

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

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

**Members absent:** Beverly Larson, Philomena Poole

**Others present:** Teri Buros (SFCA), Tammy Garrelts (SFCA), Joan Hansen (SFCA), Stacy Hach (SFCA), Greg Holcomb (Green), Randy Jacquet (Richland), Patty Kemerling (SFCA), Tom MacDonald (Lafayette), Terry Metzger (SFCA), Linda Overbeek (SFCA), Steve Ruff (Juneau), Sara Ryan (Crawford), Tom Schraeder (Hodan Center), Sherrie Sime (SFCA), Jean Zweifel (Greenco Industries). Sue Hebel and Gina Thill (both from Sauk) attended to present the Focus Segment of today's meeting.

**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 Joan Fordham, to approve the agenda and posting. The motion carried.

**Approve Minutes of the October 19, 2009 Board Meeting** (Mail Out #1) Motion by Betty Broadbent, seconded by Karen Thomas, to approve the minutes. The motion carried.

**Approve Minutes of the October 19, 2009 Personnel Committee Meeting** (Mail Out #2): Motion by Larry Wolf, seconded by Joan Fordham, to approve minutes of the Personnel Committee's October 19, 2009 meeting. The motion carried. [Note: Only Board members present who also are on the Personnel Committee voted on this.]

**Citizen Comments:** There were none.

**Executive Report to the Board:** Teri Buros reported to the Board.

- **SFCA Business Plan:** SFCA's 2010 Business Plan was delivered to the Department of Health Services (DHS) on October 30. Mr. Metzger and Ms. Buros will be meeting with DHS staff on November 30 to get DHS' feedback. In the meantime, there've been no comments or questions from DHS.
- **Staffing:** Ms. Buros was pleased to announce that the Director of Care Management position has been filled. Sue Hebel has been hired and will assume that role on December 7. Ms. Hebel is both an RN and a licensed Social Worker and currently is the Long Term Support Manager/Sauk County Human Services. Gina Thill, currently Supervisor in Sauk's Long Term Support unit, will become the Sauk County Long Term Support Manager.
- **Assembly Committee on Aging and Long Term Care:** The Assembly Committee on Aging and Long Term Care held an informational hearing on Family Care on November 12. Testimony was given by 13 invited speakers, representing Managed Care Organizations, Aging and Disability Resource Centers, providers, consumer advocates, and the Department of Health Services. In general, there was a lot of praise for the Family Care program. Concerns expressed

by those in attendance focused on the financial stresses the program is facing due inadequate funding, which is causing significant problems for providers and other stakeholders. DHS bore the brunt of the criticism for the current situation with statements directed toward “too much focus on cost containment, rapid expansion, and flawed rate structures”. The hearing was recorded and can be viewed via a link on the Wisconsin Eye website, [www.wiseye.org](http://www.wiseye.org).

**Update on SFCA Office Space** (Mail Out #3): Mr. Metzger reported on the status of SFCA’s plans for office space when its current lease expires on January 31, 2010. After exploring options with the current landlord and considering alternative sites, SFCA located a suitable site at 28526 US Hwy 14, Sextonville, approximately five miles east of SFCA’s current location. The new site will provide enough square footage to meet SFCA’s current needs for staff and meeting space and ample space for expansion, if and when SFCA might need it. The landlord will make all requested leasehold improvements, and it will be cost effective. SFCA will open for business at the new site on February 1. Arrangements will be made to hold a future Board meeting at the new SFCA location.

**Approve Appointments to Grievance and Appeal Committee; Take Action on Same, if any:**  
There are no new appointments for the Board to consider.

**Approve SFCA Position on the State of Wisconsin’s Definition of Pre-vocational Services; Take Action on Same, if any** (Mail Out #4): Ms. Buros handed out copies of a “Frequently Asked Questions” document, just received from the Department of Health Services (DHS) on Nov. 13. It’s an update to the information in Mail Out #4. DHS would like us to send this out to all members currently receiving services. Ms. Buros explained that DHS has received a lot of feedback regarding their proposed redefinition of prevocational services, and she feels that they’ve taken a step back to reconsider their position.

The Board suggested that specific reference to SFCA’s definition of pre-vocational services should be added to SFCA’s draft position statements (document B of Mail Out #4). Motion by Joan Fordham, seconded by Betty Irwin, that and that the Board approve SFCA’s position with that specific reference added.

**Receive 2009 October Financials and Enrollment Report; Take Action on Same, if any:** Terry Metzger distributed and reviewed copies of SFCA’s Financials as of October 31, 2009 (Income Statement, Balance Sheet Statement of Cash Flows, and Notes to the Financial Statements) and a report on 2009 Monthly Enrollment Activity by Target Group.

- SFCA experienced a significant bump in capitation income, largely due to risk share revenue and, to a lesser extent, to an acuity adjustment by DHS. This was offset, however, by a dramatic increase in direct member service expenses. Losses continue to negatively impact SFCA’s financial liquidity.
- SFCA’s Per Member Per Day costs currently stand at \$82 and are expected to increase to \$84. SFCA has to address this aggressively.
- SFCA’s Provider Network team is working on measures to make the network as cost effective as possible. SFCA may need to make deeper spending cuts than first expected in order to achieve solvency. Asked whether SFCA’s providers are overpriced, Mr. Metzger indicated that, while there may be some that are, that’s not the case across the board. Rather, the steps SFCA is taking are strategically driven. SFCA has been analyzing each provider contract carefully and is sending letters to providers today regarding the rates SFCA would pay them in 2010 for contracted services. SFCA Provider Network staff will be meeting with providers as needed.

- The Care Management Units have worked hard to identify efficiencies which will result in approximately \$650,000 in savings. The Care Management rates for 2010 have been negotiated, and they will not be revisited. Rather, the focus now has moved from rate negotiations to care planning.
- SFCA is not unique in the fiscal challenges it is facing. All of the other Managed Care Organizations are in the same dilemma.
- A required two-day training for all SFCA staff and all Directors and Supervisors in SFCA Care Management Units is planned for Dec. 10/11 to reinforce training on the Family Care model. This training then will be taken to the Care Managers.
- SFCA's relatively small size presents challenges. The organization will benefit from achieving efficiencies and adding more members. SFCA's survival depends on it.
- SFCA is taking these matters very seriously. While a case can be made that the Family Care program is not adequately funded, we can not rely solely on State funding for solvency.
- Should Board members be contacted by SFCA providers with concerns or issues, Board members are asked to direct those providers to SFCA so that those concerns/issues can be addressed.
- The Balance Sheet shows a decrease in assets. This is primarily a matter of timing related to when SFCA issues payments to providers. There's been little change in liquidity; SFCA will monitor this closely going into the 1<sup>st</sup> quarter of 2010.
- SFCA will be meeting with DHS representatives on Nov. 30 and, among other things, plan to discuss SFCA's lean balance sheet.
- SFCA finally has received formal notice of the funding it'll receive for meeting its Pay for Performance goals for 2008. SFCA has booked \$55,000 but actually will receive \$75,000.
- Care Management expenses remain below budget year-to-date and are expected to remain so through the end of this year.
- Other items of note are listed in the "Notes to the Financial Statement" that are a part of the handout.
- Enrollment remains below projections.

Motion by Joan Fordham, seconded by Karen Thomas, to receive the financials, as presented.  
Motion carried.

**Discuss Provider, Service Utilization, and Claims Reports** (Mail Out #5): At its November meeting the Board had requested additional detail on payments to providers in 2009. The reports contained in Mail Out #5 were created in response to that request, and Ms. Hach reviewed those reports, which are:

- Provider claims paid as of 10-23-09 for January 2009 through June 2009, in alpha order by provider the total claims paid each provider for services during that time period;
  - It was noted that neither this report, nor any of the others in this Mail Out, are inclusive of data from the counties that implemented the Family Care program on July 1, 2009.
- Provider claims paid as of 10-23-09 for January 2009 through June 2009, in order from high to low dollar amounts the amount of total claims payments paid each provider;
  - The names of some providers who operate under more than one name have been combined for purposes of this report.
- Total claims paid by service category for January 2009 through June 2009;
  - The top services used by SFCA members, shown by amount paid from high to low, are residential services (adult family homes, community-based residential facilities, and nursing homes), care management, and supportive home care. These are the focus of SFCA's efforts

- to realize cost savings. 80% of services SFCA paid for during this time period were from 34 providers.
- The top five SFCA providers expressed as a percentage in the top service categories;
    - In the Adult Family Home category, costs attributed to Timber Trail and Greenco Industries are significantly higher than other providers in that category. This can be attributed to the fact that they work with some members with severe behavioral needs;
    - Some Board members indicated that it might be useful to know the hours of service provided per member per month. Ms. Buros noted that it wouldn't be possible to set a 'standard' amount per member as different members have different outcomes, but consideration can be given to what options there are for meeting a particular outcome and which are most cost-effective.
  - Information about claims processed by WPS, SFCA's Third Party Administrator.
    - The member month count includes partial months as well as full months.
    - A Board member noted that the reasons for rejected claims should be examined.
    - An increase in PMPM claims could be attributed to the fact that some providers bill more than once a month. It was noted that SFCA is not charged a per claim fee by WPS. Why not establish a requirement that providers can bill SFCA no more than once a month? Ms. Kemmerling noted that, while this could be considered, it could be a hardship on smaller providers, e.g., 1 -2 bed adult family homes, if such a requirement were imposed on them.
    - 77% of claims WPS had processed as of October 2009 had been submitted to them either electronically or via a spreadsheet SFCA had created for this purpose. SFCA had expected that it would take much longer to achieve that level of compliance.
  - The creation of SFCA's Internal Auditor position has proved to be very cost-effective.
  - SFCA's recently acquired ability to isolate data in various ways will be extremely valuable to the Care Management Units and to SFCA. Ways that SFCA now can sort data include by Care Management Unit, by Care Manager, by RN, by the member's level of care, by target group, functional screen costs, and by service costs. The Care Management staff and SFCA can see what's driving costs and identify possible red flags pointing to possible discrepancies, e.g., inaccuracies in a member's Functional Screen versus the services that member is receiving.
  - At their December meeting the Board would like to see data showing how often providers are paid, how many and which are billing more than once a month, etc., and to discuss this further.
  - Ms. Buros noted that SFCA is looking to identify the top three reports that Care Management Units should run each month.

**Approve Per Diem/Mileage Reimbursement Rates for SFCA Board for 2010; Take Action on Same, if any** (Mail Out #6) The SFCA Board must decide if it wants to make any changes to the per diem/mileage reimbursement rate it allows for Board members who are consumer or member representatives. Motion by Betty Broadbent, seconded by Karen Thomas, that the Board not make any changes in its per diem/mileage reimbursement rate for consumer/member representatives. The per diem rate will remain at \$40, and the mileage reimbursement rate will remain linked to the current IRS rate. The motion carried.

**Approve SFCA's Plan of Action to Address 2008 Audit Deficiencies; Take Action on Same, if any** (Mail Out #7): Terry Metzger stated that he'd made two attempts to contact Jack Vig to schedule a meeting to discuss the audit issues but, to date, has not received a response. Mr. Metzger met with SFCA's Business Manager (Stacy Hach), SFCA's Accounting Supervisor (Chris Kammes), and SFCA's Internal Auditor (Neil Heidenreich) to discuss the deficiencies noted by Vig and Associates, and they identified changes needed going forward to address those deficiencies. See

Mail Out #7. Board members wondered if SFCA, having grown tremendously as an organization since its inception, should explore whether the organization's needs might be better met at this point by an auditing firm with more experience; Mr. Metzger will look into this. Vig and Associates still will be used for SFCA's 2009 audit.

**Discuss and Approve Contract with SFCA Chief Executive Officer; Take Action on Same, if any** (Mail Out #8): At the October 19, 2009 board meeting, a motion had passed that the SFCA Board authorize that a two-year contract as Chief Executive Officer, to be effective immediately, be offered to Teri Buros. There was discussion as to what the Board intended when they approved entering into contract with Ms. Buros. It was decided that the draft contract (Mail Out #8) did not reflect the Board's intent, which was to offer Ms. Buros the CEO position effective immediately and then revisit the CEO position in two years. Ron Leys made a motion that the issue be taken back to the Personnel Committee. However, the Board decided that wasn't necessary, and the motion was not seconded. The Board directed Sherrie Sime to contact Attorney Andy Phillips to advise him of the Board's intent on this and to get his legal advice as to how the Board should proceed at this point. This topic will be revisited at the Board's meeting next month.

**Approve Community First Bank Spotlight on SFCA in Bank's Newsletter; Take Action on Same, if any**: Ms. Hach stated that Community First Bank (CFB) of Richland Center highlights one of their customers each month on CFB's website. They recently approached SFCA to ask if SFCA would be willing to be featured in an upcoming edition of that newsletter. The matter was brought to the Board to see if they had any concerns about participating in that way; the Board said they did not. It was decided that a motion on this was not required.

**Break**

**Focus Segment: Presentation on Outcome-Based, Member-Centered Planning**: Following a ten minute break, Ms. Buros called on Bill Orth, Director, Sauk County Department of Human Services, who introduced Sue Hebel and Gina Thill. Board members and others present introduced themselves. Ms. Hebel and Ms. Thill gave a PowerPoint presentation, describing the assessment and member-centered planning process and handed out copies of their presentation.

**Next Meeting Date/Location/Solicit Agenda Items**: There was discussion about whether the Board needed to meet in December or not. It was decided that there was a need, and the next scheduled Board meeting will be Monday, Dec. 21, 3:30 p.m. – 7:00 p.m. SFCA management will explore the possibility of holding Board meetings via teleconference.

**Meeting Adjourned**: Motion by Betty Broadbent, seconded by David Hammer, to adjourn. Motion carried, and the meeting adjourned at 7:00 p.m

Respectfully submitted,



Linda Overbeek  
Executive Assistant  
Southwest Family Care Alliance