

COMMUNITY CARE CONNECTIONS OF WISCONSIN

Board Meeting Minutes: Draft

DATE: Wednesday, May 25, 2016
PLACE: CCCW Wausau Office
TIME: 1-3 p.m.
PRESENT: Board Members Mary Lou Bergman, Lori Bina, Clarence Campbell, Ken Day, Sam Hardin, Joy Henrich, David Markert, Donna Rozar, Janis Ribbens, Dale Schleeter, and Bob Weaver
EXCUSED: N/A
OTHERS PRESENT: Janna Duffy, CCCW Executive Director of Operations, Mark Hilliker, CCCW Chief Executive Officer, Jody Kohl, CCCW Chief Human Resource and Information Officer, Kris Kubnick, CCCW Executive Director of Operations, Jason Taylor, CCCW Chief Financial Officer, Tara Adam, CCCW Executive Secretary

1. The meeting was called to order at 1:05 p.m. by Board Chair Ribbens.
2. No public comment was given.
3. Motion by Bergman, seconded by Hardin, to approve the Minutes dated April 27, 2016. All voted in favor; Motion carried.
4. Board Updates/Education
 - A. Administrative Updates
 - Two updates on unallowable practices were provided regarding the expansion to Rock County: 1) Catholic Charities, who will be providing care management support in Rock County for MyChoice, the second MCO (besides CCCW) chosen to provide supports in Rock County, distributed a letter to providers and prospective members influencing the decision-making process on which MCO to ultimately join; and 2) MyChoice provider and contracting staff spoke with providers in Rock County to incorrectly state that CCCW cuts rates every year and for providers to expect a 30% rate cut. As member choice cannot be influenced, CCCW has submitted two separate complaints to DHS and OCI. DHS has issued a "cease and desist" letter to Catholic Charities and MyChoice, and has communicated that sanctions will be forthcoming. It is believed, due to these prohibited tactics, CCCW is currently seeing less enrollees than expected for Rock County.
 - No action has been taken at this point by the Joint Finance Committee on the Concept Paper for Family Care/IRIS 2.0.
 - The CCCW Marshfield office is nearing completion; staff are preparing for occupancy toward the end of June. Also, office space has been identified in Janesville.
 - MetaStar has provided CCCW with their final report from the annual External Quality Review. At the June 2016 Board meeting, further discussion on the final report will take place and comments from DHS on the review will be shared.

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- CCCW staff were quick to act upon a May 12 incident at the North Central Health Care Building campus when all buildings were locked down immediately due to an alleged armed intruder. Although police did not discover anyone who was armed and dangerous after searching the buildings, the traumatic event warranted providing professionals on site at the Wausau office the next day for CCCW staff. CCCW is focusing on its responsibility for meaningful staff safety and will be visiting offices in the near future, putting into place security measures at each office.
- CHRIO Jody Kohl shared that recently published changes with the Fair Labor Standards Act dropped the proposed salary threshold from \$50,440 to \$47,476 with an implementation date of December 1, 2016. CCCW Administration is reviewing employee salaries and will provide a recommendation to the Board on how to avoid fines associated with the change.

B. Monitoring Reports

- Monthly Income Statement. CCCW incurred a \$135,000 increase in its bottom line during April 2016. Overall, revenue funding is right on track, with enrollments, member obligations, and collections close to projection. April's expenses increased by \$9 Per Member Per Month due to one-time expenses associated with CareDirector. Total expenses are at \$800,000 below operating costs.
- Quarterly Quality Indicator Report. This report analyzes membership, disenrollments, and self-direction by members, broken down by target group and office locations. 21% of members self-direct one or more of their cares. Of special note is a 6% increase in member disenrollments transitioning from nursing homes to MA. Member satisfaction remains very high for CCCW members, with a noticeable increase in the number of IDT teams providing SDS information to members on a consistent basis.

5. Board Discussion/Action

A. Wipfli Audit Presentation and Approval

Kim Heller from Wipfli LLC was in attendance to report on the findings of the 2015 financial audit. Kim explained the purpose of the audit, how Wipfli determines what is reviewed through the audit process, and addressed information in the Required Communications Letter issued by Wipfli, highlighting the items of most importance to the Board:

- The audit process was delayed toward the end of the audit, as DHS requested additional forms and testing for all MCOs as part of the audit process. Due to this extra request, Wipfli is still in the stages of completing the testing, although it is not anticipated any numbers or opinion in the financial statements will change.
- The performance materiality amount, which indicates the highest amount considered to be a material misstatement, was set at \$772,000. This amount was established based upon the organization's assets and revenue. The unadjusted differences threshold limit was set at \$39,000 to \$40,000; anything over that

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amount is adjusted in the financial statements. Overall, the audit was found to be very clean with very good records kept.

- One new accounting policy was established in 2015 - the provisions of the Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27 – which establishes new requirements for CCCW to report a “net pension asset” for the overfunded portion of its pension plan and deferred outflows of resources and deferred inflows of resources related to pension plans. This liability must be shown on financial statements. For 2015, this new policy resulted in an additional \$5 million to CCCW assets.
- No significant audit adjustments were posted in the audit process. One unadjusted overstatement of assets of \$89,000 for CareDirector fees was made. This was fixed for 2016 and reported to the Board as an unadjusted item.
- Both the working capital and solvency requirement was met in 2015.
- Wipfli was very complimentary of CCCW’s staff and the high level of cooperation received from Jason Taylor, CFO, and Rebecca Blue, Controller. No internal control matters were discovered, and no significant materials and weaknesses, or segregation of duties were seen. There were no areas of significant concern.

Motion by Day; seconded by Bina, to accept the Wipfli report as stated with no major modifications to the remaining testing phase. All voted in favor; Motion carried.

A. Discussion of Board Self-Evaluation Questionnaire

Results of an online self-evaluation survey was discussed at the April 2016 meeting. The survey was redistributed for any missing comments to be included for further discussion at May 2016 meeting. No new results were received.

B. Strategic Planning Update

With the anticipated changes of Family Care 2.0, CEO Mark Hilliker recommended placing a hold on any future strategic planning. The Board agreed with delaying the process at this time.

6. Closed Session

Board Member Day read the motion to go into Closed pursuant to Section 19.85(1)(e), Wis. Stats. for the purpose of discussion of the investment of public funds or conduct of other specified public business which for competitive reasons requires a Closed Session, including discussion regarding business opportunities for Agency under reform Family Care programs and statutory changes. Motion seconded by Hardin. Roll call vote taken; all voted in favor. Motion carried.

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7. Return to Open Session.
8. No announcements were made related to any actions that may have taken place in Closed Session.
9. Next Meeting Agenda Items
 - A. Monitoring Reports
 - Monthly Income Statement
 - B. Board Discussion/Action
 - Follow-Up on Wipfli Audit
 - Election of Board Officers
 - Collection of Signed Board of Directors Conflict of Interest Policy and Disclosure Form
10. The next two Board meetings will occur on Wednesday, June 22, and Wednesday, July 27, 2016 at 1 p.m. at CCCW's Wausau Location – 1200 Lakeview Drive, Suite 100, Wausau, WI 54403. Videoconferencing will take place at CCCW's Hayward location - 15618 Windrose Lane, Suite 108, Hayward, WI 54843.
11. There being no further business, the meeting was adjourned with a Motion from Day, seconded by Hardin. All voted in favor; Motion carried.
12. Meeting adjourned at 2:57 p.m.

Respectfully submitted by Tara Adam, CCCW Executive Assistant