

COMMUNITY CARE OF CENTRAL WISCONSIN

Board Meeting Minutes: Approved

DATE: May 25, 2011
PLACE: Central Wisconsin Airport – Mosinee, WI
TIME: 3 p.m.
PRESENT: Board Members Jim Clark, Ken Day, Peter DeSantis, Peter Hendler, Judy Karpf, Rob Kublank, Arlene Meyer, Janis Ribbens, Donna Rozar, Gene Simon
EXCUSED: Board Member David Morse
OTHERS PRESENT: Jim Canales, CCCW Chief Executive Officer; Mark Hilliker, CCCW Chief Operations Officer; Lucy Runnells, CCCW Chief Financial Officer; Jody Kohl, CCCW Human Resources Director, Wipfli Representative Kim Heller, RN Service Coordinator Jackie Szehner, SDS & Training Manager Kate Norby, CCCW Member Jerry Cywinski

1. The meeting was called to order at 3:00 p.m. by Board Chair Ken Day.
2. Notice of this meeting was provided to Marathon, Portage, and Wood County Clerks; major newspapers of Wausau, Marshfield, Wisconsin Rapids, Stevens Point, Antigo, and Merrill; and the CCCW website.
3. No Public Comment.
4. Board Chair Day announced the appointment of Board Member-At-Large Rob Kublank, who will remain on the Board until the next reappointment.
5. Motion by Jim Clark, seconded by Donna Rozar, to approve the Minutes dated April 27, 2011. Motion carried.
6. Board Education/Governance Monitoring
 - A. Jerry Cywinski Presentation

A video about Self-Directed Supports (SDS) and the personal success felt to SDS from CCCW Member Jerry Cywinski was shown. Jerry's video described his personal struggles before being able to self-direct his supports and how SDS has allowed him to continue living in his own home while still being independent.
 - B. Administrative updates
 - ✓ Family Care Audit Update

The Legislative Audit Bureau completed a Family Care audit as directed to do so by the Joint Legislative Audit Committee in July 2010. The audit was completed in April 2011 and was encouraging in its results that the Family Care program is positive, overall. It was reported that Family Care costs, per person, per month (PMPM) average approximately \$1200 less than the cost of a person placed in institution care. Other findings include showing that Family Care has greater choices, more social interaction opportunities, a high consumer satisfaction level, and a nonexistent fraud rate. Due to the upcoming enrollment cap, the audit report indicated that a financial strain would be placed upon MCOs, as they will be unable to enroll lower-cost members to balance the higher-cost members, especially CRI enrollees, who are able to bypass the enrollment cap and enroll directly from a nursing home. The Legislative Audit Bureau, in its conclusion of the audit, asked the Department of Health Services to report on how capitated rates are set for the statewide MCOs and how oversight is provided by September 2011.

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- ✓ Update on Request for Additional State Funds
Based upon the extraordinary high number of CRI enrollments, CCCW requested assistance from the State for additional funds for 2010-2012. At this point of time, CEO Jim Canales stated that additional funding would probably not be expected for 2010, with the possibility of a small increment increase 2011 and 2012. The additional funding may stem from the Norwood ICFMR closure in Wood County and also through a program entitled, “Money Follows The Person.”

C. Monitoring Reports

- ✓ Wipfli Audit Presentation
Kim Heller from Wipfli LLC was in attendance to report on the findings of the 2010 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 \$870,000. This amount was established based upon the organization’s assets and revenue.
 - The unadjusted threshold limit was set at \$22,000; anything over that amount is adjusted in the financial statements. Kim was very complimentary toward the CCCW management and finance team and stated they do a very good job of reconciling. Kim complimented the staff on establishing quality internal controls that are in place at CCCW, especially considering the number of transactions handled.
 - An area of known noncompliance related to the organization was not meeting the working capital previously established by the Board.
 - Information that is most significant in the audit process are finance statement estimates. For CCCW, the most prominent estimates were the retroactive adjustments and the IBNR figures. The retroactive adjustment estimate was significantly different than the actual, \$1.7 million estimate compared to an actual \$700,000. After review it was determined that CCCW used the best information available to it at the time so this did not constitute an error or poor fiscal practices.
 - OCI conducted an audited Wipfli’s audit of CCCW and found no significant suggestions or recommendations.
 - Kim explained the Statement of Net Assets of 2010 vs. 2009. Some things pointed out were cash assets increasing by \$34 million due to CCCW receiving 2011 revenue in 2010; Portage County assets being removed in 2010 due to the transition agreement previous arranged; receiving only one quarter of the ICFMR settlement; and having an increase in the number of member months in 2010 which affected the revenue. This increase in revenue was negated by an increase of member costs and expenses. 2010’s bottom line saw a break-even with an increase in net assets of \$105,000.

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- ✓ Member Report
No significant changes were announced with the Member Report.
 - ✓ Income Statement
The Income Statement reflected a positive net income figure of \$1,337,986, which included \$950,000 of retro rate adjustment. Also impacting this positive number is the fact that institutional costs dropped dramatically as there were fewer members using nursing home services in 1st Quarter 2011 vs. 4th Quarter 2010.
 - ✓ Quality Indicator Report
The Quality Indicator Report's new, simplified format was explained to the Board by COO Mark Hilliker. The report provided information for the 1st Quarter 2011, i.e., member appeals, number of disenrollments and reasons for disenrolling, number of members who self-direct, and specifics on critical incidents that took place. Mark also explained how the report works with teams to make sure that CCCW is moving in a positive direction.
7. Motion to go Into Closed Session
Ken Day made a motion to go into Closed Session pursuant to Section 19.85(1)(c) and (f), Wis. Stats., for the purpose of considering compensation of public employees over which the Board exercises jurisdiction and discussion of investment of public funds which for bargaining reasons requires a Closed Session, including discussion regarding status of contract negotiations with Union representing Agency professional employees. Motion seconded by Donna Rozar. Roll call vote taken; all voted in favor.
8. Return to Open Session
9. In the return to Open Session, an announcement was made that no action was taken in Closed Session.
10. Board Policy Discussion/Actions
- A. Consideration of a Revised CCCW Investment Policy as Requested by the State of Wisconsin
CFO Lucy Runnells discussed a document which included changes in the CCCW Investment Policy. The changes included how funds are being allocated and that funds cannot be removed without approval. Motion by Donna Rozar; seconded by Gene Simon to approve the changes. At this time, Chair Day requested to amend the motion by changing the first bullet point to read "maximum rate of return on principal." Rob Kublank seconded the amendment; the Board unanimously passed the amendment and then the main motion.
 - B. Review and Consideration of Revisions to the CCCW Board of Directors End Statement Policies
Chair Day led a discussion of the original five End Statement Board Policies created by the Board in 2009. CEO Jim Canales requested that End Statement #5 include the phrase "fiscal constraints/opportunities," to better explain what that may mean for CCCW. Discussion of other aspects of the End Statement Policies continued and included requests to possibly add another End Statement Policy or break down the existing End Statements with bullet points. The Board will reconvene on this issue at the June Board Meeting.

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11. Next Meeting Agenda Items
 - Administrative Reports
 - Member Report
 - Income Statement
 - Bringing Care Under Management Report
 - Board Actions
 - Election of Board Officers
 - Review and Reaffirm Board Process Policies
 - Review and Reaffirm Organization Bylaws
12. The next Board meeting will occur on June 22, at 3 p.m. in the Lower Level Conference Room at Central Wisconsin Airport.
13. There being no further business, the meeting was adjourned with a motion from Donna Rozar; seconded by Arlene Meyer. Motion carried.

Respectfully submitted by Tara Adam, CCCW Executive Assistant