

SAMARITAN COMMITTEE

April 4, 2007

9:00 AM

Present: Dan Stoffel, Larry Hoffman, Paul Tuchscherer, Ed Somers

Excused: Ralph Hensel, Philip Laubenheimer

Meeting called to order at 9:00 AM.

Larry Hoffman moved to approve the minutes of 3/8/07, second by Paul Tuchscherer, motion carried.

2006 Year-End Financial Analysis - Samaritan will end 2006 with a charge to the enterprise fund of approximately \$2.7 Million. The primary reason for this charge is the Fields, Samaritan agreed to contribute \$2.1 Million to construction, additionally Samaritan covered the cost of all equipment purchased, all staff training for the new building, all start-up expenses, costs to cover Samaritan staff lost to the Fields, and expenses to replace staff at Samaritan.

Samaritan had approximately 4,568 hours of Family Medical Leave Act (FMLA) leave. Of this, there was approximately 3,972 hours that had to be replaced, for example Nurses have to be replaced on the schedule. These hours have to be covered using overtime or pool staff. Mr. Somers recommended to the committee that they encourage the state legislators to change the Wisconsin FMLA law to mirror the Federal FMLA law, as the federal law requires employees to use vacation and sick time first before unpaid time. The federal law also does not allow employees off to care for adult children, unless the children are disabled.

Utilities, Electricity and Natural Gas, ran \$88,161 over budget. This was due to the post Katrina spike that came after budgets were submitted, and the less than favorable pricing we were getting from the gas marketer. The committee already made the switch away from the gas marketer back to the utility and the domestic hot water system was switched out to a more efficient system. However the cost to replace the system was borne in 2006, over \$100,000.

The average daily census of Samaritan dropped from 196 the previous year to 188, but the number of admission increased significantly from 187 the previous year, to 221. We are serving many more people, sicker people, and people returning to the community. The complexity of our residents continually increases; drug costs have increased significantly due to the cost of intravenous medications, cancer medications, and wound care. The number of obese residents and their related conditions continues to rise. These high cost, high acuity residents would have few alternatives in the absence of Samaritan.

Samaritan has seen a dramatic increase in the number of Medicare HMO's covering our residents stay. In 2004, when the auditors developed the formula for determining bad

debt expense, they determined that any Medicare HMO in the aging for over 90 days would be deemed almost entirely uncollectible. This hadn't been a problem until 2006 when the number of Medicare HMO residents rose dramatically. These HMO's are much slower paying, in many cases over 180 days out, this caused a problem with the bad debt expense, it is greatly overstated. We will work with finance and the auditors to come up with a new calculation. There should be a large reversal in 2007.

Staffing in the larger departments is easily flexed when the census increases and decreases. The problem arises with the smaller departments. These departments have very defined numbers of staff that don't change over time. We will have to change some position classifications from Full Time to Part Time in these departments. Mr. Somers would also like to propose the county consider reducing the number of hours worked necessary to be eligible for health insurance from 40 per week to 36. This would allow for flexing of staff time in the smaller departments. Also, many cleaning firms that claim to be able to take care of Housekeeping and Laundry at substantial savings over what it currently costs have solicited Mr. Somers.

Mr. Tuchscherer would like to see three years worth of data with next years financial review because of all the anomalies caused by the opening of the Fields in 2006.

The committee directed Mr. Somers to release a Request for Proposals for Housekeeping and Laundry Services for Samaritan Health Center.

Family Care Steering Committee Update - The Department of Health and Family Services decided to not let Washington County become a single county Care Management Organization. The Aging and Disability Resource Center (ADRC) resolution will be coming before the full board as all the necessary committees have approved it. The next step is to open the ADRC and decide when and if Washington County wants to start up Family Care. Mr. Stoffel is concerned that services for Developmentally Disabled will suffer under Family Care.

Schematic Design Update - The committee reviewed the highlights of the Schematic Design at the last meeting. What's next is code review with the state and better budget numbers from the construction manager. The committee should plan for an extended meeting in May as there will be a lot of material to cover and a lot of discussion.

Additional Tenant Bedhold Policy - The Fields current bedhold policy is to have a tenant pay the full rent when they are out of the facility for vacation, hospital or a skilled nursing facility stay. This is the practice at most, if not all, assisted livings. The issue arises when two individuals rent an apartment and one of the two is out. Mr. Somers proposed the following "bedhold policy" addition is made to the Fields residency and services agreement:

Tenant 1 receives services and tenant 2 only pays room and board. If tenant 1 is out for a skilled nursing facility stay, tenant 2 pays service level 1 for one person throughout the time of tenant 1's stay at skilled nursing facility. If tenant 2 is out for a skilled nursing

facility stay, tenant 1 pays current service level only for the duration of tenant 2's stay at skilled nursing facility. If both tenants receive services, then the tenant not out on a skilled nursing facility stay pays their own service level for the duration of the stay.

Larry Hoffman moved to adopt the second tenant billing procedures into the Residency and Service Agreements, second by Paul Tuchscherer, motion carried.

Reports from Administrator

Union Contract - The union contract is now signed and back pay has been determined.

Equal Rights Case - The Equal Rights case brought by a former employee has been dismissed, there was no probable cause to believe Samaritan violated the Wisconsin Fair Employment Law. The employee has 30 days to appeal.

Annual Report - Due to the change in time requirements for submitting annual reports, 2006 satisfaction survey data will not be available in time to be included. The report is due to Linda Doro by 4/13/07 and satisfaction surveys go out mid April.

Larry Hoffman moved to adjourn at 10:15 AM, second by Paul Tuchscherer, motion carried.

The next meeting is scheduled for May 10, 2007 at 9:00 AM.

Dan Stoffel, Chairperson

Larry Hoffman, Secretary

Edward Somers, Administrator