

COUNTY BOARD STAFF/FINANCE COMMITTEES
Minutes - June 26, 2013

Call to Order. County Board Staff Committee Chair Podzilni called the joint meeting of the County Board Staff Committee and the Finance Committee to order at 7:30 A.M. in Conference Room N-1/N-2 on the fifth floor of the Rock County Courthouse-East.

Committee Members Present County Board Staff Committee – Supervisors Podzilni, Kraft, Arnold, Brill, Bussie, Jensen (7:33 A.M.), Mawhinney, Peer and Yankee. Finance Committee – Supervisors Mawhinney, Kraft, Beaver and Podzilni.

Committee Members Absent: Supervisor Fox (Finance).

Staff Members Present: Craig Knutson, County Administrator; Randy Terronez and Nick Osborne (at 8:40 A.M.), Assistants to the County Administrator; Sherry Gunderson and Sue Prostko, Nursing Home Administrators; Dave Sudmeier, Comptroller/Accounting, Rock Haven; Karen Cain, Public Health Officer; Charmian Klyve, Human Services Director; Phil Boutwell, Human Services Deputy Director; Carla Haigh, Human Services.

Others Present: None.

Approval of Agenda. Supervisor Arnold moved approval of the agenda as presented, second by Supervisor Yankee. ADOPTED.

Citizen Participation, Communications and Announcements. None.

Resolution for County Board Staff Committee.

Accepting Additional Income Maintenance Allocation and Amending the 2013 Budget to Hire, Equip and Train New Staff in Anticipation of Increased Caseloads with the Advent of the Affordable Care Act

“NOW, THEREFORE, BE IT RESOLVED the Rock County Board of Supervisors duly assembled this ____ day of _____, 2013 does hereby authorize the 2013 County Budget be amended to accept the additional ACA related funding and the above Economic Support staffing changes to become effective upon passage of the State funding for ACA and passage of this resolution.

BE IT FURTHER RESOLVED that the 2013 Human Services Budget be amended as follows:

...”

Supervisor Bussie moved approval of the above resolution, second by Supervisor Arnold. ADOPTED.

Resolution for Finance Committee.

Accepting FoodShare Bonus Funds and Amending the 2013 Budget

“**NOW, THEREFORE, BE IT RESOLVED** the Rock County Board of Supervisors duly assembled this _____ day of _____, 2013 does hereby authorize the 2013 County Budget be amended to accept the FoodShare bonus funds to be used to offset the start up costs for ACA; and,

BE IT FURTHER RESOLVED that the 2013 Human Services Budget be amended as follows:

...”

Supervisor Beaver moved Finance Committee Endorsement of the above resolution, second by Supervisor Kraft. ADOPTED.

Review and Discussion of Preliminary 2014 Budget Projections and Program Information - Rock Haven. Ms. Prostko went over the history of Rock Haven, which started out as the Poor Farm and Alms House in 1854, became the Asylum in 1881, the County Hospital in 1893, County Home in 1911, and Rock Haven in 1963. She went over the timeline and pictures of the construction at various stages of the new Rock Haven facility.

Ms. Prostko said they ended 2011 within budget; maintained an average daily census of 127 residents; increased private pay and Medicare patient days more than budgeted; supplemental payments were \$40,000 greater than budgeted; the unbudgeted certified public expenditure (CPE) payment was \$184,634; and their Medicare and private pay days were slightly above budget.

Ms. Prostko said they ended 2012 having to transfer \$255,000 from net assets for construction of the new Rock Haven, but also added \$767,326 to net assets leaving a net balance at 12/31/12 of \$3,949,269.

Ms. Prostko said in 2013 they are estimating 39,113 Medicaid days, the current amount per day is \$33.34 to come to \$1,304,000; the July 1, 2013 to June 30, 2014 estimate is \$33.50 to come to an estimated \$1,310,300; the estimated Supplemental Payment for July 1, 2012 to June 30, 2013 is \$1,280,000; received \$266,819 for participating in a Nursing Home Value Based Project survey, and we will need to have additional money transferred in 2013 from Net Assets for the New Rock Haven Building Project.

Ms. Prostko said for 2014 we are expecting approximately 85% of our resident stays will be covered by Medicaid, with Medicaid reimbursement covering about 52% of actual cost; the current Medicaid rate is \$154.90 per day, with the current Medicaid loss of \$145.10 per day. She went over Rock Haven’s costs from 2000, with a tax levy of \$6,631,679 through a projection of a \$4,437,814 tax levy for 2013.

Ms. Prostko said a 2% decrease in Medicare Part A funding became effective April 2013; facility rates were increased in 2013 with no anticipated increase for 2014; the 2013 daily room rate is currently \$300, and the intensive skilled rate in 2013 is \$337. Medicare will have a 1.4% increase on October 1, 2013.

Ms. Prostko said they are looking for a census mix of 110 Medicaid, 9 Medicare, and 8 private pay.

Ms. Prostko said the \$900,000 investment in geothermal is expected to be paid back within 9 years in cost savings with a focus on energy incentive of \$84,863 – a one-time payment. The prior electric and gas costs were over \$200,000 annually for the old Rock Haven and the projected annual costs for the new facility for 2013 is \$25,000 for natural gas and \$75,000 for electricity. After the June billing they will have more information to more fairly project their cost savings.

Ms. Prostko said once they have been in their new building for 6 months they will be able to apply for an appraisal to determine the property value in order to adjust their Medicaid rate to reflect their \$31 million project. She said they are anticipating a rate increase of \$15 per MA day for a total of \$600,000 in additional MA funding annually. This request has been sent to the State in June.

Ms. Prostko said the State reviewed a plan to increase the property component in July 2013. The anticipated increase would have bumped their daily rate by an additional \$2.50 per Medicaid day for an additional \$95,000 annually. They just found out that the State did not approve the anticipated increase.

Ms. Prostko said the 2013/2015 State budget provides up to \$39.1 million of supplemental payment to governmental homes to compensate for Medicaid losses. Our supplemental payment for 2011/2012 was \$1,289,859. Our supplemental payment for State fiscal year 2012/2013 is anticipated to be more than the 2011/2012 total. We are anticipating our supplemental payment for State fiscal year 2013/2014 to be \$1,310,300.

Ms. Prostko said their annual survey was completed with 11 Health Tags, all minimal with no re-verification visit, fines, and/or other penalties.

Ms. Prostko said their budget goal for 2014 is to request less tax levy than budgeted for in 2013. They hope to accomplish this by increasing Medicare and private pay census. She said they are not making changes to staffing for 2014.

Ms. Prostko thanked the Committees.

Review and Discussion of Preliminary 2013 Budget Projections and Program Information - Rock County Health Department. Ms. Cain handed out an organizational chart of the Health Department and said the Rock County Health Department is located in two offices – one at 3328 Highway 51 North, Janesville, and the other at 61 Eclipse Center, Beloit, employing a total of 36.6 FTE positions.

The Rock County Health Department is a Level III Health Department which is the highest level in the State of Wisconsin. All Health Departments must have the following five services: Communicable Disease Surveillance, Generalized PH Nursing Program, Health Promotion, Disease Prevention and Human Health Hazard Prevention and Control. To be considered a Level III Health Department they must be an agent for the state Hotel & Restaurant Program, an agent for the Tattoo & Body Piercing Program, and provide 14 additional programs or services.

Ms Cain went over the statistics for Rock County: we rank 58th in the state for overall health; there are many environmental issues affecting our health (i.e. lead, radon, unsafe wells, old homes, contaminated surface water); 20% of pregnant women smoke; 32% of our children at 2 years of age are not immunized; more than 50% of our citizens are overweight; and we rank in the bottom 10% of the nation for the number of STIs.

Ms. Cain said some of the things the Health Department does on a daily basis are: testing wells; restaurants inspections; follow up on animal bites; sample beaches; monitor private sewage systems to keep sewage out of our groundwater and the neighbors' well; inspect homes to keep children from getting lead poisoning; educate pregnant women on how to have a healthy pregnancy; offer immunizations so children don't get diseases; and follow up on disease outbreaks to try and halt the spread.

Ms. Cain said some of the unexpected things that come up are like the TB outbreak in Sheboygan County, which ranks 19th in county health rankings. They have 8 cases with the index case having 2 strains and is multidrug resistant; all the cases have been drug resistant. Their nurses have been working everyday for 2 months and the sanitarians are providing the clinic sites, transportation, etc. The routine communicable diseases are being followed up by Manitowoc County. The cost to Sheboygan County is being estimated at somewhere between \$2 million and \$7 million.

Ms. Cain said Rock County had 2 active cases and 23 latent cases of TB in 2000; 2013 we have 1 active case of TB we are investigating and 34 latent cases, which as the population ages we will more likely see these develop into active cases.

Ms. Cain said the outcome over the last year of having public health in Rock County are a 13% decrease in critical violations with swimming pools; a 14% reduction in critical food safety violations; 5 homes with children had high lead levels and were made safe; less than 2% of septic systems less than 25 years old failed; have detected 55 infants/children with developmental delays; provided 5,196 vaccinations; helped 35 pregnant women stop/decrease smoking, who have had 0% low birth weight infants; developed a countywide coalition to address the issues of childhood obesity; and have met all the obligations of state agent status and grant requirements.

2013 Budget. Ms. Cain said the current year revenues are:

- 1) Immunization increase \$14,000
- 2) Laboratory increase \$2,500
- 3) Sanitarian permits (septic systems) decrease \$24,000
- 4) MA billing decrease \$22,575
- 5) Prevention Grant \$18,000

- 6) Fetal Infant Mortality Review \$25,000

Ms. Cain said the current year expenses are:

- 1) Salaries/benefits decrease \$15,000, due to 2 open clerical positions and 1 maternity leave
- 2) Medical expenses decrease \$4,000

Ms. Cain said the projections for 2013 are: revenue will have an anticipated increase of \$12,925; expenses will have an anticipated decrease of \$19,000, which has an overall affect on the fund balance of \$31,925.

2014 Budget. Ms. Cain said her 2014 budget will be a cost to continue budget with the following assumptions: 2% increase in personnel costs; increase in Environmental Health fees; increase in MA reimbursable services; and allowable grant carryover. The 2014 projections for budgeted expenses are \$3,473,196, budgeted revenue of \$989,114, and budgeted tax levy of \$2,484,082, which is up \$118,289 or 5%.

Ms. Cain said she had two options to reduce the tax levy increase.

- 1) Look for grant money to close the shortfall.
- 2) Eliminate a 1.4 FTE Health Educator for a savings of \$118,378. The impact of losing the Health Educator would be: loss of Health Department representation on community coalitions (i.e. Brownfield Grant, County Health and Wellness Committee, Coalition to focus on STI reductions, Community Transformation Grant, Tobacco Free Kids; nobody to write grants; no one for website development such as the one she did on bedbugs; the PHN/RS staff to cover requirements of grant funded programs; and loss of revenue from fees. Ms. Cain then showed the website presentation the Health Educator did on bedbugs.

Ms. Cain thanked the Committee members and County Board for supporting the Health Department and helping keeping Rock County citizens safe.

Set Future Meeting Dates. Mr. Knutson said the next joint meeting will be the general overview and Developmental Disabilities. The Committees decided on meeting July 18th at 8:30 A.M. in N-1/N-2. Mr. Knutson said the joint meeting for the Sheriff's Office will be on August 23rd, 8 A.M. at the Sheriff's Office.

Adjournment: Supervisor Arnold moved adjournment at 9:22 A.M., second by Supervisor Peer. ADOPTED.

Respectfully submitted,

Marilyn Bondehagen
Confidential Administrative Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEES.