

COMMUNITY CARE OF CENTRAL WISCONSIN

Board Meeting Minutes: Approved

DATE: May 26, 2010
PLACE: Central Wisconsin Airport, Conference Room A
TIME: 3:00 – 5:00 p.m.
PRESENT: Ken Day, Peter DeSantis, Peter Hendler, Lonnie Krogwold, Rob Kublank, Janis Ribbens
EXCUSED: Jim Clark, Keith Langenhahn, Donna Rozar
OTHERS PRESENT: Jim Canales, Mark Hilliker, Lucy Runnells, Jody Zuege, Tara Adam, Kim Heller (Wipfli)

1. The meeting was called to order at 3:00 p.m. by Chairperson Ken Day.
2. Notice of this meeting was provided to Marathon, Portage, and Wood County Clerks; major newspapers of Wausau, Marshfield, Wisconsin Rapids, and Stevens Point; and the CCCW website.
3. No public comment was made.
4. Motion by Peter DeSantis, seconded by Janis Ribbens, to approve the Minutes dated April 28, 2010. Motion carried.
5. Board Education/Governance Monitoring
 - A. Presentation of the CCCW Official External Financial Audit
Kim Heller from Wipfli LLC was in attendance to report on the findings of the 2009 financial audit to the CCCW Board of Directors. She explained the purpose of the audit, how Wipfli determines what is reviewed through the audit process, and addressed information in the Required Communications Letter issued by Wipfli, highlighting the items of most importance to the Board:
 - The tolerable error amount, which indicates the highest amount that would be considered a tolerable misstatement, was set at \$313,000. This amount was established based upon the organization's assets of \$12,340,209 and total revenue of \$94,402,251.
 - The unadjusted threshold limit was set at \$3,000; anything over that amount is adjusted in the financial statements. Two items identified on the Unadjusted Difference Schedule were the understatement of capitation receivable at \$(6,746) and the understatement of ICF-MR retro-rate receivable at \$(9,696). Kim stated these two items amount to a very insignificant amount for an organization the size of CCCW's.
 - As CCCW is covered under governmental auditing standards, some additional audit work is required related specifically to Accounts Payable, Accounts Receivable, Payroll, and financial reporting. No areas of concern were identified in these areas.
 - No concerns in the audit process were identified as a result of auditing internal control processes.
 - The risk reserve requirement for 2009 was not in compliance with the state contract and was, therefore, identified as an issue. Kim stated that Wipfli understands that CCCW believes it will become compliant with state contract requirements in 2010. The Board is well aware of this issue, as CCCW

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Administration had kept Board members apprised of this information throughout 2009.

- The most significant accounting estimates are the IBNR from the State of Wisconsin and the allowance for Accounts Receivable. As a result of the audit, Wipfli did not identify information which they felt was inordinant.
- Kim reviewed the financial statements with the Board, pointing out significant changes from 2008's audit to the current audit of 2009. The difference in numbers shows the significant growth that CCCW experienced between 2008 and 2009; she stated that the attention given to internal controls was very positive.

Kim indicated that the extensive growth which CCCW experienced during 2009 would ordinarily have resulted in major accounting issues. She complimented the staff on excellent accounting practices and management of the organization's fiscal affairs. Kim was very complimentary of the assistance and cooperation received of CCCW staff, in particular, of both Lucy Runnells and Jason Taylor. This cooperation enabled Wipli to be efficient during the audit process, thus providing a good, quality audit. Chairperson Day, on behalf of the Board, also complimented CCCW administration on having provided excellent management of the organization's fiscal affairs during a rapid growth formation period of the organization. Motion by Peter DeSantis to accept the audit; seconded by Peter Hendler. Motion carried. Lucy Runnells will submit the signed audit to the State.

B. CEO Issues Update

- Jim Canales reported that plans for office space increases are being implemented in Stevens Point and Wisconsin Rapids. Analysis of member participation projections through 2018 was used to determine office capacity and need for additional space through this time period. The office location in Marshfield is the only CCCW facility without the capacity for office expansion.
- Jim Canales provided an update on CCCW being part of the Wisconsin Family Care Association (WFCA), in which there is participation of nine MCOs. WFCA is currently discussing strategies to move forward in regard to the next legislative budget and new administration. Due to the financial struggles of most MCOs, there continues to be discussion to develop strategies that will lead to additional funding for Family Care. The CCCW Board is in alignment with CCCW efforts to focus on cost containment strategies in order to operate effectively within capitation levels. The Board reiterated its belief that one of the primary drivers for the implementation of Family Care was to contain cost in order to be able to afford the expected growth in eligible participants. The Board supported the CEO's approach that CCCW continues to support a collaborative partnership between CCCW and the State to contain costs, and supports the use of the current actuarial approach to determining reimbursement schedules until such time as this method is proven unsound, or until an improved method based upon appropriate criteria is developed.

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C. Monitoring Reports

- Lucy Runnells reviewed the Income Statement, and indicated that progress is being made with a decrease in average per member, per month costs. She also indicated that due to the State withholding the capitation payment in the month of June, it may be wise to consider using the available line of credit for that month's expenses and provider payments.
- Mark Hilliker explained that cost savings are being achieved with members using Self-Directed Supports. The percentage of CCCW SDS members is at 19-20%, which is higher than the state average for other MCOs; however, CCCW feels that number is able to be increased even further.

6. Board Policy Discussion

A. Discussion and Approval of CCCW Request to Acquire Short-Term Line of Credit for End-of-Year Cash Flow Requirements

- CCCW's Legal Counsel has provided a short-term line of credit Resolution which requires signature by the Board. After review, the last three paragraphs in the Resolution will be modified to limit the ability to access the line of credit to only the CEO and the CFO. Motion made by Peter Hendler to approve the Resolution of the short-term line of credit; Lonnie Krogwold seconded. Motion carried.

B. Discussion and Possible Action Regarding the Establishment of a Board Policy to Address the Disposal of CCCW Assets Which Are No Longer of Use to the Organization

- Administration requested the Board provide, through a policy statement, direction as to how unneeded assets such as computers, desks, etc. should be disposed of by the organization. It was suggested that the Board adopt a policy which empowers the CEO to dispose of unneeded assets consistent with management limitations, policies, and sound business practices. After discussion, the Board agreed to have Chairperson Day draft a policy statement for Board approval at its next meeting which would provide Administration this authority. In the interim, the Board agreed the CEO should proceed with the disposal of current, unneeded assets.

C. Review Redraft of the CCCW Bylaws Document in Preparation for Expansion of CCCW to Include Services to the Geographic Area of Langlade and Lincoln Counties

- Modifications to the Bylaws document as discussed in the previous month's meeting were made by Chairperson Ken Day and reviewed with the Board. Chairperson Day explained the changes to the Bylaws and the proposed process to be used to move forward with approval of the expansion by Langlade and Lincoln County Boards. The Board approved the revised draft which will be sent to Attorney Dean Dietrich for his review, and then brought back to the Board for its final approval at its next meeting. After finalization, the revised Bylaws will be shared with the Portage, Wood, and Marathon County Boards for their information, and the Bylaws will be provided to both Boards of Langlade and Lincoln Counties with the appropriate County Board resolution for their approval to join the CCCW organization.

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- D. Review and Possible Action of the Adoption of the CCCW Strategic Plan
- Mark Hilliker presented broad strategy elements for the four main issues staff and Board identified in the CCCW Strategic Plan. Upon Board approval, Administration will begin to develop the implementation strategies required to bring the plan to fruition. Administration will develop timelines, create performance indicators, identify reporting guidelines, and implement the plan. CEO Jim Canales complimented Mark on the work done with creating the Strategic Plan, as it focuses the attention of the organization on critical items needed for direction. Peter DeSantis motioned to approve the Strategic Plan; Peter Hendler seconded. Motion carried.
7. Next Meeting Agenda Items
- A. Monitoring Reports
- Member Report
 - Income statement
 - Bringing Care Under Management Report
- B. Board Actions
- Election of Board Officers
 - Review and Adopt Revised Board Policy Revisions
 - Review and Approve Proposed Revisions to the Organization Bylaws for CCCW Expansion
 - Administrative Review of Plan for Employee Wellness Program
 - Draft Policy Relating to Disposing of Unnecessary Assets
8. The next Board meeting will occur on June 23, 2010 from 3-5 p.m. in Meeting Room A at Central Wisconsin Airport.
9. There being no further business, Motion by Janis Ribbens; seconded by Lonnie Krogwold, to adjourn. Motion carried.

Respectfully submitted by Tara Adam, CCCW Executive Assistant