

**Southwest Family Care Alliance (SFCA) Board  
Minutes for Meeting on January 19, 2009**

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**Members present:** Betty Broadbent, Carla Cady, Joan Fordham, David Hammer, Dwayne Hiltbrand, Betty Irwin, Beverly Larson, Ron Leys, Harvey Mandel, Philomena Poole, Ray Schmitz, Karen Thomas, Larry Wolf

**Members absent:** Jeanetta Kirkpatrick, Dave Wyttenbach

**Others present:** Neal Blackburn, Teri Buros, Tammy Garrelts, Joan Hansen, Stacy Hach, Greg Hying, Randy Jacquet, Patty Kemerling, Tom MacDonald, Bill Orth, Linda Overbeek, Andy Phillips, Steve Ruff, Tom Schraeder.

**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 Betty Irwin, seconded by Carla Cady, to approve the agenda and posting. Motion carried.

**Approve Minutes of the December 15, 2008 Board Meeting** (Mail Out #1) Motion by David Hammer, seconded by Larry Wolf, to approve the minutes of the December 15, 2008 Board meeting. Motion carried.

**Citizen Comments:** There were none.

**Management Update:**

- **Quality and Care Management:** Joan Hansen reported on a number of Quality and Care Management activities.
  - She met recently with Disability Rights Wisconsin. The Department of Health Services has contracted with them for Ombudsman services for current or potential members who are age 18-59.
  - Official notice was received that DHS approved Family Care expansion into Green County as of January 1, 2009 and commended them for having all their RNs hired prior to their start date.
  - SFCA's Member Handbook has been reviewed by DHS and now is under review by MetaStar. SFCA has received a request for a Spanish version of the Handbook and has quotes for getting the Handbook translated.
  - Staffing plans have been revised to hire just one Care Management and Quality Coordinator as soon as possible and possibly another one later in 2009, depending on the budget.
  - Work on the 2009 Quality Work Plan is in progress.
  - The Pay for Performance database is due to DHS by the end of this month.
  - The report on the 2008 Member Satisfaction Survey is close to being finalized.
  - Some Grievances and Appeals were received and handled 4<sup>th</sup> quarter 2008 and in January 2009.
- **Provider Network:** Patty Kemerling reported on Provider Network activities.
  - 99% of Richland 2009 contract renewals and new Green County provider contracts are in the mail to providers.
  - Rate letters have gone out to providers. Providers were notified that SFCA wasn't granting rate increases for 2009 but would revisit this position later in the year, as the budget permits.
  - Rates for Supportive Home Care have been combined with Personal Care rates for Green County providers.

- A Provider Network secretary has been hired; her time will be allocated 75% to provider network responsibilities and 25 % as backup to the Front Desk/Receptionist staff.
- **Information Technology:**
  - Tammy Garrelts reported that conversion to Midas occupies a lot of staff time. It's been going well, in general, with a few bumps that are being addressed.
  - Recently newspaper reports announced that WPS had lost the government contract to administer Medicare Parts A and B. This involved a different division of WPS from that which handles our account.
- **Fiscal**
  - Conversion to MIDAS continues, including the transfer of data and data integrity checks.
  - Several issues with the State's Forward Health System have been identified.
- **Human Resources:** Sherrie Sime reported on HR activities.
  - Three fiscal positions and a secretarial position have been filled.
  - Transition to the new payroll system has taken place; the first SFCA payroll occurred last Friday.
  - SFCA offices are moving to the new office space Friday/Saturday, January 23/24.
  - A few additional changes were made to the SFCA Employee Handbook after the draft was mailed out to Board members. A list of those proposed changes were handed out to Board members.
  - In response to a Board member's question, Stacy Hach noted that SFCA had budgeted to allow for 2009 unemployment insurance costs in relation to the three Richland County employees who were "bumped" out of their jobs by staff who chose not to stay with SFCA effective January 1, 2009. Based on current information, SFCA will not incur unemployment costs related to those three employees.
- **Chief Executive Officer**
  - January 1 brought a lot of change for SFCA – from claims processing to payroll to a new accounting system.
  - January 1 also saw an additional 215 members, as Green County implemented the Family Care program.
  - Copies of a December 30, 2008 letter from Managed Care Organizations (MCO) to DHS Secretary Karen Timberlake were distributed. The letter summarizes the MCO's discussions with Secretary Timberlake on December 2<sup>nd</sup> about concerns and issues relating to the financial viability of the Family Care program, especially as related to expansion of the program. The major areas addressed were:
    - o Insufficient transparency in the current capitation rate methodologies and assumptions;
    - o The need to acknowledge the true costs that make up care management costs, e.g., behavioral health support and integrated employment support;
    - o The need for realistic expectations as to how quickly and to what extent savings can be achieved from day one the program is in place as well as over time; and
    - o The MCO's perspective that those issues should be given a higher priority than the franchise model and seeking a common claims processing vendor.

**Report on SFCA Financials:** (Handout) Stacy Hach handed out copies of the SFCA's Enrollment Activity Report, Income Statement, and Balance Sheet for the period ending December 31, 2008.

- **Enrollment:** The number of enrolled members continues to run lower than projected. Some Sauk County residents who were on the Wait List were found to be financially ineligible when it came time for them to enroll in Family Care. Board members requested more information about the ADRC Wait List policy.
- **Income Statement:** The financials are better than had been expected for a variety of reasons. SFCA is gaining more data/experience on Sauk County members. A few rates were overstated in the system. Actual employee benefits have decreased dramatically, as SFCA staff became official SFCA employees. IBNR (Incurred But Not Reported) data has been cleaned up. Start-up costs for Green

County have been included. Care management costs still appear to be coming in lower than had been expected. SFCA's financial picture should be clearer by the time the April financials are available.

- **Balance Sheet:** Current projections are that SFCA will end 2008 in a loss position but that it may not hit the 2% threshold point of Risk Sharing. The \$300,000 debt owed to Richland County was paid back on January 1, 2009, so it's not reflected in the 2008 financials. As first noted at previous Board meetings, SFCA continues to be short of the minimum it's required to have in its reserves and discussions with the State continue on putting a corrective action plan in place.
- **Motion by Betty Broadbent, seconded by Betty Irwin, to receive the financials. Motion carried.** Ms. Buros asked if the Board would have any objections if 2009 financials are not presented to the Board at the Board's February 16 meeting. With the recent implementation of the new MIDAS system and data from Green County just beginning to become available, SFCA should have more reliable financial data going back to the first of the year to present to the Board at their March meeting. No one objected. SFCA will present updated 2008 financials to the Board at their February meeting.
- **Risk Sharing Language Update:** This was addressed earlier under the Balance Sheet.

Board members expressed their appreciation to all SFCA management and staff for all their hard work.

**Motion by Betty Broadbent, seconded by Betty Irwin, to receive the SFCA's financial reports. Motion carried.**

**Risk Reserve Transfer from Richland County Update:** The resolution presented to the Richland County Board at their December 2008 meeting was incomplete as to the risk reserve transfer. The appropriate resolution is expected to be considered at the Richland County Board's January meeting.

**Discuss and Approve Potential Start-Up Request to DHS for 2009:** Ms. Buros explained that she'd had a preliminary discussion with DHS' Tom Lawless about potentially requesting start-up funds that SFCA could use to hire a Chief Operations Officer and an Internal Auditor. He had some concerns, and further discussion is needed. A request for the SFCA Board to approve options for getting care under management up at a future Board meeting.

**Discuss and Approve Risk Sharing with DHS for 2009:** As reported during the earlier discussion about SFCA's financials, this isn't applicable at this point. DHS has indicated that SFCA should reapproach them about this sometime around August, if we feel it's necessary.

**Approve Letter of Engagement with Vig & Associates for 2008 Audit (Mail Out #2):** Because there were two separate and distinct contracts with the Department in 2008 (Richland County January – June and SFCA July through December), Vig & Associates have advised that audit guidelines call for two separate and distinct audits to be done. The cost to SFCA will run between \$4,000 - \$6,000. While SFCA had not budgeted for the cost of a separate audit, it now is a necessary expense. Stacy Hach noted that this is a transition issue that will only apply to the 2008 calendar year. The Board was asked to authorize SFCA to engage Vig & Associates to conduct this audit. **Motion by Joan Fordham, seconded by Beverly Larson, authorizing SFCA to enter into such an arrangement with Vig & Associates and for SFCA's Chief Executive Officer – Interim, Teri Buros, to sign a letter of engagement to that effect. Motion approved.**

**Review and Approve Authorized Personnel for SFCA Bank Accounts (Mail Out #3):** The Board was asked to approve authorized signors for the authority to conduct financial transactions on behalf of SFCA. Those signors would be the Chief Financial Officer – Interim, Accounting Supervisor, and the Chief Executive Officer – Interim. Certain staff would be responsible for preparing checks, while different staff would be responsible for signing checks. **Motion by Joan Fordham, seconded by Carla Cady, to approve the three positions specified to be authorized signors with authority to act on behalf of SFCA concerning**

financial transactions. Motion carried. Board members signed a document to this effect, which SFCA's bank, Community First Bank, had requested.

**Review and Approve Pathways Grant Proposal (Mail Out #4):** Note: Mail Out #4 should have consisted of two documents: 1) a one-page "Board Meeting Summary Sheet" and 2) a one-page copy of the application form for the "2009 Pathways Integrated Employment Grant Proposal" The application form, however, did not get mailed out, and copies were distributed at today's meeting. The grant would provide up to \$60,000 in 2009 to work on improving integrated employment opportunities for members enrolled in the Family Care Program. If SFCA receives the grant, the grant would cover all associated expenses, including administrative overhead. As this was not a planned expense, SFCA now requests the Board's approval to apply for the grant and to hire a limited-term employee to perform the work of the grant. Motion to do so made by David Hammer, seconded by Karen Thomas, and approved by unanimous vote. A document was handed out that described the title, responsibilities, wage and benefit information, and other details regarding the proposed limited term employee position. Joan Fordham suggested that a "casual" employee be described in the Employee Handbook. It was noted that if the grant funding were discontinued and the proposed employee were laid off, SFCA would be responsible for the associated unemployment costs.

**Approve Grievance and Appeal Committee Members (Mail Out #5)** Ms. Hansen explained that Mail Out #5 lists those individuals who have been recommended to serve on the Grievance and Appeal Committees in Green, Richland, and Sauk. They've all expressed an interest in doing so. In addition, just prior to today's Board, another person confirmed her interest in serving, and there are two other people who may be interested. Motion by Ron Leys, seconded by David Hammer, to approve the list of proposed members, as presented in Mail Out #5. Motion approved. The names of other potential committee members will be brought up for approval at a future Board meeting. SFCA would welcome additional suggestions for potential committee members.

**Approve SFCA Employee Handbook (Mail Out #6):** The Mail Out was a draft copy of the SFCA Employee Handbook, and a list of several other proposed changes to that draft was handed out at today's meeting. Discussion about the Handbook included:

- the definition of "family" (largely defined by the Wisconsin Retirement System);
- additional wording to the section on vacation time (page 20) was suggested to clarify where time is accrued annually;
- In the section on Prohibited Conduct, should situations be considered harassment even if neither party involved finds the behavior offensive? Does it matter whether the situation is an isolated incident or part of a pattern of such behavior?
- Board members were impressed with the Handbook, indicating that they found it to be very comprehensive and well put together.

Motion by Ron Leys, seconded by Joan Fordham, to approve the SFCA Handbook. Motion approved.

**Approve CMU Contract with Green County:** Ms. Buros requested the Board approve SFCA contracting with Green County's Care Management Unit (CMU) for care management services effective back to January 1, 2009, as SFCA had done previously with Sauk County and Richland County. Motion by Betty Broadbent, seconded by Larry Wolf, to approve the request. Motion approved.

**Discuss and Approve Submission of Request for Stimulus Money for SFCA Building:** At the request of a Board member, Ms. Buros asked the Board if they wanted her to present a request to our legislators that SFCA be considered for receipt of stimulus money to use for an SFCA building. Joan Fordham understood that stimulus funds had to be used on projects that would be completed in 2009. Andy Phillips suggested getting in touch with the Wisconsin Counties Association.

**Break:** There was a short break.

**Training Session #1 on Board Roles and Responsibilities:** Andy Phillips presented the first part of a two-part presentation/training on Board roles and responsibilities, focusing primarily on a type of operating a board known as the Carver model. Some of points covered at today's meeting included a discussion of:

- The Board's purpose and who it serves
- Accountability
- The Board's authority and obligations
- The role of SFCA's Mission and of its Guiding Principles
- Divisions of labor
- Policy Development
- The concept of Service Needs (Ends)
- The Board's relationship with the CEO
- Next steps

Andy Phillips will facilitate part two of this presentation/training, which will be more interactive and which will take place at the Board's next regularly scheduled meeting, February 16. SFCA staff need to identify a location for that meeting. The Board's preference is that it be in the Spring Green area.

**Confirm Next Meeting Data/Location and Solicit Agenda Items:** Monday, February 16, 3:30 p.m. – 7:00 p.m. Location is to be determined.

**Adjourn:** Motion to adjourn by Larry Wolf and seconded by David Hammer. Motion approved.

Respectfully submitted,



Linda Overbeek  
Executive Assistant  
Southwest Family Care Alliance