

**Southwest Family Care Alliance (SFCA) Board
Minutes for Meeting on March 16, 2009**

Members present: Betty Broadbent, Carla Cady, Joan Fordham, David Hammer, Dwayne Hiltbrand, Betty Irwin, Jeanetta Kirkpatrick, Beverly Larson, Ron Leys, Harvey Mandel, Ray Schmitz, Karen Thomas, Larry Wolf, Dave Wytenbach

Members absent: Philomena Poole

Others present: Teri Buros, Tammy Garrelts, Joan Hansen, Stacy Hach, Greg Holcomb, Randy Jacquet, Audrey Patty Kemerling, Bill Orth, Linda Overbeek, Steve Ruff, Sara Ryan, Tom Schraeder (Hodan Center), Sherrie Sime, Jan Sudmeyer (for Neal Blackburn), Jean Zweifel (Greenco Industries).

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 David Hammer to approve the agenda and posting. Motion carried.

Approve Minutes of the January 19, 2009 Board Meeting (Mailed out last month) As it was unclear if the minutes of the January 19th Board Meeting were approved at the Board's February meeting, approval of the January minutes was put on today's agenda. Motion by Betty Irwin, seconded by David Hammer, to approve the minutes of the January 19, 2009 Board meeting. Motion carried.

Approve Minutes of the February 16, 2009 Board Meeting (Mail Out #1) Motion by Joan Fordham, seconded by Carla Cady, to approve the minutes of the February 16, 2009 Board meeting with one correction. The fifth bullet point on page three of the minutes should read [added wording shown in italics.]: The Board shall be involved in the hiring of CEO, CFO, and COO positions and the *creation* of any new positions that may be added. Motion carried.

Citizen Comments: None.

Management Update

Management Update

- **Quality and Care Management:** Joan Hansen reported on Quality and Care Management activities.
 - Training of CMU staff in Crawford, Juneau, and Lafayette continues and review sessions to be held with Sauk care management staff.
 - Training of Grievance and Appeal Subcommittee members is underway. There's still a need for more Member representatives in Sauk County.
 - Annually-required reporting to the State of immunization data and staff turnover has been completed.
 - 2008 Pay for Performance data has been submitted to the State.

- A “mini” care management review was done in Sauk County; there were a few issues. A “pre-care management review” was done in Green.
- Preparations are underway for the Annual Quality Review (AQR) by the State, which will occur April 13 – 15. The focus will be on Richland but CMU Supervisors from Sauk and Green Counties have been invited to attend to get a feel for what an AQR is like. The AQR, which includes a review of select Member files, could possibly include some from Sauk.
- The State will be conducting 30 “PEONIES” interviews to validate data for the project. [Note: “PEONIES” stands for Personal Experience iNtegrated Interview and Evaluation Systems.]
- The cost of training staff for the new RN positions, which has to happen during the 60 days prior to implementation, is included in SFCA’s budget. Ms. Buros noted that care managers’ time spent in these trainings is considered the county’s contribution but can be billed as care management time.

Provider Network: Patty Kemerling reported.

- More providers have signed and returned their contracts to SFCA, and work on outstanding contracts continues. Few major contract issues remain. Many providers responded upon receiving a letter from SFCA that we’d be unable to pay them for February without a signed contract in place.
- Ashley Morga started today as the Employment Specialist, a Limited Term Employment position approved by the Board at the February 16, 2009 meeting. Ms. Morga will be working on the overall implementation of the integrated employment grant.
- Staff continue gearing up for expansion.

● **Information Technology (including Update on System Transition Issues):** Tammy Garrelts reported.

- Work on tasks relating to the transition to MIDAS continues. Progress in cleaning up service authorizations has been made, and SFCA staff are working up a plan for releasing authorizations to providers in an orderly fashion.
- Data is becoming more stable, and SFCA staff can begin to turn their attention to data analysis.
- SFCA will be testing a new provider portal to MIDAS, which will enable providers to access the system directly to check the status of their claims and payments.
- The number of phone calls from providers regarding problems has decreased. There still are issues, but they are being addressed and fewer new ones are being reported.
- Based on “lessons learned” from implementing Family Care in Sauk and Green, SFCA will be partnering with counties for data entry.

● **Fiscal:** Stacy Hach reported.

- Preparations for expansion continue.
- SFCA staff have been meeting monthly with the State to address capitation reconciliation issues which were triggered by problems the State experienced in implementing their new Forward system.
- Over a two week period in April auditors will spend one week auditing Richland County and the second week auditing SFCA.

- **Human Resources:** Sherrie Sime reported.
 - An IT support staff and an Employment Specialist have been hired; both started today. Two Care Management and Quality Coordinators have been hired and will start next week; they'll each be assigned two counties and will work closely with the CMUs of those counties. Efforts to recruit an Internal Auditor are underway.
 - Advertising for new staff is quite costly, so consideration is being given to coming up with an advertising approach that would be effective but less costly.
 - Work on developing complete position descriptions is underway.
 - Future To Do's include developing a records retention policy/procedure and procedural support for various day-to-day operations.

- **Chief Executive Officer:** Teri Buros reported.
 - The Managed Care Organizations are meeting monthly with the Department of Health Services (DHS) to discuss language for the 2010 contract between DHS and the MCOs.
 - DHS is proposing that the Managed Care Organizations come under the regulatory structure of the Office of the Commissioner of Insurance (OCI) beginning in 2010. The OCI already oversees Wisconsin's Partnership models.
 - An organization of Wisconsin-based Managed Care Organizations are discussing various topics of interest:
 - DHS's proposal to develop a statewide IT system,
 - What is a reasonable surplus for an MCO and what can an MCO do with the surplus?
 - Concerns expressed by some that, once the MCOs become established, mature organizations, they'll be "purchasable" by larger entities.
 - The MCOs see opportunities for them to grow their political voice, improve their relations with the State, to be leaders in long term care reform, and to develop business planning requirements.
 - Other issues being discussed are: the adequacy of future Family Care funding, the messages from the Office of Resource Center Development and the Office of Family Care Expansion, the Franchise Model proposed by the State, and Wisconsin's proposed biennial budget. Participants in this workgroup include the eight Managed Care Organizations plus another that is "on the cusp" (Northern Bridges in northwest Wisconsin). Some participants operate the Family Care program, while others are the Partnership model.
 - DHS is discussing a requirement that each Managed Care Organization submit a three-year business plan by October 15, 2009. Meeting this requirement will be a major undertaking for SFCA. As yet, though, DHS hasn't decided what the required elements of that business plan will be.
 - SFCA has received a letter from DHS confirming that we are out of compliance with our risk reserve/solvency requirements. We have been reporting to the Board that SFCA is out of compliance in this respect for some time. Submitting the three-year business plan due in October will be part of the corrective action plan.
 - DHS still considering the possibility of creating a statewide insolvency fund which all Managed Care Organizations would contribute to, rather than each MCO maintaining separate solvency funds.

Report on SFCA Financials: Stacy Hach reported on SFCA's 2008 and 2009 financials, She distributed and reviewed Income Statements, Balance Sheets, and Enrollment Activity Reports by

Target Group, as well as Profit & Loss Statements, for year-end 2008 and for the first two months of 2009.

- **2008 Financials**

- SFCA is projecting that we will end 2008 in the black. Some costs came in lower than were projected. Some SFCA staff positions were filled later than originally planned, and costs of the new IT system were less than projected. Monies received for achieving 2008 Pay for Performance project goals may be more than expected, but that won't be known until June. The 2008 financials are not final yet. Updated reports will be presented to the Board when all the numbers are in.

- **2009 Financials**

- The report format for SFCA's financials was changed for 2009, and Board members found the new format helpful. A Profit & Loss Statement was added to show SFCA's actual revenues and expenses compared to what was budgeted and also will show income and expenses on a Per Member Per Month basis.
- SFCA's repayment of a \$300,000 long-term liability to Richland County is reflected on the Balance Sheet of January 31, 2009.
- SFCA's Working Capital requirements have increased, as a result of the growth in the number of people enrolled in SFCA's program and the associated increase in the amount of the monthly capitation payment SFCA receives from the State.
- SFCA took \$5,000 out of its cash assets to open a bank account but has since replenished that amount. SFCA maintains a minimum in its checking account, and the bank "sweeps" money from SFCA's interest-bearing savings account into its checking account, as needed.
- SFCA's cash flow increased from 2.6 million to 3.5 million.
- The Board would prefer to see the Profit & Loss Statement figures broken out by month.
- "Other Revenue" is largely interest income.
- "Incurred But Not Reported", or IBNR, refers to projected costs based on assumptions using historical paid claim data. Until the Family Care program is operational in all eight SFCA partner counties and SFCA has historical costs, SFCA's IBNR figures will hard to predict accurately.

- **Enrollment:** 679 people were enrolled as of the end of December 2008, a number which grew to 889 by the end of January, Green County having come on board January 1st. There were, however, 51 fewer people enrolled at the Nursing Home Level of Care and five more people at the Non-Nursing Home Level of Care than had been projected. SFCA staff will talk with Care Management Units about "backfilling", being able to take additional people off Wait Lists because other people disenrolled (e.g., died, moved). A total of eight people thus far in Richland (1), Sauk (3), and Green (4) have chosen the State's Self-Directed Supports (SDS) option.

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

Break: Betty Irwin brought in wonderful, homemade cookies for today's Board meeting . . . thank you, Betty!

Grievance and Appeal Reporting for 2008: Joan Hansen reported to the Board, describing:

- What a grievance is, what an appeal is, and what the process is for each;
- What the reporting requirements are that SFCA must comply with, including what data SFCA must track and report on;
- How Grievance and Appeal data is analyzed to identify any patterns or trends;
- Grievances and Appeals filed in 2008: There were a total of 14 last year, none in the 1st quarter, nine in the 2nd quarter, two in the 3rd quarter, and three in the 4th quarter. The number in the 2nd quarter was attributed largely to a State-required change in the benefit package.
- The Grievance/Appeal process can cost \$2,000 each time in terms of staff time

Critical Incident Reporting for 2008: Ms. Hansen reported to the Board, describing:

- What the reporting requirements are that SFCA must comply with, including what data SFCA must track and report on - Critical Incidents, Unintended Events, Unexpected Deaths, Adverse Events.
 - A Critical Incident may be abuse or neglect of a person enrolled in the program or a violation of that person's rights.
 - Adverse Events are less serious than Critical Incidents but are important to analyze in terms of any trend(s) they might reflect
 - An Adverse Event is "Any undesirable and unintended circumstance, event, or condition that did not result in any serious harm to a member's health or safety, but that indicates or may indicate a quality issue with the services provided by the MCO [managed care organization] or any of its subcontracted providers".
- Situations that might be called "near misses" have to be tracked. This is a category of Critical Incident where serious risk was present but which, because of "chance or preventive interaction" didn't actually result in harm being done.
- The State's criteria require a broad reporting of Critical Incidents, including a description of "actions taken or planned to prevent occurrence of any similar events in the future."
- 188 Critical Incidents were reported last year, only about half of which were found to rise to the level of an actual Critical Incident. 80 Unintended Events have been reported so far during the first quarter 2009. Historically, falls continue to be the biggest cause of Critical Incidents.
- When the circumstances apply, SFCA collaborates with Adult Protective Services/Elder Abuse departments, with APS playing the major role in the investigation and SFCA tracking such incidents separately.

Expansion Plans for July 1, 2009 – Governor's Budget and Implications (Mail Out #2):

- SFCA's expansion plans are in the Governor's budget as planned – Crawford, Juneau, Lafayette on July 1, 2009; Iowa, Grant on April 1, 2010. The proposed State biennial budget, however, calls for a change that has an impact on SFCA's enrollment plan. Instead of eliminating Wait Lists over a 24 month period, a county must do so over a 36 month period, a reduction of about 30% each month. This will impact not only those counties that haven't yet implemented the Family Care program but also Sauk and Green. Milwaukee County will be the exception, in that they will not be allowed to enroll any people off of its Wait List for the first 12 months and then 1/24 of its Wait List for the following 24 months.
 - A county's Wait List is established 60 days prior to the date that county will implement the Family care program. How would it be handled if a county does not have a Wait List two months out but does acquire one prior to implementation? Ms. Buros will research this with the State.

- Is there a provision for emergency cases? Yes, each county needs to establish a policy by which it will address at-risk cases.
- By June 2011 the Family Care program would be operating in 59 of Wisconsin's 72 counties, and roughly 90% of the State's population would have access to Family Care.
- "AF" on slide 5 of Mail Out #2 refers to "all funds". County levy, generally 22%, is included. BCA (Basic County Allocation) can be used as Federal match. The dollar amount shown for "New Sites" should not be new information; the Directors are aware of what that entails.
- The proposed State budget provides for a statutory change, calling for one ombudsman per 3,500 participants with a disability. Using projected enrollment figures, this could mean that SFCA ultimately would have its own dedicated ombudsman.
- The proposed State budget also calls for oversight of one – two bed adult family homes to transfer to the State. The Managed Care Organizations have concerns about whether that arrangement would work and plans to take those concerns up with the State.
- What are the repercussions if an SFCA partner county has trouble staffing the necessary RN positions by that county's approved implementation date? Ms. Buros indicated that counties have a responsibility to hire the appropriate staff but don't necessarily have to hire them as County employees; leasing those staff would be an acceptable way to bring those staff on board. The decision to do so would be left up to each Care Management Unit.

Discussion and Approval of Staffing Needs: Ms. Buros reported that SFCA's management team are reviewing SFCA's staffing needs and, in particular, the timing of when to fill positions, including any impact on expenses if some positions were staffed earlier than originally planned, and other positions later than planned. Motion by Harvey Mandel, seconded by David Hammer, giving Ms. Buros authority to recruit for SFCA positions sooner or later than originally planned, if SFCA management deems it necessary, if the effect of doing so is cost neutral, and provided that the positions themselves have been Board-approved. The motion carried.

There was discussion about whether the Board wanted to be involved in the hiring process for the Chief Financial Officer and, if so, in what way. The consensus was that the Board be involved at the point of making a final decision about hiring, and it was suggested that could be accomplished by creating a subcommittee of the Board. It was agreed to put this on the agenda of the Board's April meeting.

Discussion of Overall Plan

- Over the coming weeks SFCA management team will flesh out plans for implementing Family Care in Crawford, Juneau, and Lafayette. A March 27 meeting is planned to review those plans with the Directors and other management staff from the three counties.
- Having fewer members than expected enrolled in SFCA's Family Care program is not having a negative impact on SFCA financially, as there've been factors that have offset the lower enrollment numbers.
- The proposed State budget extends the timeframe for eliminating Wait Lists from 24 months to 36 months. This results in savings to the State in that it lowers the amount of the State's monthly capitated rate payments to the Managed Care Organizations.

Prioritization, Discussion, and Potential Approval of Board Policies

- The Board reviewed Sections I through III (pages one through nine) of the draft policies contained in Mail Out #3. Several changes were suggested, including adding a glossary of

Approved as corrected on April 20, 2009

Mail Out #1


terms. The suggested changes will be incorporated into another draft of the policies, showing both the original wording and the new language.

- Section IV will be reviewed at the Board's April meeting along with the draft Conflict of Interest policy that was handed out at today's meeting.

Confirm Next Meeting Data/Location and Solicit Agenda Items: Monday, April 20, 3:30 p.m. – 7:00 p.m. at the Spring Green Community Library.

Adjourn: Motion to adjourn by Ron Leys and seconded by Karen Thomas. Motion approved. Meeting adjourned at 7:00 p.m.

Respectfully submitted,



Linda Overbeek
Executive Assistant
Southwest Family Care Alliance