

**Walworth County Board of Supervisors
Lakeland Health Care Center Board of Trustees Meeting Minutes
Wednesday, September 11, 2019
Walworth County Government Center, County Board Room 114
100 West Walworth Street, Elkhorn, Wisconsin**

Chair Ken Monroe called the meeting to order at 1:00 p.m.

Roll call was conducted, with the following members present: Chair Ken Monroe, Vice Chair Tim Brellenthin, and Supervisors Kathy Ingersoll, William Norem and Charlene Staples. A quorum was declared.

Others in attendance:

County Board members: County Board Chair Nancy Russell

County staff: County Administrator David Bretl; Lakeland Health Care Center (LHCC) Administrator Timothy Peek; LHCC Assistant Administrator Taya Walk; Human Resources Director Kate Bishop; Director of Health and Human Services (HHS) Elizabeth Aldred; Deputy Director of HHS Carlo Nevicosi; Finance Director Jessica Conley; Finance Manager Stacie Johnson

Members of the public: Gary Wagner, Lake Geneva; Veronica VanAntwerp, Delavan, WI

Supervisor Norem made a motion, seconded by Supervisor Ingersoll, to approve the agenda as presented. Motion carried by voice vote.

On motion by Supervisor Ingersoll, seconded by Supervisor Norem, the minutes of the September 3, 2019 Board of Trustees special joint meeting were approved by voice vote.

Public Comment – There was none.

New Business

- Walworth County Proposal Recommendation – Pharmacy and IV Therapy Services for Lakeland Health Care Center (LHCC)

LHCC Administrator Timothy Peek reported they received two proposals. Based on scoring and the proposal reviews, staff recommends award to Omnicare, who was also the lowest bidder. The contract is for three years, with opportunity to renew for five additional one-year periods. Supervisor Staples asked if the services were based on a 120-bed facility, and Peek said yes, but the costs would decrease with a reduction in beds. **Supervisor Norem made a motion, seconded by Vice Chair Brellenthin, to recommend award of the proposal to Omnicare a CVS Health Company. Motion carried 5-0.**

- Walworth County Proposal Recommendation – Oxygen Services for Lakeland Health Care Center Staff recommended the contract be awarded to Specialized Medical Services, the current vendor. The contract period runs from October 1, 2019 through September 30, 2022, with the option to renew for two additional one-year periods. **Supervisor Norem made a motion, seconded by Supervisor Ingersoll, to recommend award of the proposal to Specialized Medical Services. The motion carried 5-0.**

- County Administrator's 2020 proposed budget as it relates to LHCC
County Administrator David Bretl said Peek prepared a presentation that will explore options for the future of the Health Care Center. The 2020 proposed budget offers a number of possibilities with respect to LHCC, which is well over the 2019 project budget and has had to utilize contingency funds to continue operations. The decrease in revenue is the most significant issue impacting the future of the facility. Staffing shortages are a universal problem in the health care industry, and both private and public facilities have closed. Bretl acknowledged that operational improvements can be made; however, he commended staff and management for their dedication and efforts to maintain a high level of service.

Due to the foresight of previous Board members, a fund was established to sustain long-term operations, and \$1.14 million of the balance is needed to continue current operations in 2020. Bretl outlined possible options for future services: maintain the 120-bed census and conduct a referendum in November of 2020 to exceed the levy cap to continue operations; reduce long-term costs by downsizing to a 90-bed facility during 2020 and close some units; pay the daily bed tax to keep the remaining beds for potential future use; consider alternatives in care provision, such as Community Based Residential services; or find the \$1.14 million in existing budget funds, which would impact other departments. He encouraged the Committee to review all of the information on potential options thoroughly to make the best long-term decisions. Supervisor Staples stated previous studies have been conducted concerning operations with no resolution of the issues identified. She agreed the low Medicare reimbursement is a significant factor, but stated if the staffing issues could be resolved, she feels all 120 beds would be occupied.

Peek gave a comprehensive overview of the current situation at LHCC and the 2020 proposed budget. Components of the presentation included the workforce shortage; current compensation and benefits; financial resources; payment models; the statewide challenges facing nursing homes; growth in the aging population; and options for consideration for the future sustainable operation of LHCC. The shortage of qualified staff, the decrease in the census and Medicaid revenue have created a 2019 projected shortfall of \$505,000. Peek noted Governor Evers has created a Task Force on Caregiving to study current issues and explore a plan to implement recruitment and retention programs to expand the pool of health care providers. He presented a table of LHCC's wage steps for Certified Nursing Assistants (CNAs), pool and agency staff. Compared to wages in the region, LHCC pays consistently higher and has a better benefit package overall. Thus, pay is not a significant cause of the low staffing levels at the Health Care Center. The facilities payer mix is down, as well as the revenue stream because of the reduction in the census. July 2019 was a positive month; however, that was due to \$615,000 excess funding received from the State. Peek included news items on skilled nursing home struggles and closings statewide. He summarized revenue and expenses from 2012 to the present, which shows the ongoing loss in revenue and increase in expenditures, most of which is a result of payroll expense increases. Although Walworth County's population remains static, the age rate is increasing alarmingly. State legislators are becoming involved in advocating increases in Medicaid reimbursement at the national level, but the challenges of staff recruitment and retention and regulatory reform efforts continue.

Peek presented his recommendation on future options for LHCC. The facility's mission is to provide superior care which enhances quality of life and supports the independence of all of its residents. Peek said staff and the Board need to decide what the ultimate mission/passion should be, whether it be long-term care, a combination of long-term care and Memory care, and/or short term rehabilitation. Consideration should also be given to whether to expand services to other counties. Regardless of the service model chosen, funding sources to sustain operations is the ultimate decision that needs to be made. Peek's recommendation is to operate a 90-bed facility, which will promote sustained staffing, reduce overtime, provide time to assess potential future sustainable operations and maintain the remaining 30 beds until assessments are completed and decisions made. The long-term care environment needs to be reassessed. Attracting and retaining new employees might be accomplished by investing/partnering with Gateway to reimburse tuition fees for qualified and hired students at LHCC; investing in orientation and re-orientation; and investing in additional training for new hires through the mentor program. Even if LHCC reduced the census to 90 beds, it would remain the largest nursing home in Walworth County. The reduction to 90 beds would also enable vacating one of the units in the facility, which could potentially be repurposed for another level of care. Assistant Administrator Taya Walk has a presentation on alternatives which will be presented at the next meeting. Bretl suggested the Board could hold some special meetings as needed so some options might be decided before budget adoption in November.

Consensus was to hold a special Board meeting on Monday, October 7 at 3:00 p.m. for Ms. Walk's presentation.

Reports

- Report of Department Head concerning July and August 2019 Business Activities
Peek noted the reduction in overtime for licensed staff is continuing. The Business Office is diligently working on collections with outside assistance.

Correspondence – There was none.

Announcements – There were none.

Upcoming Events – The list of events was included in the agenda packet.

October 23rd is LHCC's spaghetti dinner and fundraiser. There will be silent bids for gift baskets and a raffle ticket sale. The event begins at 4:30 p.m. and runs until 6:30 p.m.

Confirmation of next meetings: A special meeting will be held on Monday, October 7 at 3:00 p.m. The next regular business meeting was confirmed for Wednesday, October 16, 2019 at 1:00 p.m.

Adjournment

On motion by Supervisor Staples, seconded by Vice Chair Brellenthin, Chair Monroe adjourned the meeting at 2:04 p.m.