

**Southwest Family Care Alliance (SFCA) Board
Minutes for Meeting on May 18, 2009**

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

Members absent: Harvey Mandel, Dave Wyttenbach.

Others present: Neil Blackburn, Teri Buros, Tammy Garrelts, Joan Hansen, Stacy Hach, Greg Holcomb, Randy Jacquet, Tom MacDonald, Fred Naatz, Linda Overbeek, Robin Reser (VARC), Steve Ruff, 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 Karen Thomas, seconded by Carla Cady to approve the agenda and posting. Motion carried.

Approve Minutes of the April 20, 2009 Board Meeting (Mail Out #1) Motion by Betty Broadbent, seconded by David Hammer, to approve the minutes. The motion carried.

Citizen Comments: None.

Election of Officers; Consider Motion to Adjourn to June SFCA Board Meeting: The Board's By-Laws state that the Board will hold an annual meeting in May of each year, and that this will include receipt of the audit report, election of officers, and receipt or election of new Board members that are replacing Board members whose terms have expired, in addition to any other business properly before the Board. As not all County Boards are through their county's process for appointment of Board members, however, there was discussion that the election of SFCA officers might be better considered at the SFCA Board's June meeting. Motion by Ron Leys, seconded by Larry Wolf, to table this to the SFCA Board's June meeting. Motion carried. Joan Fordham pointed out that the By-Laws call for the SFCA Board to elect officers every two years at their Annual Meeting, rather than annually, unless an existing Officer resigns before his/her term limit expires, so election of officers wouldn't be required until June 2010.

Receipt of or Election of Board Members Whose Terms Are Expiring; Consider Motion to Adjourn to June SFCA Board Meeting: For reasons discussed under the previous agenda item, there was discussion that the election of SFCA Board Members might be better considered at the SFCA Board's June meeting. Motion by Betty Irwin, seconded by Beverly Larson, to table this to the SFCA Board's June meeting. Motion carried.

Review of SFCA 2008 Audited Financial Report; Consider Motion to Adjourn to June SFCA Board Meeting: The 2008 financial audit did take place, as planned, but the firm that conducted the audit, Vig & Associates, has not yet submitted their written report to SFCA. They anticipate that it'll be done in time to share their findings at the SFCA Board's June meeting. Motion by Ron Leys, seconded by Karen Thomas, to table this to the SFCA Board's June meeting. Motion carried.

Discuss SFCA Board Member Policies/Handbook; Take Action on Same, if any:

A Hand Out of "Talking Points for Developing Board Policies", prepared by Jeanetta Kirkpatrick, was distributed, and Ms. Kirkpatrick facilitated the discussion.

- Much of the language of the Board's current By-Laws is geared more toward a Care Management Unit than to a Board. By-Laws should create the organization, whereas Board Policies are about how

the Board itself intends to operate. Board Members consider Board Policies to be a group of statements that will evolve over time.

- Section I: Outcomes Policies doesn't belong in the Board's Handbook and should be deleted.
- Section IV: Board Processes should be renamed Board Responsibilities and should become the first section of the Handbook.
 - SFCA Board Members are considered to represent all of the SFCA organization.
 - This section should include a succinct description as to the Board's purpose, and it also should state that Board Members shall adhere to the By-Laws.
- Section II should be about the Board/Chief Executive Officer Relationships, and Section III should describe Management Limitations.
- A calendar should be created to establish clear expectations as to when the Board expects certain key "events" to occur, e.g.,
 - receiving the budget for the coming calendar year from the Chief Executive Officer (initial consideration at the September meeting, approval at the October meeting) and strategic planning/goal setting for the coming year;
 - the Board's Annual Meeting (June);
 - an Annual Report – For the June 2009 Board meeting, the Board asked that Ms. Buros present them with a one page document, listing major accomplishments and summarizing major challenges;
 - the Board's evaluation of the Chief Executive Officer (a set month should be established but may need to be adjusted according to when this position is filled permanently); and
 - election of officers (every two years at the Board's Annual Meeting).
 - Other "events" to be scheduled may include:
 - orientation of new Board members within a certain amount of time of that member being appointed to the Board;
 - reporting on turnover in SFCA's provider network and/or on staff turnover;
 - reviewing SFCA's employee compensation/benefits package (annually);
 - reporting on and/or review/approval of SFCA's provider network;
 - reporting on and/or review/approval of SFCA's Quality Improvement Plan and various Quality program initiatives - Reporting to the SFCA Board quarterly would be in sync with SFCA's required reporting to the Department of Human Services;
 - reporting to the Board on Critical Incidents and on Appeals & Grievances (also reported quarterly to the Department of Health Services) - Maintaining confidentiality and privacy of members will need to be balanced against what the Board wants to know about;
 - The Board may wish to establish other reporting requirements and needs to consider what type of information it wants to see at what level of detail and how frequently. What do the reports look like that will assist the Board in determining whether the Chief Executive Officer (CEO) is meeting expectations? In the same vein, the SFCA management team needs to provide the CEO with information that the CEO can use to determine that goals/expectations are being met.
 - The Board would prefer that scheduled "events" for the Board's consideration be spread out over the year, when possible, so as not to preclude other Board business from being addressed and to keep Board meetings at a reasonable length.
- Following a short break, it was agreed that Ms. Buros, working with the rest of SFCA's management team, as she deems necessary, will draft a document, incorporating the Board's input to this point, and bring it to the Board next month to review, discuss, and decide on next steps.
- The Board would like to work on development of the Board Member policies and handbook to some extent at every Board meeting. The handbook will serve: 1) to document what the Board expects of the Chief Executive Officer and 2) as a tool to educate new Board members.

Review Correspondence with Department of Health Services (DHS) Regarding DHS' Proposal To Prevent Staff from Managed Care Organizations Being Co-located With Staff from Aging & Disability Resource Centers; Take Action On Same, if any (Mail Outs #2 and #2a):

- Mail Out #2 is a copy of Ms. Buros' letter of May 4, 2009 to Fredi Bove, Interim Administrator, at DHS, documenting SFCA's response to DHS' proposed policy regarding the co-location of Managed Care Organizations and Aging & Disability Resource Centers. She's not received any response as yet.
- Mail Out #2a is a proposed letter from the Board to DHS, documenting the Board's position on the DHS' proposal. The language in Mail Out #2a met with the Board's approval. Motion by Joan Fordham, seconded by Larry Wolf, that this letter be addressed to Fredi Bove and copied to everyone who received Ms. Buros' May 4 letter. Motion carried.

Approve Appointments to Grievance and Appeal Committees of Crawford, Juneau, and Lafayette:

Ms. Hansen explained that Mail Out #3 lists those individuals proposed to serve on the Grievance and Appeal Committees in Crawford, Juneau, and Lafayette. They've all expressed an interest in doing so. There was a question as to whether there might be a conflict of interest in that one of the proposed Committee members is listed as both a provider and a guardian. Motion by Jeanette Kirkpatrick, seconded by Carla Cady, to approve the list of proposed members, as presented in Mail Out #3, provided that SFCA staff confirm that there is no conflict of interest with that individual. Motion carried.

Review April 2009 Financials: Stacy Hach distributed and reviewed a Profit & Loss Statement (report) by Target Group for January through April 2009, a Balance Sheet as of April 2009, a 2009 Monthly Enrollment Activity by Target Group through April 2009, and a Statement of Cash Flows for January through April 2009.

- A report on SFCA's recently-completed 2008 audit will be presented at the June meeting of the SFCA Board. Once finalized, SFCA will be able to determine where it stands in relation to its risk sharing agreement with the State for 2008.
- SFCA may receive a favorable retrospective rate adjustment from the State. SFCA continues to show a small profit for 2009, but claims going back as far as January are still being accepted. Generally, providers must bill within 90 days, but SFCA temporarily relaxed the claims submission requirements as transition to the new claims paying system occurred.
- The number of people enrolled in the program remains less than had been projected. Current enrollment reports reflect a member's status (nursing home or non-nursing) at the time the member first enrolls in the Family Care program. It does not reflect any changes in the member's status that may occur after they've enrolled. SFCA plans to investigate whether this would have resulted in figures being either overstated or understated.
- SFCA costs are slightly over projections. Operating Expenses reflect costs associated with some high cost members transferring out from facilities into other living arrangements.
- When budgeting for Care Management costs, SFCA allocates 1/12 each month but pays actual Care Management costs every month, reconciling those budgeted/actual costs at year-end. The financial reports reflect the maximum annual cost for Care Management.
- The Balance Sheet still reflects a high number of providers who received advances from SFCA to ease any burden resulting from the transition to the new processing system.
- Under the terms of a corrective action plan in place with the State, SFCA's Working Capital requirement has to be below the State's requirements for three consecutive months.
- Ms. Buros emphasized to the Board that SFCA is very conservative in its financial management.
- State budget cuts are expected to have a significant impact on Economic Support areas.
- SFCA has been told that the expected State budget cuts will not mean any changes to the Family Care benefit package and SFCA's expansion schedule for 2009 or 2010 should not be affected either.

Wisconsin's Joint Finance Committee will be addressing human services aspects of the proposed State budget this week.

- The Board would like to see Per Member Per Month data added to the financial reports and the Prior Year Unaudited removed.

Motion by Larry Wolf, seconded by Karen Thomas, to receive SFCA's financial reports.

Review and Approve Authorization to Request SFCA Line of Credit: For a few years now, the State has held up its June capitation payment to the Managed Care Organizations and sometimes October's as well, until July/November. As this has a short-term negative affect on SFCA's cash flow, SFCA had intended to ask the Board at today's meeting for approval to request a Line of Credit. However, SFCA since has learned that banks would be reluctant to issue SFCA a line of credit, as SFCA does not have the collateral to back such a loan. SFCA is withdrawing its request for the Board to authorize requesting a Line of Credit and, instead, is looking at other ways to adjust its cash flow. SFCA also could ask WPS to adjust its timeframe for processing providers' claims; SFCA's contract with providers allows SFCA 30 days. SFCA also plans to ask that the State NOT withhold its June capitation payment.

Confirm Next Meeting Date/Location and Solicit Agenda Items: The next scheduled Board meeting will be Monday, June 15, 3:30 p.m. – 7:00 p.m., at the Spring Green Community Library. This will be the Board's Annual Meeting. The Board agreed that the usual posting requirements would be sufficient.

Adjourn: Motion to adjourn by Betty Broadbent and seconded by Joan Fordham. Motion approved. The meeting adjourned at 6:35 p.m.

Respectfully submitted,



Linda Overbeek
Executive Assistant
Southwest Family Care Alliance