# PORTAGE COUNTY

## MEETING MINUTES

## HEALTH CARE CENTER COMMITTEE

PORTAGE COUNTY ANNEX
CONFERENCE ROOMS 1 & 2
1462 STRONGS AVENUE
STEVENS POINT, WI 54481

**Wednesday, April 5, 2023** **5:00 PM**

### REMOTE ATTENDANCE & COMMENT

To attend this meeting by telephone : dial 1-872-242-7813, after dialing the number you will then be asked to enter in a meeting number. Use the following meeting number: 520 951 7, then press #

To attend this meeting by video: Click here to join the meeting

### CALL TO ORDER

Meeting called to order at 5:00 p.m.

Members attending in-person: V. Miresse, G. Hakala, D. Jankowski, S. Przybylski, L. Weaver
Members attend on-line: None
Members absent: None
Members excused: None

### PUBLIC NOTICE

**Members of the public who wish to address the Committee on specific agenda items must register their request at this time, with such comments subject to the reasonable control of the Committee Chair as set forth in Robert's Rules of Order.**

### APPROVAL OF MINUTES

1. March 15, 2023

A motion was made by S. Przybylski, seconded by L. Weaver to approve the minutes from March 15, 2023. The motion carried on a voice vote with no negative votes.

### REPORTS

2. Update: Regarding the State of the Skilled Nursing Industry by Michael Peer, CPA with CLA (Clifton Larson Allen)

Michael Peer, CPA with CLA (Clifton Larson Allen) presented a Senior Living Update. Health Care trends were presented. The state of the economy is showing robust consumer spending while inflation is likely to continue to trend lower. The unemployment rates remain low. Slowing GDP growth is expected in 2023. Interest rates are higher and banks are being more conservative with their lending practices. Occupancy is predicted to increase if staffing is available. There is a significant demand for home health and behavioral health. Margins will continue to be pressured, driven by inflationary increases in supply costs and wage pressure.

Statistics show that Portage County residents aged 65-74 and 75-84 are saving for retirement. The Consumer Price Index is showing an unprecedented rate of inflation. Access to labor may remain challenged until 2030. Reimbursement is trending toward value-based care outcomes. Delivery of care at home continues to grow as providers seek lower-cost solutions.

M. Peer answered many questions related to digital monitoring, efficiencies, occupancy percentages in a new facility, and trends for future state and federal funding. M. Peer said the fundamental question to be answered is, does the County want to stay in the health care business?

3. Update: Recruitment and Retention for PCHCC

L. Belanger-Tess updated the HCC recruitment and retention document. This will be included in the minutes. The RN Manager position has been filled. A student from MSTC has been hired and will be starting soon. HR continues to recruit for CNA and RN/LPN positions. The CNA day shift positions are becoming harder to fill.

4. Chairperson

None.

5. Administrator

M. McDonald, NHA, said we continue to face challenges with the old building. Moisture and heating/cooling are difficult to control. We have not had to use temporary staffing. We had two Infection Control surveys, both with great results. We continue with our 5-star rating. We currently have MSTC RN and CNA students doing clinical rotations at PCHCC. The current occupancy is 24. M. McDonald said that nursing home closures continue in Wisconsin. The number of homes decreased from 397 to 342 in 2022. M. McDonald said the Medical Director had given a 30-day notice of resignation. We are collaborating with Aspirus to fill this position.

6. Business Manager

- Vendor Invoice List
  - Complete Control- air handler repair
  - The Tegra Group- new HCC
  - Wold Architects- new HCC
- Financial Reports

L. Lingford provided an update from last month's meeting regarding the staffing mandate. The Centers for Medicare & Medicaid Services (CMS)proposed minimum staffing mandate is 4.1 nursing hours per day. PCHCC has 4.75 hours per day at a census of 27. Lingford said in a new building with a census of 32, the rate would remain at 4.75 hours per day. Additional staff would be needed, adding 24 hours per day, but the rate remains the same because of the increased census.

7. County Executive

None.

**DISCUSSION/POSSIBLE ACTION**

8. Discussion and Possible Action: Regarding Special Meeting Attendance (Portage County Ordinance 3.1.47 & 3.1.48)

- Request for special meeting attendance
- Approval of attendance of special meetings
- Special meeting attendance reports

None.

9. Discussion/Possible Action: Regarding Retaining An Independent Consultant To Analyze The Original Market Study And Business Model To Incorporate The Effects Of COVID-19 And Economic Changes

A motion was made by L. Weaver, seconded by D. Jankowski to take agenda #9 out of sequence and move up for discussion. The motion carried on a voice vote with no negative votes. A motion was made by D. Jankowski, seconded by S. Przybylski to get the discussion on the floor. The motion carried on a voice vote with no negative votes. Michael Peer, CLA, provided information on possible next steps. He said a phased approach could be taken. The first phase could be to update the market study, second, determine what is appropriate for Portage County, and third, update the financial model if determined necessary. The estimated cost to update the market study is $8,500-$10,000. A motion was made by L. Weaver, seconded by D. Jankowski to retain CLA and Michael Peer to update the market research. The motion carried on a voice vote with no negative votes. The estimated time to complete this is 60 days.

10. Discussion/Possible Action: Regarding Resolution Authorization To Enter Into A Contract With Powerback For Therapy Services

A motion was made by L. Weaver, seconded by S. Przybylski to discuss the therapy services. The motion carried on a voice vote with no negative votes. M. McDonald stated the date on the memo in the agenda packet should be March 28, 2023 not May. M. McDonald explained that the current therapy vendor provided a 90-day notice to terminate services. Research was completed on several companies and recommended approving the resolution for the emergency contract. A motion was made by D. Jankowski, seconded by S. Przyblski to approve the contract with Powerback. The motion carried on a voice vote with no negative votes.

**CORRESPONDENCE**

None.

**NEXT MEETING DATE**

11. May 17, 2023 at 5:00 P.M. in Annex Conference Rooms 1 & 2

## ADJOURNMENT

Chair V. Miresse adjourned the meeting at 6:40 p.m.

## NOTICES

*Notice: Any person who has special needs and plans on attending this meeting in-person or remotely should contact the Facilities Office at 715-346-1598 as soon as possible to ensure that reasonable accommodations can be made.*

*Notice: A quorum of the Portage County Board of Supervisors, or any committee thereof, may be present at this meeting.*

| HCC Recruitment and Retention Update | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Health Care Center Staffing | 10/12/2022 | | 11/14/2022 | | 12/21/2022 | | | 2/14/2023 | | 3/9/2023 | | 4/3/2023 | | |
| | Employees | FTE | Employees | FTE | Employees | FTE | | Employees | FTE | Employees | FTE | Employees | FTE | |
| HEALTH CARE CENTER DIRECTOR | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| ASSISTANT HCC DIRECTOR | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| DIRECTOR OF NURSING | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| RN MANAGER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | | 0 | 0.00 | 0 | | 1 | 1.00 | |
| CLINICAL LIASION | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| ACTIVITY SUPERVISOR | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| SOCIAL WORKER - HCC | 2 | 1.50 | 2 | 1.50 | 2 | 1.50 | | 2 | 1.50 | 2 | 1.50 | 2 | 1.50 | |
| ADMINISTRATIVE ASSOCIATE IV-E | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| FINANCIAL ASSOCIATE II | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| MEDICAL RECORDS ASSOCIATE | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | |
| DIETITIAN | 1 | 0.50 | 1 | 0.50 | 1 | 0.50 | | 1 | 0.50 | 1 | 0.50 | 1 | 0.50 | |
| ACTIVITY ASSISTANT | 2 | 1.50 | 2 | 1.50 | 2 | 1.50 | | 2 | 1.50 | 2 | 1.50 | 2 | 1.50 | |
| REGISTERED NURSE | 7 | 5.20 | 7 | 5.20 | 7 | 5.20 | | 7 | 5.20 | 7 | 5.20 | 7 | 5.2 | |
| LICENSED PRACTICAL NURSE | 4 | 3.275 | 4 | 3.275 | 4 | 3.275 | | 4 | 3.275 | 4 | 3.275 | 4 | 3.275 | |
| CERTIFIED NURSING ASSISTANT | 16 | 13.40 | 16 | 13.1 | 17 | 13.50 | | 20 | 15.50 | 21 | 15.70 | 20 | 14.9 | Increase in 4 CNA positions and 2.3 FTE since 10/12/2022 |
| less one employee who holds 2 positions | -1 | | -1 | | -1 | | | -1 | | -1 | | -1 | | decrease 1 CNA position and 0.8 FTE from March 9, 2023 report. |
| Total | 39 | 33.38 | 39 | 33.08 | 40 | 33.48 | | 43 | 35.48 | 44 | 35.68 | 44 | 35.88 | |
| | | | | | | | | | | | | | | |
| ON-CALL/CASUAL NURSE'S AIDE | 15 | | 12 | | 10 | | | 9 | | 8 | | 8 | | |
| | | | | | | | | | | | | | | |
| Per Health Care Center Management | | | | | | | | | | | | | | |
| Staffing Needs - 22 Residents | | | | | | | | | | | | | | |
| RN MANAGER | 1 | 1.00 | 1 | 1.00 | 1 | 1.00 | | | | Goal met as of 03/13/2023 | | | | |
| REGISTERED NURSE | 1 | 0.6 | 1 | 0.6 | 1 | 0.6 | | | | Goal not met | | | | |
| Staffing Needs - 27 Residents | | | | OR | | OR | OR | | | | | | | |
| CERTIFIED NURSING ASSISTANTS | 4 | | 4 | 3 | 2 | 7 | 6 | | | 2 CNAs remaining to meet Goal of 6 positions | | | | |
| NURSES (REG NURSE OR LPN) | 5 | | 1 | 2 | 5 | 0 | 0 | | | | | | | |
| Staffing Needs - 32 Residents | | | | | | | | | | | | | | |
| received from Health Care Center but need to review | | | | | | | | | | | | | | |

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

# Portage County Health Care Center

Senior Living Update

April 5, 2023

CPAs | CONSULTANTS | WEALTH ADVISORS

# Senior Living & Care Trends 2023

- State of Economy
- Labor
- Merger and Acquisition (M&A) Activity
- Digital
- Care Coordination

# State of the Economy

## Broader Economy

*Positive Tailwinds*

- Robust consumer spending (approximately 70% of GDP) is expected to continue, while inflation is likely to continue to trend lower.
- In December 2022, unemployment rates continued to drop from the prior year.
- Through December 2022, national jobless rates remain at 50-year lows.

*Concerning Headwinds*

- Slowing GDP growth is expected in 2023.
- The average 30-year mortgage rate was 6.9% in October, representing the largest rate over the past two decades.
- More restrictive credit conditions are expected as the Federal Reserve continues to withdraw liquidity in a bid to fight inflation.
- Asset values are expected to decrease in 2023 with weakening fundamentals and higher cost of capital.

## Senior Living & Care

*Positive Tailwinds*

- Continued gains in occupancy across all care settings in 2022 and slowing of construction, supports positive signs of demand.
- There is significant consumer demand for home health and behavioral health.
- Significant slowdown in inventory growth will support occupancy gains

*Concerning Headwinds*

- Margins will continue to be pressured, primarily driven by inflationary increases in supply costs and wage pressure.
- The inevitable end of the Public Health Emergency – resulting in discontinuation of revenue and operational support. There is also some anticipation that lenders and capital providers may take that into consideration when assessing concessions.

# State of Economy Continued

Wisconsin (State) + Portage County (County Name)

## Senior Population

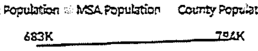
*Source: Environics Analytics*

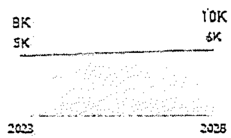
### Age Group: 65-74

Median Household Income (2023)

| | |
|---|---|
| County | $56,980 |
| MSA | $55,708 |
| State | $56,009 |

State Population  MSA Population  County Population




3.5%
County Annual Population Growth

3.0%
MSA Population Growth

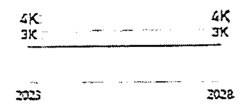
County Population Change
+1K
2023 to 2028

### Age Group: 75-84

Median Household Income (2023)

| | |
|---|---|
| County | $44,819 |
| MSA | $41,485 |
| State | $41,395 |

State Population  MSA Population  County Population


1.1%
County Annual Population Growth

0.8%
MSA Population Growth

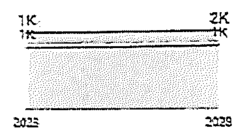
County Population Change
+217
2023 to 2028

### Age Group: 85+

Median Household Income (2023)

| | |
|---|---|
| County | $36,516 |
| MSA | $32,568 |
| State | $32,288 |

State Population  MSA Population  County Population


1.5%
County Annual Population Growth

1.7%
MSA Population Growth

County Population Change
+107
2023 to 2028

# State of Economy Continued

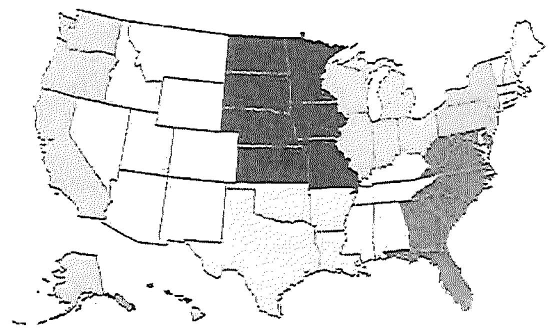
## Consumer Price Index

*Source: United States Bureau of Labor Statistics*

| MSA Name | Year Over Year Change (22-21)** | Year Over Year Change (21-20) | Year Over Year Change (20-19) | 2022 (Through 06/30/22) | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| Atlanta-Sandy Springs-Roswell, GA | 6.1% | 6.1% | 1.20% | 283.72 | 523.27 | 493.31 | 487.46 |
| Baltimore-Columbia-Towson, MD | 5.4% | 4.1% | 1.00% | 290.22 | 540.42 | 515.95 | 513.77 |
| Boston-Cambridge-Newton, MA-NH | 4.4% | 3.3% | 1.10% | 310.11 | 557.04 | 568.53 | 562.16 |
| Chicago-Naperville-Elgin, IL-IN-WI | 4.6% | 4.2% | 1.10% | 259.50 | 503.32 | 487.75 | 482.36 |
| Dallas-Fort Worth-Arlington, TX | 5.4% | 5.2% | 0.60% | 269.53 | 503.24 | 478.16 | 475.47 |
| Denver-Aurora-Lakewood, CO | 4.4% | 3.5% | 2.00% | 300.00 | 563.69 | 544.41 | 534.00 |
| Detroit-Warren-Dearborn, MI | 4.6% | 4.3% | 1.00% | 263.79 | 495.61 | 475.32 | 470.53 |

Change in Consumer Price Index by Region

East North Central
East South Central
Middle Atlantic
Mountain
New England
Pacific
South Atlantic
West North Central
West South Central



4.6%
YoY Change (22-21**)

5.0%
YoY Change (21-20)

1.3%
YoY Change (20-19)

** Change is the for the time period of January 2022 through June 2022 vs January 2021 through June 2021.

# State of Economy Continued

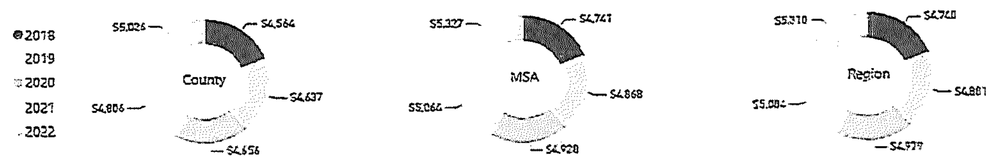
Wisconsin

Majority AL

Majority IL

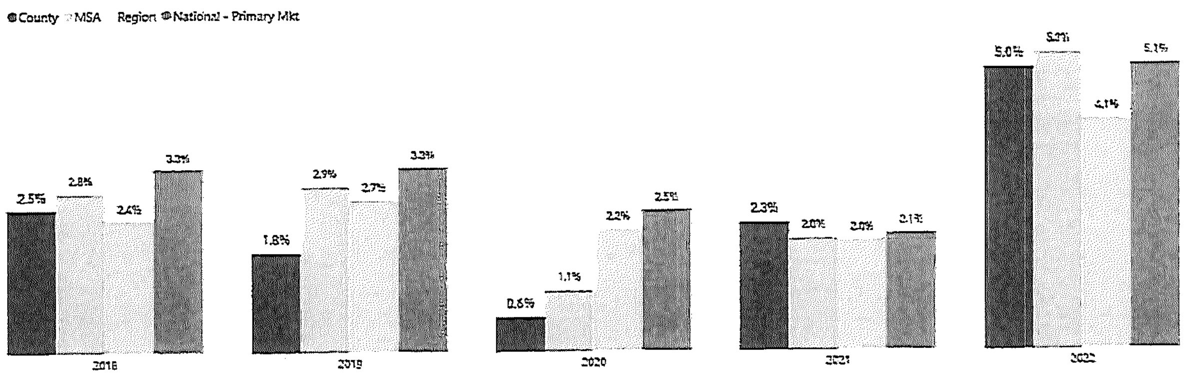
Majority NC

Average Rent by Year

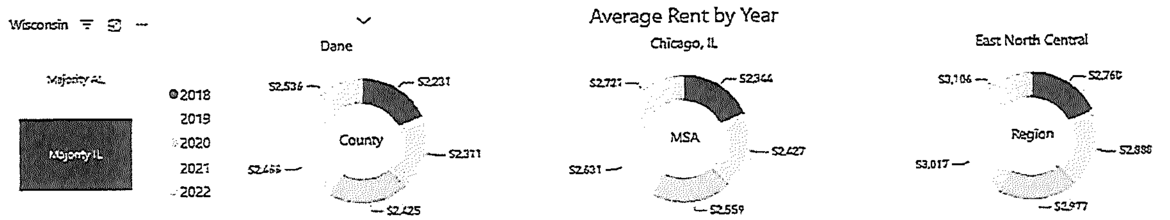



Source: NIC-Map ® Data Service. For more information on the NIC MAP® Data Service, please visit www.nic.org/nic-map or call 410-267-0504.

Average Rent Growth by Year



# State of Economy Continued

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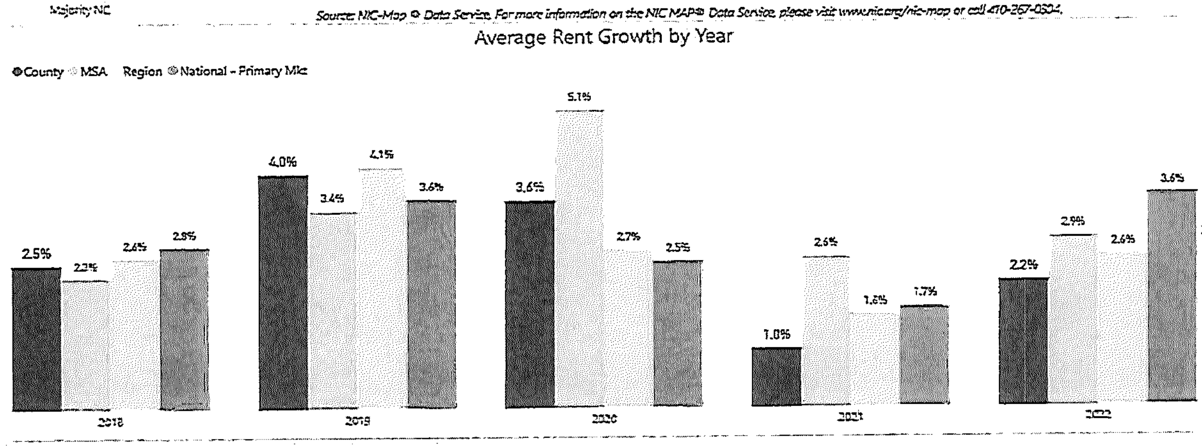


# State of Economy Continued

Wisconsin

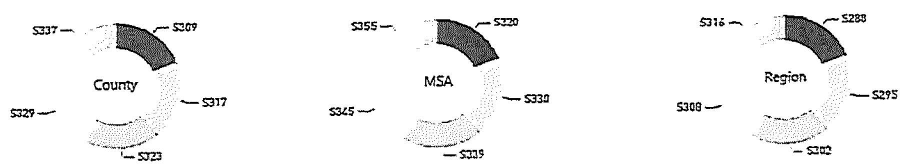
Majority AL

Majority IL

Majority NC

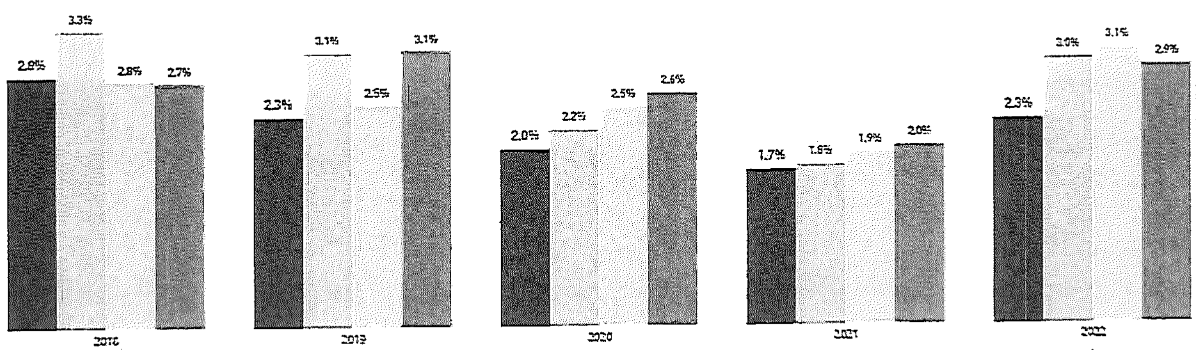
2018
2019
2020
2021
2022

Average Rent by Year




Source: NIC-Map © Data Service. For more information on the NIC MAP® Data Service, please visit www.nic.org/nic-map or call 410-267-0504.

Average Rent Growth by Year



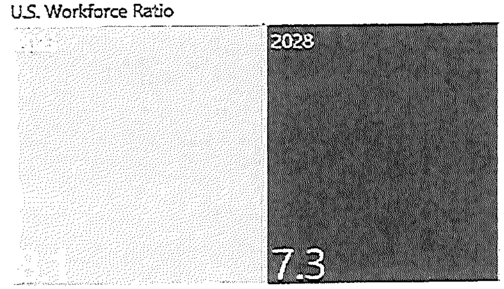
# Access to Labor

*Source: Environics Analytics*

Wisconsin

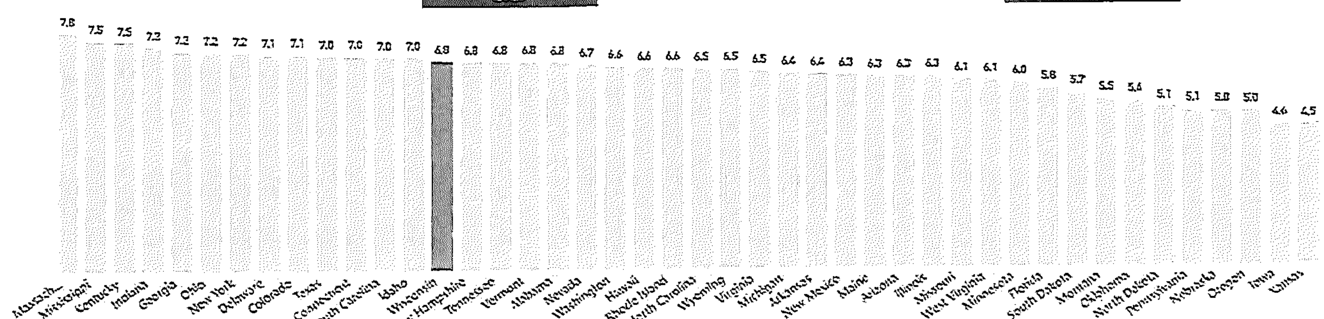
| County Name | County Workforce Ratio 2023 | County Workforce Ratio 2028 | County 5 YR Change | MSA Name | MSA Workforce Ratio 2023 |
|---|---|---|---|---|---|
| Menominee County | 9.53 | 8.16 | [illegible] | Northeastern Wisconsin nonmetropolitan area | 4.64 |
| Milwaukee County | 9.97 | 8.79 | [illegible] | Milwaukee-Waukesha et al, WI | 8.50 |
| Monroe County | 7.61 | 7.03 | -0.58 | Western Wisconsin nonmetropolitan area | 6.70 |
| Oconto County | [illegible] | [illegible] | [illegible] | Green Bay, WI | [illegible] |
| Oneida County | 4.75 | 4.40 | [illegible] | Northeastern Wisconsin nonmetropolitan area | 4.64 |
| Outagamie County | [illegible] | 8.03 | [illegible] | Appleton, WI | 8.94 |
| Ozaukee County | [illegible] | 5.53 | [illegible] | Milwaukee-Waukesha et al, WI | 8.50 |
| Pepin County | 5.97 | 5.51 | [illegible] | Western Wisconsin | 6.70 |

U.S. Workforce Ratio



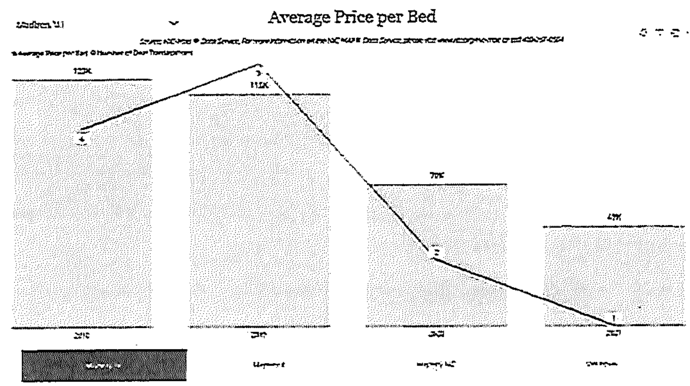

2023 Workforce Ratio Less than 8

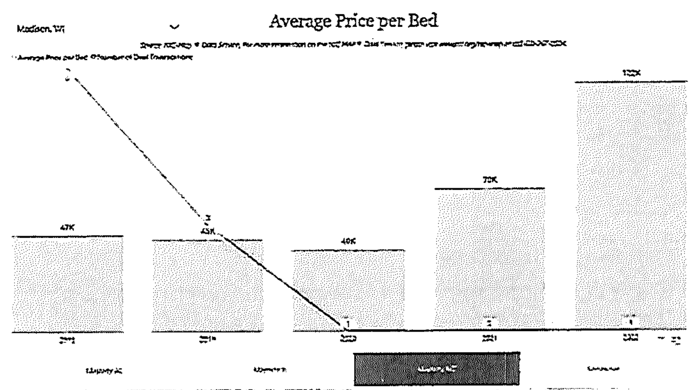
2023 2028 Greater than 8 Less than 8



# M&A Activity

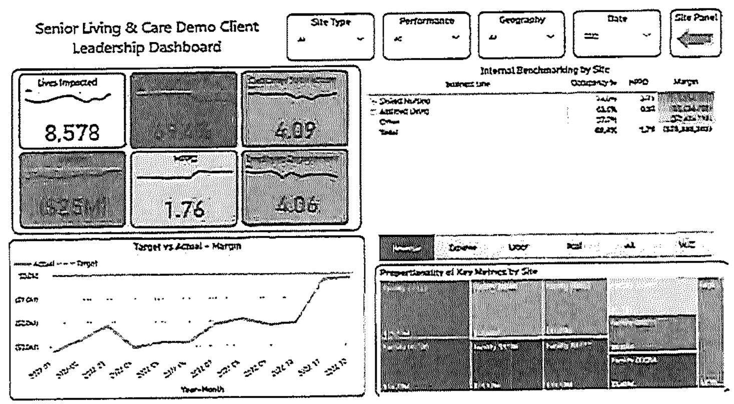
- Transaction Volumes Declining
  - Interest rates rising at historical pace
  - Cap rates: increased approximately 80 bps past 12 months
  - Smaller deals, less portfolio deals
- Private Capital will continue to be the most active



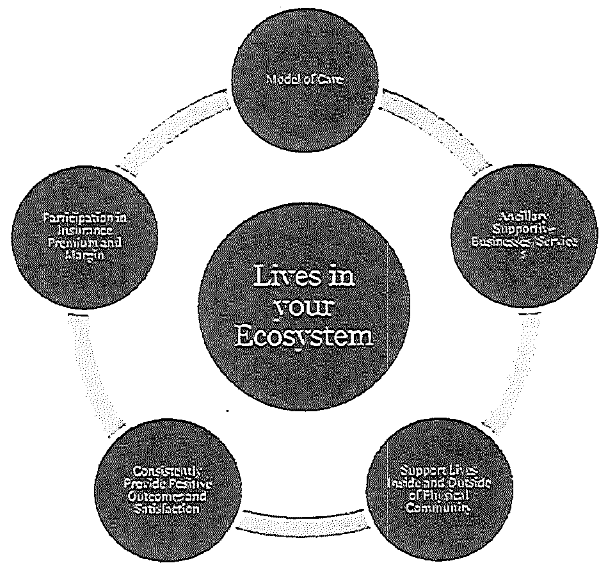
# Digital

- Senior Living & Care industry has a lot of valuable data; however, we have not historically invested to capture value.
- Operators and owners need to invest in their ability to use the data they already have:
  - Consistently
  - Simply
  - From Multiple Systems
- We need to use data to:
  - Make our workforce more ***efficient***
  - Identify and ***influence*** decisions
  - ***Empower*** autonomy

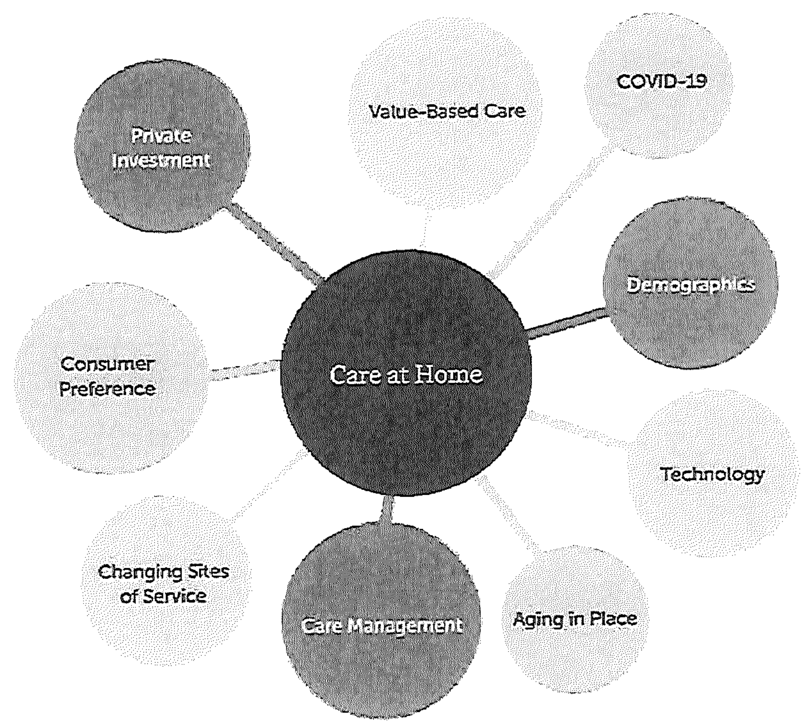


# Care Coordination

- The new era of consumers is focused on wellness and solutions. There is an increased emphasis on wellness – improving and maintaining health and lifestyle.
- The number of 'solutions' to prevent and treat ailments are increasing at an exponential rate, however our health care system is fragmented, and the number of options is overwhelming. Opportunity to provide coordinated solutions to consumers.
- Focus on high quality outcomes and use data to validate your mission and tell your story.
- There is an opportunity to elevate your value proposition in this market, capturing more of the health care and wellness economy. This may require innovation, strategic partnerships, embracing alternative payment models, and investment of capital and talent.
- Seniors are the highest consumers of health care and CMS is shifting risk to private plans (Medicare Advantage) and alternative payment models at a more rapid pace than predicted.



# Care Coordination - Drivers Moving Care to the Home



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