

**Southwest Family Care Alliance (SFCA) Board
Minutes for Meeting on July 20, 2009**

Members present: Betty Broadbent, Carla Cady, Joan Fordham, David Hammer, Dwayne Hiltbrand, Betty Irwin, Jeanetta Kirkpatrick, Harvey Mandel, Philomena Poole, Ray Schmitz, Larry Wolf, Dave Wyttentbach

Members absent: Beverly Larson, Ron Leys, Karen Thomas

Others present: Neil Blackburn, Teri Buros, Tammy Garrelts, Joan Hansen, Stacy Hach, Greg Holcomb, Patty Kemerling, Tom MacDonald, Terry Metzger, Bill Orth, Linda Overbeek, Steve Ruff, Sara Ryan, Tom Schraeder (Hodan Center), 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 David Hammer, seconded by Harvey Mandel, to approve the agenda and posting. Motion carried.

Approve Minutes of the June 15, 2009 Board Meeting (Mail Out #1) Motion by Joan Fordham, seconded by Betty Broadbent, to approve the minutes. The motion carried.

Citizen Comments: Linda Overbeek asked for clarification as to when the Board expected the attendance policy, discussed at the Board's June 15 meeting, to go into effect. The attendance policy will not be effective until the overall policy and Board manual are considered and approved by the Board. The Board may choose to approve policies piecemeal or a section at a time.

Update on SFCA 2008 Audit Report and Review of SFCA's Financials; Take Action on Same, if any: Strategic Planning was moved to later on today's agenda, pending the arrival of Judy Spring, who'll facilitate that discussion.

Teri Buros introduced Terry Metzger, recently hired as SFCA's Chief Financial Officer. He described his background, and, following that, Board members introduced themselves.

Stacy Hach distributed and reviewed SFCA's updated financials for 2008, i.e., an Income Statement and a description of how Risk Sharing is calculated. Wisconsin Department of Health Services (DHS) has denied SFCA's proposed alternative to risk sharing, which means that risk sharing will apply to SFCA's 2008 financials. SFCA did end 2008 with a profit and will have to share a portion of that (the 2% - 10% "corridor" amount) with DHS. Ms. Hach reviewed how the risk sharing process works. The exact dollar amount that will fall into this corridor can't be determined, though, until DHS has finalized the retrospective rate adjustment figures for 2008. SFCA's 2008 Audit Report is still pending for this same reason.

Terry Metzger distributed and reviewed SFCA's 2009 financial reports for January through May, i.e., a Profit & Loss Statement, a Balance Sheet, a Statement of Cash Flows, and Monthly Enrollment Activity by Target Group.

- There is an increase in Room & Board revenue.
- Expenses – Focus on Direct Service Costs continues to be a priority.
- Prepayments to providers are way down.
- A big jump in SFCA's capitation receivables is due to the fact that DHS held its capitation payment for June and then paid both June and July in July. Due to that revenue lag, SFCA had held up Care Management payments for two weeks.

- Asked by a Board member if SFCA would consider moving monies to build up SFCA's risk reserve/solvency reserve, Mr. Metzger stated that would be one of the possibilities considered as SFCA works on its three year business plan over the coming weeks.
- An increase in Accrued Taxes & Benefits on SFCA's Balance Sheet is attributable to a change in how earned but unused employee vacation time is handled; it now is being accrued incrementally.

Motion by Larry Wolf, seconded by Betty Irwin, to receive SFCA's updated financials for 2008 and financials for 2009. Motion carried.

Strategic Planning Session; Take Action on Same, if any: Ms. Buros introduced Judy Spring/Spring and Associates. Ms. Spring has experience working with organizations in developing strategic plans and is present at today's meeting at the Board's request to support the Board in working through a mini-SWOT analysis. i.e., an analysis of SFCA's Strengths, Weaknesses, Opportunities, and Threats. The purpose of this session today is to gather the Board's ideas on those areas; there are no decisions to be made in those areas today. Prior to today's Board meeting, Ms. Spring had met first with the SFCA management team and then with SFCA staff to gather their thoughts about SFCA's mission, vision, and values.

Ms. Spring posed a series of questions to Board members to solicit their thoughts on:

- SFCA's vision – Where do they see SFCA being in the year 2015?
- SFCA's mission – What does SFCA do and why?
- SFCA's organizational strengths – What are they?
- SFCA's weaknesses – What are they? and
- What external threats does SFCA face?

Ms. Spring took note of all the Board's thoughts on these topics, explaining that she would take the Board's input from today's meeting and integrate that with the input she received in her meetings with SFCA management and staff. That will be brought to the Board to consider and set priorities.

See attached notes prepared by Ms. Spring.

Review and Approve MCO Funding Principles (Mail Out #2): Following a short break, Ms. Buros reviewed a set of funding principles, which had been developed jointly with other managed care organizations (MCOs). These funding principles set forth those business practices which the MCOs have identified as being critical to the future viability of the managed care programs, which include the Family Care program, as well as the Partnership program and PACE services. Ms. Buros explained that the goal was that these same principles would be incorporated into each managed care organization's business plan and presented to DHS. She noted that these principles already have been shared with DHS for their information. Ray Schmitz asked about the MCO's ability to respond when faced with high cost cases; Ms. Buros indicated that she'd make mention of this to the MCO's Association. Referring to #9 of the Funding Principles, Ms. Hach noted that the MCOs expect the rate setting to be acuity-based and able to be adjusted for certain costs, e.g, nursing home relocations. Joan Fordham made a motion that the Board support the MCO Funding Principles and that those principles should be incorporated into SFCA's three year business plan. The motion was seconded by Philomena Poole and approved by unanimous vote.

Consider Contribution or Donation of Sick Leave by SFCA Staff; Take Action on Same, if any (Mail Out #3): The Board was asked to consider allowing SFCA to adopt a policy whereby SFCA staff would be able to contribute or donate sick leave under certain circumstances and subject to certain limits. Sherrie Sime handed out draft copies of language that could be added to the SFCA Employee Handbook, were such a policy to be adopted, to provide more detail around who would be eligible to donate sick time, who would be eligible to receive it, and the process to be followed. There is no specific request for donated sick time pending at present.

Comments by Board members included:

- If the Board approves such a policy, it should specify that any sick leave contributions be limited to full days only.
- Use of a sick leave policy must be monitored to guard against potential abuse.
- Does such a policy invite discord among employees?
- Maintaining confidentiality would be extremely difficult to maintain.
- Should employees be required to maintain a minimum in their own sick bank before they would be allowed to contribute or donate time to another employee?
- Should employees contribute or donate sick time to a general bank of sick time rather than to a specific employee?
- Should approval to contribute or donate sick time be limited to a specified period of time per request?
- Could employees who submit a request to receive donated sick time allege discrimination if employees do not donate to them (rather than utilizing a bank of sick time and employees having access to the bank when they meet the criteria)?

After considerable discussion, including how the Counties themselves handle such matters, the Board directed Ms. Buros to talk with Andy Phillips and get his thoughts as to the potential for claims of discrimination that might be associated with a sick leave policy and then to bring the matter back to the Board.

Consider and Approve 2010 Wages and Benefits for SFCA Staff; Take Action on Same, if any: SFCA management presented the Board with a wage increase proposal for 2010 that would provide a 1% increase to all positions earning less than \$61,000 per year and zero increase for all positions earning more than that amount. A handout was distributed, listing the current starting wage and job rate by position for all non-exempt and exempt SFCA positions. It's likely that health insurance premiums for 2010 will increase, and 2010 also will bring a change in the retirement calculation under the Wisconsin Employee Trust Fund. The 1% increase potentially would hold employees earning \$61,000 or less per year harmless from those increases. There was a lot of discussion about the wage increase proposal, including the current economic challenges facing the federal, state, and local levels of government. Motion offered by Harvey Mandel to table further discussion and action by the Board until the Board's August meeting. The motion was seconded by David Hammer and approved by unanimous vote.

Approve Appointments to Grievance and Appeal Committees (Mail Out #4): Mail Out #4 reflected some needed changes to the list of those making up the Grievance and Appeal Committees for Crawford, Juneau, Lafayette, and Sauk. An updated version of that list was handed out at today's meeting. Motion by Joan Fordham, seconded by Carla Cady, to approve the changes as presented in the document handed out at the meeting. The motion carried.

Consider Motion to Convene in Closed Session Pursuant to Wis. Stat. §19.85 (1)(f) to consider financial, medical, social or personal histories of specific person(s) which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data or involved in such problems or investigations, to wit: to discuss incident involving member and potential issues related to same: Motion by Larry Wolf, seconded by David Hammer, that the Board convene in Closed Session to discuss the specific incident involving a member and related considerations. A roll call vote was taken, the motion carried by unanimous roll call vote, and the Board moved into Closed Session.

Reconvene in Open Session and, if appropriate, take action on the matter(s) discussed in Closed Session: Following the report, there was a motion by David Hammer, seconded by Philomena Poole, that the Board reconvene in Open Session. The motion carried by unanimous vote

Consider Motion to Convene in Closed Session Pursuant to Wis. Stat. §19.85 (1)(e) relating to deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, to wit: discuss issues and concerns raised about the provider network and grievance related to inclusion of particular provider within network: Motion by Betty Irwin, seconded by David Hammer, that the Board convene in Closed Session to discuss the specific incident involving a member and related considerations. A roll call vote was taken, the motion carried by unanimous roll call vote, and the Board moved into Closed Session.

Reconvene in Open Session and, if appropriate, take action on the matter(s) discussed in Closed Session and Adjourn Meeting: Following the report, there was a motion by Larry Wolf, seconded by Carla Cady, that the Board reconvene in Open Session. The motion carried by unanimous vote, and the meeting reconvened in Open Session

Adjourn: Immediately upon reconvening, the meeting was adjourned.

Next Meeting Date/Location/Solicit Agenda Items: The next scheduled Board meeting will be Monday, August 17, 3:30 p.m. – 7:00 p.m., at the Spring Green Community Library. Agenda items will include those matters identified during today’s meeting and other Board business, as may be identified.

Respectfully submitted,



Linda Overbeek
Executive Assistant
Southwest Family Care Alliance