



LINCOLN COUNTY BOARD OF SUPERVISORS

Lincoln County Service Center - 801 N. Sales Street

Merrill, Wisconsin 54452

OFFICE (715) 539-1019 FAX (715) 539-8054

Don Friske
County Board Chairman

Jesse Boyd
County Board Vice-Chair

March 17, 2023

The Honorable Governor Tony Evers
115 East Capitol
Madison WI, 53707

Greetings Governor Evers

On March 3rd North Central Health Care submitted a request to the Lincoln County Finance Committee asking for \$1,126,328 to cover 2022 calendar year losses specific to the operation of Pine Crest Nursing Home. Lincoln County contracted with North Central Health Care to Manage the Pine Crest operations beginning in 2020. Lincoln County retained ownership of and maintenance responsibilities for the building and grounds, as well as any budgetary shortfalls incurred by the operations of Pine Crest Nursing Home.

The request for over a million dollars from North Central Health Care was a generated from the elimination of an annual payment from the State of Wisconsin Department of Health Services, Certified Public Expenditure payment (CPE), as well as a substantial reduction in the Medicaid Supplemental Payment program (SP). The budgeting process for county run nursing homes operated on a calendar year. Thus, the 2022 budget operational budget, as well as the 2023 budget, was contingent on anticipated funding based on prior years and anticipation to increased Medicaid reimbursement and no additional communication regarding any foreseeable impact. The loss of these funding streams this late in the calendar year left the nursing homes unable to make necessary adjustments to remedy the operational loss. For 2023, we are making adjustments to ensure we can absorb this loss, but ultimately need to continue to commit over \$1 million dollars of tax levy to support the annual operation.

As I am sure you will understand a request for an additional \$1,126,328 million dollars out of our levy of just \$15 million will be nearly impossible for our local taxpayers to cover, especially given the inflationary strains on all of the other services provided by counties on behalf of the state.

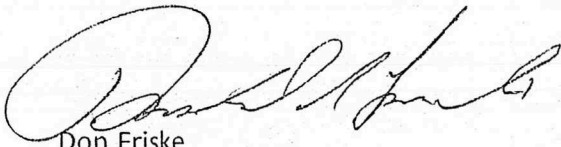
Pine Crest Nursing home is home to over 85 individuals, each with specific care requirements and families counting on our staff to provide that care. Lincoln County has provided a nursing home facility for over 60 years positively impacting thousands of families. The cost of providing that care is becoming increasingly difficult and the elimination of the CPE payment and the reduction in the SP funding to rural Lincoln County makes it next to impossible.

County operated nursing homes are required to provide care under payment from Medicaid. The supplemental payment is intended to address low reimbursement rates and help make up shortfalls to the county budget ensuring continued operation of county owned nursing homes. The counties who had to make substantial changes to operations during Covid due to the financial inability to supplement losses through other means, were penalized as a result of the increased rates to the supplemental

payment formula. To add a little salt to the wound, Dane county nursing home received a \$7,000,000 dollar increase. I do not believe it was the intent of your administration to target rural Wisconsin nursing homes, but intended or not it impacts us the same.

Respectively, I am asking you to direct the Department of Health Services to reallocate the Supplemental Payment or in some other way make us whole for the 2022 and 2023 annual county budget cycles. Additionally, I am asking that you provide clear guidance in an urgent timeframe on what counties can expect so we as a county board can make well informed decisions regarding the feasibility of continuing to provide care for our residents.

Thank you for your taking time to read and consider this request.



Don Friske
Lincoln County Board Chairman
801 N. Sales St. Suite 201
Merrill, WI 54452
Don.Friske@co.lincoln.wi.us
(715) 539-1019

North Central Health Care

Person centered. Outcome focused.

To: Lincoln County Finance Committee
From: Gary D. Olsen, MPA, Executive Director
Date: February 27, 2023
RE: Pine Crest 2022 Overage

Under the current Tri-County agreement, page 2, Recital F, it reads:

Lincoln County Nursing Home Administered. On September 17, 2019, the Lincoln County Board of Supervisors passed a resolution providing for the administration and management of its Nursing Home (Pine Crest) by the NCCSP Board. There was a separate Nursing Home Management Agreement executed following the adoption of the transfer. The NCCSP Board expanded the scope of the Nursing Home Operations Committee to assist in the oversight of the operations of both Pine Crest Nursing Home and Mount View Care Center.

Recital F references the Nursing Home Management Agreement. In this agreement on page 2, number 9, it reads:

County Obligation. Everything done by NCHC under Exhibit A, shall be done on behalf of the County and all related obligations incurred shall be at the ultimate expense of the County.

Due to the obligations of the agreements, NCHC is requesting Lincoln County to cover the loss for Pine Crest Nursing Home for the year ended 2022. The total amount of this loss is \$1,126,328 (unaudited).

This loss was due to the State changing how the Supplemental Payments were distributed and the reduction in the Certified Public Expenditure (CPE) payments. Without the loss of these revenue sources, Pine Crest Nursing Home would have ended the year with a gain.

There is currently an effort to request the State reimburse county nursing homes the amounts of Supplemental and CPE funding as was received the previous year. Because of this fact, NCHC is requesting payment only if these funds are not received by July 2023. If the State does not increase the amounts of Supplemental or CPE funding by the July notice, then NCHC request that Lincoln County pay \$1,126,328 (or the final audited amount) by July 31, 2023.

Thank you for considering this request and I will be available at your meeting to explain this situation in greater detail.

www.norcen.org

Wausau Campus
1100 Lake View Drive
Wausau, Wisconsin 54403
715.848.4600

Antigo Center
1225 Langlade Road
Antigo, Wisconsin 54409
715.627.6694

Merrill Center
607 N. Sales Street, Ste. 309
Merrill, Wisconsin 54452
715.536.9482

Mount View Care Center
2400 Marshall Street
Wausau, Wisconsin 54403
715.848.4300

Pine Crest Nursing Home
2100 E. 6th Street
Merrill, WI 54452
715.536.0355

DRAFT

LINCOLN COUNTY
AD HOC Committee on Pine Crest
Tuesday, March 14, 2023, 4:00 PM
Room 255/257/260 Government Services Center
801 N. Sales St., Merrill WI 54452
Meeting Minutes

MEMBERS PRESENT: Ken Wickham (Chair), Supervisors Greg Hartwig (virtual), Marty Lemke and Angela Cummings.

MEMBERS EXCUSED: Bill Bialecki

OTHERS PRESENT: Administrative Coordinator Renee Krueger, Corporation Counsel Karry Johnson, Finance Director Samantha Fenske, IT Director Travis Spoehr (virtual), County Clerk, Chris Marlowe (virtual), North Central Health Care (NCHC) Executive Director Gary Olsen, NCHC Director of Nursing Home Operations Pine Crest Ryan Hanson, NCHC Managing Director of Nursing Home/Residential Jarret Nickel, NCHC Finance Director Jason Hake, NCHC Katie Haanstad. Members of the Public in person and virtual.

Guest Speaker: Ray Giannini (virtual)

1. **Call Meeting to Order:** Meeting called to order by Chair Wickham at 4:00 pm.
2. **Public Comment:** None
3. **Approval of Minutes from February 22, 2023 Meeting:** M/2nd by Lemke/Cummings to approve minutes. All Ayes - motion carried.
4. **Nursing Home Marketability Information (Ray Giannini):** Chair Wickham prefaced this guest by stating that the committee members invited him to get information only and there is not a preconceived suggestion to move to selling the facility. Ray is from Best Brokerage Inc. They are the largest company in the US regarding nursing home sales. A few key points made: The buyers try to keep all the current employees. The facilities they sell are still running 10 years later. Selling is a strong market. Making a profit or loss on the sale is impossible to determine, each is unique. It's about a six month process. Facility would have to keep enough employees to run it in order for it to sell.
5. **Pine Crest Financial Update (North Central Health Care Representatives):** Gary Olsen advised that NCHC started to turn the financials around the end of last year. Draft financials indicate \$35,000 net income, \$96,000 YTD. However, \$188,000 was budgeted and they are short \$91,000 which is the supplemental payment. Ryan Hanson advised that for operations, they opened on the Rehab West wing, half of the beds to the Medicaid population. That meant less staffing as they are trying to balance out staffing options by combining services in wings. provided a recap of the funding changes between the Medicaid, the Supplemental and the CPE.
6. **AD HOC Committee on Pine Crest Report of Review and Alternatives:** No changes suggested. Ken to go through with Renee's staff to finalize making sure all information is current and entered correctly.
7. **Discuss Presentation for March County Board of Supervisors Meeting** Renee will put book together. Ken will work with Renee on a one page handout to advise where the information is located in the book. Discussion on how to present information concisely and accurately. It will be presented at the next County Board Meeting on 3/21/2023.