

MINUTES

WEDCO BOARD OF HEALTH MEETING

Monday, November 19, 2012

Wedco District Health Department
Conference Room

Cynthiana, Kentucky

6:00 P.M.

Dr. Bennett, Chairman
Judge Barnett, Vice Chairman

Members Present:

Members Absent:

Harrison County

Harrison County

Alex Barnett, Judge Executive
Larry Wiley, R.Ph
Dr. Derek Clarke

Nicholas County

Nicholas County

Becky Reid

Judge Kenny Lyons

Scott County

Scott County

Jared Hollon, Judge Designee
Jim McClanahan
Sherry Taylor
John M Bennett, M.D.

Staff and Guest Present: Tina Bennett, Fred Brown, Carrie Johnson, Rachel Kendall, Lenora Kinney, Lorrene Rawlins, Gene Thomas, Patricia Tschop and Crystal Caudill-Miller

With a roll call showing a quorum present Dr. Bennett called the meeting to order at 6:00 p.m.

MOTION #1

Motion was made by Dr. Clarke to approve the minutes from September 24, 2012. Jared Hollon seconded the motion.

Roll Call:

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

Judge Barnett – Yes
Sherry Taylor - Yes
Larry Wiley – Yes
Dr. Clarke - Yes

No further discussion. Motion passed without opposition.

With no Old Business to discuss, the meeting moved forward to New Business with the introduction of guests. Ms. Caudill-Miller introduced staff present and Mr. Fred Brown with Brown and Dougherty, PSC. Mr. Brown began his presentation of Wedco's annual financial review which summarized fiscal year ending June 30, 2012. The audit report is a clean opinion on a cash basis, in which a cash basis is mandated for all Health Departments. Mr. Brown reported that revenue showed a decrease of \$600,000.00 which was mainly attributed to the Home Health program. This decrease is due largely to the Medicaid Managed Care payment decrease, as well as, increased competition from other home health agencies. Wedco's cash expenditures maintained a balance similar to the year before, even with salaries and fringe increasing our cash expenditure cost for FY 2012. Excessive revenue over expenditures came to \$246, 000.00 which is not bad compared to what other health departments are facing. Wedco did

not have to use any of our restricted fund balance, leaving us with a healthy reserve of \$6,155,832.00. Mr. Brown commented that Wedco was very financially sound during these tough economic times. Mr. McClanahan and Dr. Bennett asked what percentage of restricted funds could be used for a new Administrative office building. Mr. Brown replied that it would depend on the square footage and personnel that are based there. The State would have to give approval of what monies could be used from the restricted fund balance. The only item Mr. Brown noted that would require extra attention concerning compliance may be our WIC program. He said WIC is a common area for tweaking compliances due to it's transparency with the state. Lastly, Mr. Brown advised the board that he would be returning, November 27th, to do a four month audit due to the resignation of our former Director of Administrative Services, Spencer Cathey. Judge Barnett asked Mr. Brown if he encountered any issues from staff members while completing the audit. Mr. Brown said that all staff were compliant and cooperative.

Next, Ms. Lenora Kinney, MAPP Coordinator, gave a brief overview of the board's results from participation in the NPHPSP (National Public Health Performance Standards Program). Ms. Kinney provided the board with an assessment of their answers from our September 24, 2012 meeting. This report listed areas that the board felt were necessary to pursue, as well as, areas that the board felt needed growth.

Carrie Johnson, Clinic Nurse Administrator, gave her Clinic Board report. Ms. Johnson shared that Wedco had participated in flu shot clinics. Also, annual State audits have been scheduled for the KY Women's Cancer Screening Program and VFC Immunization program. Ms. Johnson advised the board that she has assumed the role of KWCSF Case Manager and Maternal Child Health Coordinator. The Breast and Cervical Cancer Screening program services have increased which has been advantageous since the State gives \$100 per patient for every new patient seen by Wedco. This is tremendously helpful to Wedco in offsetting the cost we pay to other providers who perform cancer screenings on our patients. Dr. Bennett advised Ms. Johnson that she needed to be aware of the emerging funding for the Colon Cancer in the state. Several health departments across the state have applied and received grant funding for colon cancer screenings. Dr. Bennett is expecting this funding to increase in years to come.

Lorrene Rawlins, Director of Nursing, discussed the Home Health board report. Ms. Rawlins advised the board that she will need approval for the Home Health Policy and Procedure manual and that manual has been provided this evening for the boards review. Ms. Rawlins stated that home health ended September in the black which was better than this time period last year. Several factors have affected home health reimbursement including Medicare audits, Face to Face documentation required by physicians and Medicaid Managed Care Organizations. Ms. Rawlins noted that one of the Medicaid MCO's, Kentucky Spirit, has termed their contracts with Kentucky, effective July 2013. Wedco is currently helping those patients affected to transition to one of the other two MCO plans. Wedco's EPSDT program continues to exceed visit goals; however, we continue to experience a delay in revenue due to this being funded by Medicaid. The VA program is now servicing new patients as federal funding has been released. Waiver has also exceeded goals for the first quarter. Additionally, Ms. Rawlins shared that Wedco had received an unannounced visit from surveyors from the Centers for Medicare and Medicaid Services in August for a licensure review. The visit did prompt a change in a few of our

processes but Wedco was commended on the willingness to help from staff and the efficiency in the entire home health program. The board packet contains the year-end Branch Audit for FY11/12 which will require the board's signature. This audit contains statistical data that is required by our agency to compile in order to maintain compliancy. Larry Wiley asked how far behind KY Spirit was in paying us in the home health program. Ms. Rawlins relayed that they owe us approximately \$32,000.00.

MOTION # 2

Motion was made by Judge Barnett to approve the Home Health Policy and Procedure Manual. Becky Reid seconded the motion.

Roll Call:

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

Judge Barnett – Yes
Sherry Taylor - Yes
Larry Wiley – Yes
Dr. Clarke - Yes

No further discussion. Motion passed without opposition.

MOTION # 3

Motion was made by Becky Reid to approve the Home Health Branch Audit. Jared Hollon seconded the motion.

Roll Call:

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

Judge Barnett – Yes
Sherry Taylor - Yes
Larry Wiley – Yes
Dr. Clarke - Yes

No further discussion. Motion passed without opposition.

Next, Mr. Gene Thomas, Environmental Director gave the Environmental and Bio-Terrorism program report. Mr. Thomas explained that onsite sewage services have increased, keeping staff quite busy. This onsite sewage increase includes new septic systems, repairing old existing septic systems and larger projects such as Lake Carnico (Nicholas Co.), sewers to the South (Scott Co.) and the beginning of sewer repair for Cedar Brook Subdivision (Harrison Co.). Another additional job to the Environmental staff has been the approval of applications for the Alcohol sales ordinance, which was recently passed in the City of Georgetown. Funding has been cut in the Bio-Terrorism program; however, Wedco has continued to meet deliverables as required by the Preparedness Branch. Mr. Thomas explained that Wedco will be issued an annual report card on Preparedness in the near future which helps with funding.

Ms. Patricia Tschop, Interim Director of Administrative Services, began her Financial report by thanking all Wedco employees for a warm welcome. Ms. Tschop explained that her packet contained an overview of Wedco's budget thus far. Wedco's receipts over Expenditures are at a surplus of \$85,014.96 which is an improvement of \$282,411.60 from YTD FY 12. Ms. Sherry Taylor asked about one of Wedco's CD's that had matured on October 18, 2012. Crystal Caudill-Miller explained that it was cashed out and placed into another CD and this would show for Wedco's next quarter. Dr. Bennett asked what the financial gain was on the CD and Ms. Tschop advised that it was \$58,000.00. Ms. Taylor questioned why this was placed in another CD rather than invested into the Churchill Fund. It was noted that \$750,000.00 had been approved for the Churchill Fund. Ms. Caudill-Miller said the decision had been made to re-invest the CD into Kentucky Bank because they were given a good rate and the option that they could cash out half of the CD without being penalized. Since monies were trickling in slowly with Medicaid, the decision had been made to be conservative at this juncture. Ms. Tschop asked that the board approve Wedco's 2013 Internal Control Policies as there had been no significant change since last year.

MOTION # 4

Motion was made by Judge Barnett to approve Wedco's 2013 Internal Control. Becky Reid seconded the motion.

Roll Call:

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

Judge Barnett – Yes
Sherry Taylor - Yes
Larry Wiley – Yes
Dr. Clarke - Yes

Ms. Crystal Caudill-Miller began the Directors report by announcing that position advertisements have closed and interviews will begin soon on the hiring of a Director of Administrative Services and Public Health Services Manager. Dr. Stephanie Mayfield is the new Commissioner for Public Health. Dr. Mayfield has a very hands on approach and Ms. Caudill-Miller is looking forward to working with her. Ms. Caudill-Miller asked that the board approve our annual update of Wedco's Employee Handbook. There were only a couple of minor grammatical changes.

MOTION # 5

Motion was made by Sherry Taylor to approve Wedco's 2013 Employee Handbook. Becky Reid seconded the motion.

Roll Call:

Jim McClanahan – Yes
Dr. Bennett – Abstain
Jared Hollon – Yes
Dr. Clarke – Yes

Judge Barnett – Yes
Sherry Taylor - Yes
Larry Wiley – Yes
Becky Reid – Yes

No further discussion. Motion passed without opposition.

Ms. Caudill-Miller advised the board that Kentucky Spirit, a Medicaid Managed Care organization, has termed their contract with the state effective July 2013. They have not been making payments on school clinic services and many home health services. Those home health services they are paying are only being reimbursed at 80% of the traditional Medicaid rate, therefore, creating a tremendous burden to our agency. Ms. Caudill Miller asked that the board approve Wedco terming their contract with KY Spirit, effective January 1, 2013. Ms. Caudill-Miller noted that she would draft a letter to all current Wedco patients who have KY Spirit letting them know of this change and due to open enrollment they will have the option to change to another provider if they choose.

MOTION # 6

Motion was made by Jared Hollon to approve termination of Wedco's KY Spirit contract. Larry Wiley seconded the motion.

Roll Call:

Jim McClanahan -- Yes	Judge Barnett -- Yes
Dr. Bennett -- Abstain	Sherry Taylor - Yes
Jared Hollon -- Yes	Larry Wiley -- Yes
Becky Reid -- Yes	Dr. Clarke - Yes

No further discussion. Motion passed without opposition.

Ms. Caudill-Miller continued her Director's report by discussing the Wedco Administrative Building. It was noted that the building has many issues and that at some point the board will need to consider renovations or building a new administrative office. Ms. Caudill-Miller explained to the board that she would like a motion to set aside \$2 million dollars of Wedco's restricted funds for land/building development.

MOTION # 7

Motion was made by Jim McClanahan to earmark \$2 million dollars for building development. Sherry Taylor seconded the motion.

Roll Call:

Jim McClanahan -- Yes	Judge Barnett -- Yes
Dr. Bennett -- Abstain	Sherry Taylor - Yes
Jared Hollon -- Yes	Larry Wiley -- Yes
Becky Reid -- Yes	Dr. Clarke - Yes

No further discussion. Motion passed without opposition.

Last, Ms. Caudill-Miller explained that she is the Chair of the Data Workgroup in the Kentucky Health Department Director's Association. Part of her responsibility is to collect data from each health department. Ms. Caudill-Miller explained that half of all health departments had laid off or reorganized employees in the last three years. Two hundred & ten full time LHD employees have been laid off in the past three years. Nine health departments are furloughing time this fiscal year. Thirty-five LHD's have used reserves to balance their budget last year. Thirty-four LHD's have not raised taxes in the past five years and thirty-three LHD's, which is half, plan to raise taxes within the next year. Ms. Caudill-Miller explained that Wedco has the

second largest amount of reserves in the state. Wedco has done very well, but with so many funding and reimbursement cuts, we cannot continue down this road without raising taxes in the near future. The board thanked Ms. Caudill-Miller for her excellent leadership and Wedco employees for all they do. Ms. Caudill-Miller explained that all employees have buckled down and worked so hard and employees are tired.

The next Wedco District Board meeting date was set for March 4, 2102 at 6:00 p.m.

Mr. Jim McClanahan explained he had one more item of business to discuss regarding the salary of our previous Director of Administrative Services, Spencer Cathey. Mr. McClanahan stated that he felt Wedco lost a good person due in large part to salary. Mr. McClanahan was curious why this position didn't have the second highest pay. Ms. Caudill-Miller explained that the state merit system pays according to a base salary for each position/classification. Longevity and annual increments are the only other factors that contribute to salaries. She agreed that this is unfortunate and that we deal with the issue of uncompetitive salaries with the private sector in every position that we hire, however, we have no control over the state merit system and cannot operate outside of regulations set forth.

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

MOTION # 7

Motion was made by Larry Wiley to adjourn. Becky Reid seconded the motion.

Roll Call:

Jim McClanahan – Yes

Dr. Bennett – Abstain

Jared Hollon – Yes

Becky Reid – Yes

Judge Barnett – Yes

Sherry Taylor - Yes

Larry Wiley – Yes

Dr. Clarke - Yes

No further discussion. Motion passed without opposition.

Meeting adjourned.



John Bennett, M.D., Chairman

3/4/13

Date



Crystal Caudill-Miller, Secretary

3/4/13

Date

