1. The Special Joint Meeting of the Plymouth Town Council, Board of Finance, Board of Public Health was called to order by Mayor Vincent Festa at 7:00 p.m. on **Thursday, October 2, 2008** in the Assembly Room, Plymouth Town Hall, Terryville, CT. Members in attendance: Jacqui Denski, Peter Gianesini, Jeannine Jandreau, DiAnna Schenkel, David Sekorski, Mayor Vin Festa, Robin Gudeczauskas, Council Clerk. Also present from the Board of Finance: Pat Budnick, Dan Murray, Ralph Zovich; Board of Public Health: Dr. Scappaticci, Nancy Conway, Lani Johnson, Tim Murawski, Tony Orsini.
2. Fire Exit Notification
3. Pledge of Allegiance
4. Presentation of Report of the Plymouth Visiting Nurses Association – Mayor Festa introduced Ann Nelson from Bristol VNA and Maryellen Frele, consultant of Frele Associates. The joint meeting was called so that everyone could listen to presentation and report of the findings of the VNA. Report distributed ("Report of Organizational and Operational Analysis of Plymouth VNA"). Maryellen Frele stated she has been working with the Plymouth VNA for 3 months, gave overview of her background and noting regulatory requirements. Her task in evaluating Plymouth VNA with focus of can it remain as department of the town and what would it do to remain in compliance and operate efficiently. She reviewed the report and highlighted areas from each section: Purpose and Objective – "management tenets"; background of consultant, over 23 years as a consultant and nurse with masters in business, reviewed experience; Section 2.0 – detail of clinical and financial on each intake procedure. Section 3.0, CT home health care industry is important noting home care has been in existence for a long time and in 1960's Medicare came about and started regulations. In the last 10-15 years the industry wants home health agencies to be 24/7 and to treat all sorts of patients. The demands on agencies have increased and most importantly, issue of financial management and reimbursement; have had merger of agencies; difficult to keep abreast of regulatory changes, reimbursement requirements, competition, etc. Section 4.1 reviewed bulleted items, noting governing body in place. Section 4.2, Scope of Services – home health services which are reimbursed. Section 4.3, "Golden Rules" stating what makes an agency successful, and need to make sure it (VNA) can do these things. Section 4.4 Management; marketing is huge due to competition. Section 4.41, Administrative Role/Responsibilities; Plymouth has combined position and a lot for one person to handle; one key role is to integrate clinical with fiscal management, administrative role has a lot and actual regulatory requirements for administrator are listed, reviewed. Section 4.42, Clinical Nurse Supervisor Role and Responsibilities – home health agency has nurses in field and need to go into patient homes to see nurses in those homes working, review notes of nurse and what doing; qualifications of supervisor reviewed. Section 4.43, Home Health Aide Supervisor, Role and Responsibilities – the State requires home health aides have separate supervision other than nurse. Home health aides are trained but not professional and need the most supervision. Section 4.44, Billing/Finance Manager - this is critical to ensure financial viability of an agency and this person must be able to decipher plans, bill for those plans; highlighted responsibilities reviewed; oversight of day to day and supervision of billing and fiscal operations. Section 4.45 Issues Concerning PVNA Current Organization Structure - have not had management expertise, experience or structure which has led to current state. She noted no matter how small a home health agency, it must function according to regulations and optimum internal operations. Section 5.0

Clinical Services: 5.1 Nursing 5.1.1 Clinical Operations – During Bristol VNA's providing management oversight, the Department of Health came for license survey, accreditation surveyors were in, with this section a compilation of findings from all three; reviewed. Great computer system but not using to maximum; 2 nurses confusion over answering OASIS comprehensive assessment; a lot of documentation issues lacking; coding is critical and determines reimbursement; nurses discharging patients despite patient needs; patients whose clinical problems are acute should have been billed to Medicare vs. Medicaid; inadequate environmental infection control procedures within PVNA office; lack of correlation between medications listed on physician orders and those listed in the patient's clinical record. Ms. Frele stated there are a lot listed, could go into more, and the best way to remedy is to have administrator and supervisor but we do not have a large enough agency to do this. Recommendations are listed on page 11, noting nurses need retraining. 5.1.2 Productivity - in July there were 2 nurses with 3 visits per day and some days no visits and now one nurse; standard is 6 visits per day per nurse. Recommendations for this item reviewed noting the issue is Plymouth does not have patient census to support 2 full time nurses and census needs to go up. 5.1.3, Patient Clinical Record – using cumbersome manual patient clinical record and need to convert to automatic. Recommendation reviewed noting Plymouth has excellent Lewis MIS. HIPAA Compliance – need to adhere to confidentiality requirements which is an extremely important and serious regulation. Some records were being stored in garage and against the town's current policies and procedures for archiving confidential records. 5.1.4 Extended Hours Coverage - need to operate 365/24/7 and most agencies have separate on call staff to work evenings and separate weekend staff; Recommendations reviewed. 5.1.5 Intake Process - always need competent nurse to take referral as many agencies can be called so a referral source may not want to wait if nurse is not available. Section 5.2 Home Health Aide Program - 4 home health aides on staff, one stays in office to do scheduling and administrative duties because we do not have enough patients to be taken care of. There is over-utilization in this area as too much manpower for census and care plans do not match needs for home. Recommendation is one position be converted to scheduler position. Section 5.3 Contracted Services, Therapy and Social Work – recommendation is to keep going as is. Section 6.0 Care of Terminally Ill Patients - hospice is regulated and need certain people in place. Plymouth is too small to develop a hospice program and must continue to refer its terminally ill patients to hospices. Section 7.0 Quality Improvement Program - Plymouth has an internal quality improvement program that meets the minimal regulatory requirements. Medicare will be initiating a new reimbursement system called Pay for Performance, reviewed. This is critical and focus needs to be patient outcomes. A comprehensive agency-wide Quality Improvement Program encompassing all components as listed in the report needs to be done. Section 8.0 Physical Space – Current space is not conducive to efficient operations and all staff could be on one floor, HIPAA privacy is an issue as well as noncompliance with regulatory and accreditation standards for work practice controls, infection control issues, do not meet sanitary conditions from clinics being held. Recommendation is to redesign current space or relocate to an office that facilitates efficiency of operations. Section 9.0 Billing and Fiscal Operations – Ms. Frele stated in all her years as a consultant she has yet to see billing be in such a state of horrendous mismanagement with overstated revenue, inaccurate statistical reports. She has put in full-scale overhaul of billing procedures and statistical reporting,

including reconciliation of patient accounts, re-billing of incorrect and missed bills, correct posting of revenue, adjustments and write-offs, accurate data entry, timely electronic submission to payers, applying contractual allowances, insurance verification, collections, managing AR and implementing timely insurance authorization procedures. There was not sound, knowledgeable, financial procedures going on and she was faced with business department functions that were not getting done; only routine billing was going on but not being done properly. Review held of fundamental internal functions that must be performed by internal staff with recommendation of two administrative support staff necessary to ensure that all billing and administrative functions are performed timely and efficiently as well as to ensure cross coverage. Section 9.2 Management Information System – the current system is excellent but not utilized to capacity. Recommendation to engage Lewis company to conduct on site product optimization training. Section 9.3 Statistical Review: 9.3.1 Market Share – referrals at an all time low; numbers reviewed from fy06-07, fy 07-08 with projected 08-09. Based on current referral projected at 108, this is not enough to sustain agency. Unduplicated census count as some patients are repeat customers which is declining. Recommendations show losing market share and need to develop and implement an effective marketing plan. Section 9.3.2 Visits Statistics – historical decline in visit statistics for billable visits projected at 4500/year noting important to provide visits based on patients' needs regardless of payer. The education of nurses and therapists concerning care planning is highly recommended. Section 9.3.3 PVNA Payer Mix - Reimbursement received from four primary sources: Medicare, Medicaid/CCCI, Managed Care and Private Pay/Other. Reviewed current mix which reflects the norm for a CT home health agency with Medicare and Medicaid making up over 87% of reimbursement. It is imperative that PVNA have internal expertise in regulations and reimbursement. Section 9.3.4 PVNA Cost Per Visit; reviewed chart noting PVNA is losing money on each visit that is reimbursed on a per visit basis; however the current cost data in the PVNA computer system has not been updated and is still listed at the FY 05-06 costs. Recommendation that PVNA must become a cost effective, well run home health agency if it is to remain solvent. Section 9.4 Billing and Collections Performed by Greater Bristol VNA During Management Oversight reviewed noting time is running out to collect on old bills and is laborious. Section 10.0 Budget and Fiscal Viability – recommendation are for changes in line items, eliminate home health aide position or convert to schedule, salary of administrator/supervisor would have to be higher (average salary is approximately $90,000) and need for a Finance/Billing Manager to ensure efficient and accurate billing and statistics with an average salary of $72,000. She noted both positions are extremely difficult to fill. Review of revenue projection with a projected loss for current fiscal year of $307,828 which is greater than revenue projection. Section 11.0 Critical Success Factors - to bring to break even point is a daunting task. A review was held of listed critical success factors that are vital to the PVNA survival. Section 12.0 Alternative Option For PVNA – for the Town to obtain home health services for Plymouth residents through another agency; non profit, with a proven track record for providing high quality patient satisfaction and excellent internal operations. Should also ask for strong, specific safeguards; representative from the Town of Plymouth should have a seat on the board of the agency. Section 13.0 Focus For Decision – to ensure residents receive the highest quality care and receive service regardless of whether they have no insurance or cannot afford to pay for care.

5. Discussion/Comments – Lani Johnson noted it is an exhaustive study and for those on board there was a lot they know and a lot they did not and thanked them for the report. Pat Budnick asked if the second option is chosen and another organization takes charge of our health services, what is the cost on part of the town. Ms. Frele stated usually the agency does not have any assets to speak of and another agency should not assume that. If go with another agency, payment for indigent or free care is cost of Plymouth but that data is not there of who would qualify. She recommends the town negotiate with agency for realistic dollar amount, starting amount, and can get accounting from agency on what the actual number is. She felt Plymouth gave away a lot of free service and cannot determine what would actually be indigent or free. Peter Gianesini asked for an idea of how many towns in the state similar to Plymouth have their own nursing. Maryellen Frele stated there are 5 left including Plymouth including Berlin, Orange, and Naugatuck. Peter Gianesini stated need to have 2 very qualified individuals, administrator and billing who need to know an awful lot and if one is out for 2 weeks vacation there will be a problem. His point is that critical mass is important thing and this is more than a job but something a person must enjoy doing but need to be kept motivated. This is enormous undertaking to turn around. Maryellen noted it could take years to find people. Lani Johnson stated she has been on the Board a long time and practicality if cannot increase referrals it is a very expensive thing for the town to support. Could we ever bring balance up? Maryellen Frele stated it would be a Herculean effort; there are other local and proprietary agencies, staffing is Plymouth has union nurses and pay scale is way below market in this area which is $62,000 and Plymouth is paying 2/3 of that. Lani stated that is major concern of the Board and under town structure they could never bring nurses salary up. Maryellen Frele stated the salaries will cripple the town. Dr. Scappaticci stated in the past the services of this agency were limited to confines of Plymouth and attempts of marketing outside of town were met with resistance. When making a decision he urged the Council to think about marketing aspect which is very important and if not allowed to market outside town it will be very difficult to make viable. DiAnna Schenkel stated based on information provided in the report we are sorely under educated in terms of basic business practice, hygiene, healthcare and would not want to market outside town at this stage as we need to fix what is broken before marketing outside of town; marketing costs a lot of money and our reputation of not being able to get referrals is known and extremely difficult to come back and overturn reputation. Do we have enough money or time to make it worth to come back. Jeannine Jandreau stated agreement, agree on issue with location and we need to get another place and we do not have it. Dave Sekorski stated his thanks to all board members attending, noted (a) referrals statistics and data that reflect what a good referral amount should be and questioned what our census is. Maryellen Frele responded how many patients the town serves at once which would be 150 all time high but do not have support. (b) in administrative area and collections are major changes in Medicare and does she anticipate even more. Maryellen Frele stated, yes, and it is getting more complicated. (c) move to Alternative option; how is that relationship and would board of health continue or who manages and monitors agency? Maryellen Frele stated all community services remain part of the town and have board of health to oversee. Ideally there is a Board of Health representative who sits on the home health agency board and in the first year should ask for more in terms of data, number of patients serviced, how old are they, where are referrals coming from. Jacqui Denski stated she felt we only have one

option but will weigh it all. If looking for a reputable nonprofit agency how do we go about it, do you have referrals, do we interview. Maryellen Frele stated to look for nearest non profit, easiest is Greater Bristol but there are other home health agencies that are free standing not affiliated with hospital, network or physician group and focus on independent function of agency. Tim Murawski (a) as business sense she was part of competition and over years how many patients did you have from Terryville. Maryellen Frele stated not many because when Terryville could not take a referral they could not always take one. As far as market share loss, Greater Bristol VNA is one but biggest is Bristol Hospital Home Care and their biggest competitor. Dr. Scappaticci stated that is the truth and the way Bristol Hospital is suppose to present is to be here are agencies, but that is not always true. (b) it does state in the Charter that Plymouth shall be official public health nursing and home health aide in Plymouth and before anything that needs to be changed. Mayor Festa stated that is something the Charter Revision Committee has been charged to review. However, the intent of language and type of community servicing, our current VNA has handled only senior patients and refusing younger, middle age and babies and the opportunity to get involved with school system and they turned it down. He questioned why they were not servicing people in community and was told we only had nurses qualified to work with seniors. Also point out 107, misconception that had 107 patients. Maryellen Frele clarified that was 107 for the year and current patients as of last week were 27. The average case load for home care patients is 25-30 and current nurse is not overloaded but need second nurse. DiAnna Schenkel, competition, we have an indigent fund with Waterbury Hospital, Eli Terry Fund, and for those who do not have home health care are referred to Waterbury Hospital. She knows of several people who went to Waterbury Hospital and were referred to Watertown VNA. There are a lot of other agencies out there and we go to Bristol because it is closer and we are getting it from other ends. Ralph Zovich, thanked Bristol VNA and Ms. Frele and stated we got our money worth on this report. From previous meetings with Judi Blanchett and the Board of Finance, he asked what would it take to increase patient load and she said she would make effort; Plymouth was not on St. Mary's list for referrals, we were not on other lists for healthcare providers and discussions were held at that time. The BOF thought was our VNA was salvageable, it has been here for many years, people like the care, etc. From a financial standpoint we were hoping to break even and from this report in order to find a competent administrator we would need a salary higher than any other department head on the town side of the budget, excluding school system, and need a billing supervisor. We do not have enough clientele, patient load and then administrators, HIPAA requirement, and should not make decision based only on money. This situation came to light because of money, even if we continue, we balanced projected revenues with expenses and will have to eat loss of benefits; can we operate from technical and operational standpoint. The BOF is not involved in services delivery but can operation function in this environment? Our town is aging, if competition is increasing at a greater rate and we put likelihood of reconstructing and reorganizing at less than 50/50 it would not be in the best interest to pour in good money after bad. We can find money in the budget but to restaff with qualified people and to serve needs of town and enlarge base, could that be viable, or is competition so stiff and qualified people so scarce? Maryellen Frele stated the issue is qualified people being scarce, even if the town wants to allocate the money it could take a year to find somebody. At the current salaries the town cannot afford the nurses at

the pay rates. Peter Gianesini noted another area mentioned which is necessary to increase market share is quality improvement and customer satisfaction surveys to find lacking areas; and if base is out there and they speak to someone who had visiting nurse from another town. Just to do surveys requires a lot of action. We need to be realistic. Pat Budnick noted expense figure and top administrator, nurses, cost of home health aides and operational costs. In 2004 we made a profit but did not include employee benefits. There are visiting nurses who live in town and may work here if had the salary but does not feel this will all happen in a year's time. Jeannine Jandreau noted if anyone has been to where the nurses are the place is a mess, an old house, and we need a place where people will be happy to go and we have no place to put them other than where they are; no privacy and not conducive. Ralph Zovich stated what Maryellen has done is wonderful; however, their contract is up and who will supervise the one remaining nurse and 4 home health aides, and how are we operating in this. Mayor Festa stated that is the issue to be taken up at Council next week. Without management in there by law we need to close down but do have a 30 day window; we could contract an agency or individual. DiAnna Schenkel extended her thank you to Maryellen and would rather hear the truth than any other way; there have been a lot of good people who support this agency and people in this town. She would like everyone here to think about the fact this agency is insolvent and it has been for years because figures misreported, inflated and if coming up with a way to keep this agency, the Council needs best ideas, best hope and need input. If you know of any ideas or people in community who can come in qualified and can turn this agency around, willing to work, have them contact the Mayor. It is insolvent and we cannot allow our citizens safety and healthcare to be at risk. Maryellen Frele stated usually when she does a report it is 50/50 and felt sad when writing this report as she never used words such as those in here and in 23 years as a consultant and years as director, this is the single worse agency she has come across and the town is really in trouble and it is very serious.

6. Public Comment: Melanie Church, 328 Main Street, (a) Ms. Frele said there were 27 patients and how many are with private insurance vs. Medicare/Medicaid. Maryellen Frele stated those percentages came from prior 3 months and compare to 3 years and 65% of 27 patients is around 2 that are private and bulk is Medicare/Medicaid. This agency has been poorly managed for years; she would not even try to rejuvenate this agency; it is not just fixing a system but day to day that need to be done. Fixing and changing systems is easy but management of it is strangling. (b) if went with non profit vs. priority, how much would say this agency has been given to indigent people; Maryellen stated that is why they are non profit; and proprietary want to minimize any free care and non profit has mission to break even but to deliver care is the mission. (c) as a consultant, if the state came in now and in condition in financially and not being up on credentials clinically, training, would we be in same boat as a convalescent home or health facility not up to standard and they could shut us down. Maryellen Frele, absolutely. (d) is that an emergency and we cannot take chance to put town in liability. Maryellen Frele stated she is absolutely correct and with State survey in July there would have been numerous violations but not issued because they saw things were being fixed and corrected because of Bristol who had no violations and they were here fixing. (e) HIPAA violation is serious; Maryellen Frele stated that is critical and in August a home health agency was issued $100,000 fine for HIPAA violation. Pat Budnick, liability, how does the town insure nurses in event clean up other stuff but one nurse does something wrong. Ms. Frele stated malpractice insurance

is carried by the town or agency.

Mayor Festa thanked everyone for coming out and noted there is a Council meeting next week and this item will be brought up for discussion. He commended and thanked Maryellen and Ann for a wonderful job; gave background of how he learned what was taking placed and of a 3 year lack of billing. A young lady from Plymouth was here working on behalf of Greater Bristol VNA fixing billing issues, and found out Bristol person came free of charge to help initially; and the Boards need to understand that this came forward through a glitch found when they were here to begin with to help us.

7. Adjournment

MOTION: To adjourn by Councilwoman Jandreau; second Councilwoman Schenkel and the vote unanimous.

Meeting adjourned at 8:55 p.m.Adjournment MOTION: To adjourn by Councilwoman Jandreau; second Councilwoman Schenkel and the vote unanimous. Meeting adjourned at 8:55 p.m.

Respectfully submitted,
Robin Gudeczauskas, Council Clerk