

MINUTES

WEDCO BOARD OF HEALTH MEETING

Tuesday, June 4, 2013

Wedco District Health Department  
Conference Room

Cynthiana, Kentucky

6:00 P.M.

Dr. Bennett, Chairman  
Judge Barnett, Vice Chairman

**Members Present:**

**Harrison County**  
Dr. Derek Clarke  
Larry Wiley, R.Ph

**Nicholas County**  
Becky Reid  
Judge Mike Pryor

**Scott County**  
Jared Hollon, Judge Designee  
Sherry Taylor  
John M Bennett, M.D.

**Members Absent:**

**Harrison County**  
Alex Barnett, Judge Executive

**Nicholas County**

**Scott County**  
Jim McClanahan

Staff and Guest Present: Cathy Brunker, Gary Brunker, Reni Conrad, Karen Dettman, Carrie Johnson, Beth Kasa, Rachel Kendall, Donna Long, Beverly Marshall, Lorrene Rawlins, Sheila Stanaford, Gene Thomas, Patty Tolliver, Patricia Tschop and Crystal Caudill-Miller

With a roll call showing a quorum present Dr. Bennett called the meeting to order at 6:05 p.m.

Dr. Bennett acknowledged our guests and Crystal Caudill Miller introduced our new Director of Administrative Services, Jane Tatum. Jane greeted the Board and explained her previous employment history.

**MOTION #1**

Motion was made by Dr. Derek Clarke to approve the minutes from March 4, 2013. Becky Reid seconded the motion.

***Roll Call:***

Dr. Bennett – Abstain  
Jared Hollon – Yes  
Becky Reid – Yes

Sherry Taylor - Yes  
Larry Wiley – Yes  
Judge Pryor - Yes

No further discussion. Motion passed without opposition.

With no Old Business to discuss, the meeting moved forward to New Business with the Clinic Board report by Carrie Johnson, Clinic Nurse Administrator. Ms. Johnson shared that, beginning July 1, 2013, Wedco clinics will begin Same Day Scheduling. Clients will be seen on a first-come first-serve basis between 8a and 10a, or they can call the appointment line beginning at 8a and schedule an appointment time for later in the day. This is a very exciting change for Wedco with the goal being a reduction in the number of no-show rates and an increase in the number of services given. Wedco also hopes that this process proves to be more convenient for the patients. Also, Wedco is participating in the “Period of Purple Crying + Safe to Sleep” and “Cribs for Kids” programs. The goals of the programs are to reduce infant mortality rates from abusive

head trauma and unsafe sleep practices. Education will be provided to new parents through the Clinics, during HANDS visits and shared among community partners. The clinic YTD numbers were attached to the board report for review.

Lorrene Rawlins, Director of Nursing, discussed the Home Health board report. Ms. Rawlins advised the board that home health continues to struggle with a decrease in reimbursement rates. Medicare, Medicaid and Medicaid Managed Care rates have either been cut or pay the minimal cost per visit. Due to these cuts, Wedco has sought other avenues for reducing expenses by tapping into other resources. Specifically, we have found help in caring for the Indigent Population so that we may continue to provide care for those in need but not financially unable to pay. Medical Supplies reimbursement is another area Wedco has been successful at cutting costs by strictly monitoring items ordered. Wedco still continues to struggle with many issues surrounding the Managed Care Organizations. Home Health and EPSDT are currently owed over \$150K. Servicing and billing the MCO's has created a greater workload, thus causing Wedco to increase staff. Wedco is supposed to receive approximately \$480K in Cost Report Settlements which will help immensely in offsetting our costs for our Home Health program. Visits are increasing; therefore, we are meeting our goals for this year. Dr. Bennett wanted to clarify that we are not turning away any indigent patients and Ms. Rawlins assured him that Wedco is not and will continue to see these patients with the board's blessing. Ms. Caudill Miller explained that she has approached Bourbon County Health Department asking that they re-assume the responsibility of helping pay for indigent care; however, they are depleting their reserves this year and are not as financially solvent at this time. Ms. Caudill Miller is hoping that they will be able to help as time progresses.

Next, Mr. Gene Thomas, Environmental Director, gave the Environmental and Bioterrorism program report. During the past few months, Wedco has collected food permit fees. The penalty fee for those paying past January 1<sup>st</sup> has worked well to generate a prompt response from those who would normally pay late. All counties have shown an increase in the on-site sewage program. The Lake Carnico sewer project is expected to be completed by the end of June. Mr. Thomas gave Kristi Morris special thanks in her effort with working on this project faithfully over the last 3 years. Also, it is mosquito season again and the Kentucky Department for Agriculture offers a free mosquito fogging service. The Bioterrorism program received additional funding of \$27,700 from a grant which was used for a message board, updating equipment and training employees. Mr. Thomas wanted to specifically thank the Scott County Judge Executive, George Lusby and the Scott County Fiscal Court for their donation of a 1999 Chevrolet Suburban to serve our entire Districts needs. Wedco is currently in the process of applying logos on this vehicle to advertise all of services. This vehicle will allow us to be more versatile in serving our counties.

Ms. Jane Tatum, Director of Administrative Services presented the financial program report. Ms. Tatum stated that we are above board in revenue compared to last year. This year we are showing a surplus of \$369K. Ms. Tatum shared that she has included in her packet an overview of all certificates of deposits and investment funds. Mr. Larry Wiley asked what the Churchill Fund payment percentage is. Ms. Tatum explained that she didn't have the exact percentage but it is close to 1.9%. Ms. Tatum explained the FY 14 draft budget was submitted to the State; however, the board must vote on approval before the state will approve. State and

Federal allocations, Service Fees and Unrestricted funds continue to be Wedco's main source of revenue. It is expected that expenses will increase at an estimated \$167K for contracted services in FY 14. Unrestricted reserves needed to balance the FY 14 are estimated at \$653K compared to the \$251K for FY 13, primarily due to the proposed salary, contract and other operating expenses. Ms. Tatum stated this budget contains a recommended salary increase for staff to be incurred at their annual evaluation date. The impact of this salary increase would be spread throughout the year; therefore, the full impact would not be noticed until FY15. Dr. Clarke asked where Wedco's extra money would be coming from (i.e.: CD's) and how do we plan on replenishing this money if we anticipate a deficit. Ms. Tatum said that Wedco's reserves have remained intact. Ms. Caudill Miller stated we have historically been able to build a hefty reserve without tapping into those monies, mainly due to home health. Ms. Caudill Miller stated that this brings another agenda item for discussion which includes increasing the Contribution rate into the District. One of Wedco's greatest challenges has been staff retention as we have not been able to be competitive with the private market. Wedco always strives toward efficiency and excellence but there are things beyond our control. Unfortunately, staff incentives are a major concern for employees because the salaries are lower than private market. Dr. Clarke asked how long could Wedco remain financially solvent and find revenue and expend more in salaries. Ms. Caudill Miller explained that when she came on board in 2007, Wedco was in financial straits and she has done several things to control expenses. Staff has been cut 20% and employees were pushed to take on more responsibility for efficiency. We are anticipating large costs involved with Medicaid Managed Care cuts and the upgrade for Electronic Medical Records which will cost \$500K. Our employer retirement contribution rate in 2007 was 8.5% (\$1,050,000) and this year it is 27% (\$1,700,000) and is expected to go 40+%. This has cost our agency close to \$1million for this increased benefit. Ms. Caudill Miller stated that, before voting to increase the salaries, she would be willing to review her board packet first to help the Board with this decision. However, Wedco cannot continue to operate efficiently losing the amount of staff we have in the last couple of years. Dr. Clarke continued to question how we are going to increase salaries while anticipating a loss of \$40K per month. Ms. Caudill Miller asked if the board would move forward with the review of her board packet which would provide insight to Wedco's plan to remain financially solvent. Ms. Caudill Miller explained that she is asking an increase of the contribution rate into the District. Dr. Bennett stated that regardless, we will be approving the budget for FY 14 before adjourning for the evening. Ms. Caudill Miller verified the request to increase the contribution rate into the District is not just for an employee increment. Public Health entities can no longer survive and count on Federal and State allocations. The future outlook for public health will be primarily funded by tax money. Ms. Caudill Miller reiterated that she has mentioned at every board meeting the fact that public health can no longer depend on federal/state allocations and there is a need to increase the contribution rate. Larry Wiley addressed the board reminding them that this is just a budget and Wedco has been in much worse shape before. Jane Tatum explained that the increment scenario that was provided to the board would not have a full impact on FY 14 but rather would show in FY 15 as employees receive their increments throughout the year on each individual's annual increment date. Rene Rawlins addressed Dr. Clarke to explain that Home Health is the only program that is service driven and this program has been the main program to encounter staff turnover. Ms. Rawlins said that by not having the ability to retain staff due to salaries, revenue will decline as there are not as many services that can be provided due to staffing. Historically, home health ends up with almost 500K dollars on a yearly average which is placed into reserves and is a great

benefit to Wedco. This will no longer happen if we cannot obtain and keep skilled staff within our agency to provide patient care. We have got to compensate staff to retain staff and without our staff, there will be no extra revenue to place in reserves. Dr. Clarke explained that he was not stating he didn't agree with the staff incentive but rather he questioned how if you lose \$40K per month with a budget how do you remain financially solvent. Ms. Caudill Miller explained that was the exact reason that funding was going to have to come from tax money rather than from federal and state monies. Larry Wiley asked if we had adjusted our budget to show an adjustment for the Medicaid Managed Care companies. Jane Tatum said the budget only accounted for Wedco being paid for each dollar billed by the Medicaid Managed Care organizations. These organizations require more time and staffing just to recoup money owed for services. Mr. Wiley pointed out that the budget could be a lot worse if these entities don't pay. Ms. Caudill Miller said that we can do so much more with public health but cannot do those without financial backing. Judge Pryor said that Nicholas County Local Board raised their contribution 1% so that their cost zeroed out at the end of the year. Dr. Bennett reminded the board that public health is not a business but rather a service. Dr. Bennett stated we have two discussions that we need to make clear before leaving here; a motion to approve the proposed budget and a motion to increase the contribution rate into the District. Dr. Bennett's perspective is that this District has provided a higher quality of service to a larger population for less money than an independent local health department would have. Larry Wiley asked if he could have the opportunity to discuss the increase of the contribution rate into the District with the Harrison County Local Board. He explained he would be more comfortable discussing this proposed increase with the local board before making a motion. Mr. Wiley stated he would make a motion to approved the proposed budget with the built in staff incentives.

**MOTION # 2**

Motion was made by Larry Wiley to approve the proposed FY 14 budget with the included annual merit increase of 5%. Becky Reid seconded the motion.

*Roll Call:*

Dr. Bennett – Abstain  
Jared Hollon – Yes  
Becky Reid – Yes

Sherry Taylor - Yes  
Larry Wiley – Yes  
Dr. Derek Clarke - Yes

No further discussion. Motion passed without opposition.

Dr. Bennett asked if the board would rather vote to table the contribution increase until all local boards could meet. Discussion was held among members that this rate increase was not to increase taxes for the public but rather to increase the percent each local board paid from tax money into the district. Each local board would continue to have enough funds to operate but funneling the extra percentage into the District would provide more services for a broader population. Ms. Caudill Miller pointed out that the health tax in each county is the lowest tax paid. If we intend to change the health status of our communities, we will have to ante up and change our game plan. Dr. Bennett asked again if someone would like to make a motion to table this discussion for the next District meeting.

**MOTION # 3**

Motion was made by Larry Wiley to table the proposed increase of the contribution rate into the District until the local board could meet. Jared Hollon seconded the motion.

*Roll Call:*

Dr. Bennett – Abstain  
Jared Hollon – Yes  
Becky Reid – Yes

Sherry Taylor - Yes  
Larry Wiley – Yes  
Dr. Derek Clarke - Yes

No further discussion. Motion passed without opposition.

Next, Dr. Bennett asked that the District board make a motion for good stewardship to express to each local board the pledge of local funding to promote Wedco's future operations.

**MOTION # 4**

Motion was made by Becky Reid to promote a motion of confidence for the contribution rate increase into the District. Judge Pryor seconded the motion.

*Roll Call:*

Dr. Bennett – Abstain  
Jared Hollon – Yes  
Becky Reid – Yes

Sherry Taylor - Yes  
Larry Wiley – Yes  
Dr. Derek Clarke - Yes

Ms. Caudill Miller further discussed that the local health tax statute is 1.8 cents per every 100. The District is at \$.02 and has survived on these minimal funds for the past 20+ years. To survive for 20 years, never raising taxes has been a feat that shows how diligent Wedco is with taxing money. Dr. Bennett stated that Wedco delivers a service that none of the counties would have if each local health department stood alone.

Motion passed without opposition.

Ms. Caudill Miller told the board that the position for Public Health Manager/Health Education has been filled. April Thomas will start on June 24<sup>th</sup> and she is transferring from Anderson County Health Department. KY Spirit has been ordered by the Commonwealth to pay all local health departments the monies due for claims reimbursement. NALBOH, National Association for Local Boards of Health, will have their conference in August. Local board members are encouraged to attend. Ms. Caudill Miller is running for the NACCHO, National Association of County and City Health Officials, board of directors. Voting has already taken place and Ms. Caudill Miller should hear something soon. This will benefit not only Wedco, but public health in Kentucky as a whole.

The next Wedco District Board meeting date was set for July 23, 2013 at 6:00 p.m.

With no further business to discuss Dr. Bennett called for a motion to adjourn.

**MOTION # 5**

Motion was made by Dr. Derek Clarke to adjourn. Becky Reid seconded the motion.

*Roll Call:*

Dr. Bennett – Abstain

Jared Hollon – Yes

Becky Reid – Yes

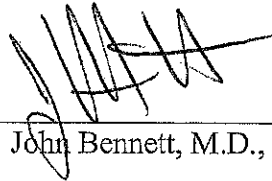
Sherry Taylor - Yes

Larry Wiley – Yes

Dr. Derek Clarke - Yes

No further discussion. Motion passed without opposition.

Meeting adjourned.



John Bennett, M.D., Chairman

7/23/13

Date

  
Crystal Caudill-Miller, Secretary

7/23/13

Date