew in July as Family Care operations began in Crawford, Juneau, and Lafayette. Incurred But Not Reported (IBNR) also increased by over \$460,000 due to the addition of those three counties.
- SFCA reported a Net Loss of \$353,949 for July, with a year-to-date loss of \$138,834. Direct Member Service expenses trended higher than expected for July, and additional steps are being taken to address that.
- SFCA received its retrospective rate adjustment from the State for 2008 in the amount of \$724,000.
- Current year Net Income for 2008 was reduced by \$145,658 to reflect payment to DHS to reconcile the 2008 Risk Sharing.
- In the Liabilities category, short term liabilities “Due to Other” took a jump in the month of July. This reflects payment due to County nursing homes as well as the payment to the State to settle up the 2008 Risk Sharing.
- Enrollment numbers as of the end of July include Crawford, Juneau, and Layfayette members. Overall, membership numbers are slightly lower than projected.
- These and other matters of interest regarding the monthly financials are explained in the Notes to the Financial Statements page of the handout.
- Motion by Bev Larson, seconded by Karen Thomas, that the SFCA Board receive SFCA’s financials. Motion carried.

Bringing care under management is a key element in the 2010 budget planning process. However, to achieve the results that SFCA will need to over the next few years requires that efforts to bring care under management begin immediately and that SFCA demonstrate consistent progress over the next three years.

- Direct service costs make up 78% of SFCA’s costs in 2009 year-to-date and are trending upward. Analysis shows that this is not attributable to increased acuity.
- Other factors contributing to increased costs in July include the fact that there were 31 service days in July, and SFCA takes a conservative approach to cost accrual, in particular, relative to the three counties who just implemented the program July 1st.
- Efforts to bring care under management will involve a multi-pronged approach - care management, provider network, and fiscal management. Mr. Metzger’s presentation identified several measures SFCA will undertake as a means toward accomplishing the necessary results. Some of those entail a focus on assuring the accuracy of Functional Screens, establishing rate setting models for providers, and providing CMUs with accurate and timely cost data on a regular basis and with other tools and training needed to do their jobs. Mr. Metzger explained how the Functional Screen relates to the capitated payment SFCA receives from the State and how acuity factors in.
- With data which the State just recently began making available to the MCOs, SFCA is able to begin balancing its own cost data against what’s in the State’s model, which will enable more and better analysis.
- Bringing care under management does NOT mean making across-the-board cuts, providing less service than is needed to assure health, safety, and to support member outcomes, reducing quality, micromanaging CMUs, or being “cheap”.
- Ms. Buros emphasized that, working together, we can “make this happen” but cautioned that some hard discussions will need to happen and everyone will need to be engaged in the effort. Conversations with SFCA staff, CMU Directors, and the Board about bringing care under management now have taken place and are scheduled to occur within the next several days with CMU Supervisors and Care Managers.

2009 (1st and 2nd Quarters) Retrospective Rate Adjustment and Estimated Impact: SFCA management are analyzing the numbers and will be bringing this topic back to the Board as there appear to be discrepancies in the data from DHS.

2010 Business Planning Process Update, including Plans for Getting Care Under Management; Take Action on Same, if any (Mail Out #3): Mr. Metzger's Powerpoint presentation also addressed the financial goals SFCA needs to focus on over the next three years, managing costs while bringing new members off the wait list and building SFCA's capital risk reserves.

- Bringing care under management will be key to SFCA's business plan.
- The State has indicated they'll advise SFCA of its 2010 capitated rate on September 8.
- Mail Out #3 is a Table of Contents for SFCA's 2010 Strategic and Business Plan, which has been updated to incorporate input previously received from the Board. The first version presented to the Board was organized by function. This new version is organized to provide sections on an SFCA overview, on managed care operations, on care under management, the 2010 budget, and various attachments. It serves as an outline of what the Board will be seeing more of at the next couple of Board meetings.

SFCA Bank Signatories; Take Action on Same, if any: Due to the addition of a Chief Financial Officer and an Accounting Supervisor, SFCA Board members were asked to approve and sign an updated resolution for Community First Bank, indicating which of those staff, including SFCA's Business Manager, are authorized to endorse checks, execute cash management agreements, and take other actions. on behalf of SFCA. Motion by Jeanetta Kirkpatrick, seconded by Carla Cady, that the Board approve and that those Board Members in attendance sign the updated resolution. Motion carried. The updated resolution was circulated for those Board members present to sign.

Update on Proposed 2010 Wages and Benefits for SFCA Staff; Take Action on Same, if any: Ms. Buros recommended, given the current financial picture, that consideration of proposed 2010 wage/benefit changes for SFCA staff be tabled and revisited in July 2010. Motion by Jeanetta Kirkpatrick, seconded by Larry Wolf, that the Board accept this recommendation. Motion carried.

Update on ADRC/MCO Conflict of Interest; Take Action on Same, if any: During discussion of this topic at the Board's June 15, 2009 meeting, Larry Wolf had indicated that he is on both the Grant County's Social Services Committee and the Center on Aging Committee and wondered if that would be considered as a conflict of interest. Upon researching that question with Wisconsin Department of Health Services, Ms. Buros informed the Board she'd been advised that a Board member can not serve on the governing boards of both the Managed Care Organization and of the Aging & Disability Resource Center at the same time. Motion by Joan Fordham, seconded by David Hammer, that a letter to that effect be sent to the Chair of each County Board so that each County Board can be aware of this in making future appointments to the SFCA Board and that this letter be over the SFCA Board Chair's signature. Motion carried. Ms. Buros will draft the letter. This restriction on Board members also will be addressed in an SFCA Board policy.

Updated Appointments to Grievance and Appeal Committees: A document was distributed, which contained some needed changes to the list of those making up the Grievance and Appeal Committees for Crawford, Juneau, Lafayette, and Sauk. Motion by Betty Irwin, seconded by Beverly Larson, to approve the changes as presented in the document handed out at the meeting. The motion carried. Ms. Buros noted that this likely will be a standard agenda item for the SFCA Board.

Strategic Planning Session:

a) Review and Discuss SFCA Board Code of Conduct (Mail Out #2A); Take Action on Same, if any: An updated draft of the SFCA Board Manual/Policies (Mail Out #2A) was discussed, focusing on 3.6 Board Conduct. The Board requested a few additional changes to 3.6.3 (require Board member to “abide by” Board decisions) and 3.6.6 (delete reference to “sensitive”), which will be incorporated into the next draft. It was decided that the policy requirement to routinely attend Board meetings will not set any specific limits around the number of missed meetings allowed but that SFCA will track attendance. Ms. Buros will revise the policies to incorporate and address the Board’s comments, and will draft a procedure regarding meeting attendance.

The Board Manual policies to be reviewed and discussed next will be 3.7 (Board Committee Principles) and 3.8 (Per Diem and Travel Expense Reimbursement). Board members suggested that the policy(ies) not reference specific dollar amounts, potentially requiring the policy(ies) to be redone every year.

Asked how the Board’s input to the SWOT analysis done at their July 2009 meeting would be used, Ms. Buros noted that will be used in developing SFCA’s three-year business plan, and the intent is to present a draft of that plan to the Board at their September meeting. Ms. Buros noted that the draft business plan probably will be handed out at that meeting as opposed to being mailed out to Board members in advance.

b) Review and Discuss SFCA Board Mission, Guiding Principles, and Values (Mail Out #2B); Take Action on Same, if any: An updated draft of SFCA’s Mission, Guiding Principles, and Core Values was reviewed and discussed. The Board requested some additional changes to the Mission and Core Values. Reference in the Mission to “all eligible consumers” will be revised, as not all eligible consumers choose to participate in Family Care. Under Core Values “Relationships” will be reworded to focus on family, while “Community and Family Participation” will be revised to focus on community. “Quality Care” will be reworded to refer to preventive, rather than preventative, models of care. A reference to providing services in a cost-effectiveness manner will be added to “Fiscal Responsibility”. Motion by Karen Thomas, seconded by Philomena Poole, to approve SFCA’s Mission, Guiding Principles, and Core Values, to include the changes discussed at today’s Board meeting. Motion carried.

Adjourn: Motion to adjourn by Ron Leys and seconded by David Wytenbach. Motion carried. The meeting was adjourned at 6:40 p.m.

Next Meeting Date/Location/Solicit Agenda Items: The next scheduled Board meeting is scheduled for Monday, September 21, 3:30 p.m. – 7:00 p.m., at the Spring Green Community Library. [NOTE: Subsequent to the August 17 Board meeting, the Board’s September meeting was rescheduled to September 28.]

Respectfully submitted,



Linda Overbeek
Executive Assistant
Southwest Family Care Alliance