

SPECIAL BUDGET AND SALARY REVIEW COMMITTEE

July 14, 2011

PRESENT:

**Kenneth Wilber, Chairman
Lawrence Andrews
Elizabeth Young
Roy Brown
Arthur Baer**

ABSENT:

**Arthur Bassin, notified
Raymond Staats, notified
Bart Delaney, Jr., notified
Catherine Hogencamp, notified
John Rutkey, notified**

ALSO PRESENT:

**Becky Vinchiarelo, Deputy Clerk
Ronald Caponera
Arthur Proper
Nancy Winch
Nancy Shadic
Robin Andrews
Michael McCarthy
Andy Howard
Dianne Wolff
Philyss Higgins RN
Ed VanNostrand
Mike DeRuizzo**

Chairman K. Wilber called the meeting to order at 11:35 A.M.

Mike McCarthy of McCarthy & Conlon, LLP completed a financial analysis of the Columbia County Certified Home Health Agency which is operated by the County's Public Health Department. This analysis was completed as a result of increased costs to the County. His firm also audits the County's Medicaid for the Health Department. He presented a draft of his findings. The draft included background information and a historical analysis of the CHHA. State aid as it relates to the Health Department was also discussed.

M. McCarthy explained that patient volume had dropped in 2009 and continued to drop in 2010. It was further explained that many counties are prohibited from conducting marketing activities utilized by other types of CHHA's. As a result of this the Columbia County CHHA is primarily serving the patients that their private competition does not find attractive. These patients are considered unattractive for reasons such as they are difficult to serve and/or there is very low payment associated with their diagnoses and care plan.

A. Baer asked N. Winch if she was aware of the significance of the loss of money due to the CHAA. N. Winch said that she was and they reported these losses. She made both the Board of Health and her Health Committee aware of this.

Discussion ensued on the fact that Medicare drives a CHAA while Medicaid pays very little. It was further discussed that many times the Eddy will defer patients to the Health Department that they will not make money from.

The Medicare section of the draft was discussed. This discussion included the National Standardized 60 Day Episode Payment Rate and discussion on LUPAs.

It was stated that Columbia County is understaffed to run the CHAA in the best way. Furthermore, it was found that the County is doing a great job of managing their volume; they just do not have enough volume to manage. In 2010 Columbia County compared favorably with other counties. N. Winch explained that great efforts have been made to achieve this. Other factors that make operating a CHHA difficult for a county are negotiates with third party insurers and fringe benefit costs. The County does not do a great job negotiating with third party insurers as the volume for the County is very low. This leaves the County with little leverage to negotiate with insurance companies. As far as fringe benefits are concerned, counties have much higher costs than private organizations.

M. McCarthy presumes the County will be facing an increase of revenue reduction in the future. Unless volume numbers can increase, there is no way these deficits can be turned around. The County is facing an even smaller amount in funding from Medicare payments. It will most likely

eventually cost even more. M. McCarthy explained that 3-4 visits per a day is average for a County, while Columbia County has an average of 2. Places like the Eddy get around 7 visits per day. N. Winch said that they are completing more visits at this time, but last year the number was around 2 per day.

It was mentioned that most every County in this business is having a financial analysis study done on their CHHA. It will come down to philosophical and financial decisions. The County needs to ask if what they are offering the residents is worth the money they are spending. We have around 71 patients right now.

N. Winch added that the Eddy does not see maternal children patients, while the Health Department takes all of these visits.

Process going forward – The County should issue RFPs, evaluate responses, decide on whether they want to keep the CHHA or sell it. M. McCarthy can help with writing the RFP.

One of the concerns the Health Department employees have is that there will be people who will not get services if they sell the CHHA. There are around five to ten chronically ill people that may fall through the cracks of the system. It was noted these patients would be eligible for nursing home care. They have tried to maximize money per episode. R. Caponera asked if we managed only the 5-10 critical patients a month that would fall through the cracks, and cut costs by only focusing resources on them, would it be a possibility to break even. It was decided this most likely could not be achieved. The Committee decided to look into what other Counties do with the patients who would not be eligible to receive services. We need to know what their safety net is.

A comment was made that the State's goal is to get Counties out of the health care business.

The Committee asked N. Winch if she had any input to add to the report. She replied that she would like to take more time to look at it. At this time, she would like the information presented regarding the Maternal Child Health piece added as it is part of the CHHA. M. McCarthy said he will need the status of the last three years for these services and after he adds that he will file a final report.

Environmental Health:

A Community Health Assessment is done once every 4 years.

A County Municipal Health Service Plan is the result of this assessment which needs to be filed with the state.

State Aid is being cut for individual waste and individual sewage (\$45,000.00).

Individual water and sewage – (Tech Assistance which means a phone call) is what this department offers. Current environmental health care cost to the county is 80k. This cost has risen and fallen, which resulted in increased environmental health fees each year. It was noted if we continue to go forward we would have to add 45k to the 89k in revenue, as the state is not reimbursing the 45k any longer.

A list of services that will not change was reviewed. Even if we dropped the program, these services would be deferred to the Towns (rent, gas, benefits, salaries, etc).

Discussion ensued on the need for a sanitary code, which has been referenced in annual reports dating back to the late 50s.

There is no law regarding the sewage section the County is dealing with. They are working with the County Attorney's office regarding this.

The program does site evaluations and requirements for houses such as the separation of the well from the septic. Mandates depend on the size of the lots.

Fees are based on per a lot and if it is in a subdivision they get an added charge. There is also an application fee.

R. Caponera added that statistics need to be studied and they need to come up with averages regarding the program before they get into the budget process. N. Winch said the fee schedule has to be reviewed. Several parts are set by public health law and they cannot change. From a staffing standpoint – could staffing be downsized to reflect business is slowing down in this area? N. Winch replied that they are currently looking into this. It may be a possibility, but this is a seasonal program, so many of the people are doing multiple projects within the departments.

Regarding the CHHA, it was decided that the report be sent to the Health Committee, Venesky and Company (A full service provider of accounting, auditing, and consulting services to NYS governments) should look at it, and A. Proper should put together a bid.

With no further business there was a motion to adjourn at 1:15 P.M. by R. Brown, seconded by L. Andrews, motion carried.

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