



Westport Weston
Health District

SPECIAL MEETING AND BUDGET WORKSHOP

WWHD BOARD OF DIRECTORS

February 13, 2017

Subject to change until approval by Board of Directors

The Special Meeting and Budget Workshop was called to order by Chairman Otis Crawford at 7:30 pm. The following voting Board Members were present: Chairman Otis Crawford; Vice Chairman Catherine Revzon; Director Ian Lewis; Director Megan Loffredo, MD.

Director Wendy Stahl was present via telephone conference line.

Also present were: Mark A.R. Cooper, Director of Health; John Cimarosa, Director of Finance and Special Projects; Dr. Steinman, Medical Advisor; Monica Wheeler, Director of Community Health, and Charles I. Costello, CPA.

Approval of Minutes

Chairman Crawford asked if there were any questions or comments on the December 12, 2016 Minutes. Being no questions or comments, on a motion made by Director Lewis and seconded by Director Loffredo, the December 12, 2016 minutes were approved. Chairman Crawford voted yes; Vice Chairman Revzon voted yes; Director Lewis voted yes; Director Loffredo voted yes; Director Stahl voted yes.

Motion was approved 5 to 0.

Correspondence

Mr. Cooper noted that the Board meeting package has an updated directory of Board member information should Board members want to contact each other.

Upon the request of the Chairman, an outline of operational changes that became effective the first of this year was included in the Board meeting package. Changes were made to get ahead of tightening resources and uncertainty with the future of public health in Connecticut because of the (State) Commissioner's proposed Legislation to consolidate local health departments and changes in Washington, DC.

Also included in the Board meeting package was a copy of a Westport Now article resulting from a press release indicating the WWHD still had flu vaccine and encouraging residents to get a flu vaccination. The article did generate citizen visits to the Community Health Office.

Also included in the Board meeting package was a copy of Norwalk Hour article about (State) Commissioner's proposed Legislation to consolidate local health departments

FY-2015-16 Financial Audit

Chairman Crawford welcomed Mr. Costello to the Board meeting and asked him to present his audit results. Mr. Costello reviewed the draft auditor's report and financial statements as of June 30, 2016, page by page. He noted that changes this past year in how the GASB pension liability is calculated has significantly improved the statement of net assets. He summarized the review process for new members. When he first starts he does a materiality calculation for the organization. He then tests all transactions above that calculated materiality amount and checks internal controls, as well as disbursements. For received money he does an analytical review of the fees from one year to the next looking at fluctuations, comparing them to other Health Districts. He checks all grants and follows the money trail. He noted on page:

- 1A Independent Auditor's Report - top of the page indicates he did an audit, not a review or compilation. Last paragraph indicates the financial statements were fairly presented which is an unmodified and/or a clean opinion.
- 1B - Last paragraph indicates the audit was done with Government Auditing Standards required. Because the WWHD receives federal and funded grants this is required. Basically, it is a checking of internal controls, called a yellow book audit.
- 2a, 2b, 2c Management's Discussion & Analysis - are a review of the pages that follow them.
- 3 (Exhibit A) - Statement of Net Position - It is a fancy balance sheet. Total current assets are \$557,055 as of June 30th. Net Capital assets are \$71,647. Total assets are \$628,702. This year there is a new reporting standard, deferred outflow of resources, \$108,872. This is the amount related to the District's state MERS pension obligation. Last year this number was negative and was considered a liability, this year it is considered an asset. There was a general discussion on GASB and the state of Connecticut's efforts to pass its unfunded pension liability down to municipalities. This is the amount of unfunded future pension liability. One does not write a check for this amount. As of June 30, 2016, if everyone at the WWHD retired, this is the amount that would have to be paid out over the life of the retirees. Total liabilities are \$589,089. He noted when you compare the ratio between current assets and total liabilities (628,702/589,089), one would like a healthy spread between the two which indicates a very healthy net position. The WWHD's total net position is \$167,829.
- 4 - Statement of Activities - basically an income statement. Is a little different from the past. Total expenses were \$1,345,626, down from last year. Program revenue charges were \$633,367 and operating grants and support were \$849,549; program revenue is up from last year. The change in net position is \$138,469.
- 5A Balance Sheet of Governmental Funds - this page breaks out all funds by category. It indicates that there is a positive balance of \$51,179 in the Fund Balance.
- 5B Reconciliation of Fund Balance - reconciliates back to page 3.
- 6A Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds - like a fancy income statement for government funds. The general fund had total revenue of \$1,382,731; expenditures of \$1,367,745 resulting in net income of \$14,986. Mr. Costello noted that there can never be net revenue from grants because unused grant money must be returned. The last four columns (Emergency Preparedness, Preventive Health Block Grant and Lead Grant), the revenues associated with the grant that offset staff salaries and wages
- 6B Exhibit D Reconciliation of Changes in Fund Balance - Reconciliates page 6A to Exhibit B.

- 7A, 7B, 7C, 7D, 7E, 7G these next several pages are foot notes to the Financial Statements. 7E is the foot note dealing with the new pension reporting requirements. Mr. Costello noted that on page 7G the 2.5 billion dollar total pension liability belongs to the State of Connecticut, not the WWHD.
- 8 Schedule of Revenues and Expenditures - shows what was budgeted against what actually happened. It shows the WWHD budgeted for a loss/deficit of \$72,946, meaning the WWHD was planning on tapping into reserves, but ended up with a positive of \$21,570.
- The next few pages have to do with the supplemental schedules for the pensions new GASB requirements, basically foot notes and supplemental information.
- Pages 12A and 12B is the Independent Auditor's Report - indicates the audit was done using government audit standards. If he had found problems with controls or other issues, they would be noted here. There were none; this is a very clean opinion.

Mr. Costello asked if there were any questions on the audit so far. Hearing none, he noted that there is a two page Management letter dated November 10, 2016 that outlines some universal fraud risks that should be addressed. He added that he checks WWHD's internal controls during each audit and finds them to be quite good. However, he would like to see a more formal Fraud Risk assessment and the established procedures written down as a formal policy. Basically, a one page report indicating a fraud assessment has been done for payroll and this is what the WWHD does to minimize it.

Mr. Cooper indicated that a lot of the processes and procedures have been written down a while ago, but staff will take a fresh look at it. Mr. Cimarosa added that there are established procedures for all of WWHD's handling of cash, credit cards, etc.

Mr. Costello again asked if there were any questions. He added that WWHD staff has responded that all the changes he has recommended in the past have been done, and as a result this year's audit went very well. He noted it as a very good report.

On a motion made by Director Lewis and seconded by Vice Chairman Revzon, the Westport Weston Health District Financial Statements for the year ending June 30, 2016 are accepted. Chairman Crawford voted yes; Vice Chairman Revzon voted yes; Director Lewis voted yes; Director Loffredo voted yes; Director Stahl voted yes.

Motion was approved 5 to 0.

Community Health Presentation

Mark Cooper noted that Monica Wheeler is present to outline and discuss with the Board WWHD's Community Health activities.

Mrs. Wheeler gave a brief history of the Community Health Department and indicated that one of the most important activities is the Immunization and Travel Clinic. She is considering conducting a survey of customer satisfaction in the near future. There are also other health providers who offer immunization and travel vaccinations in the area. Walgreens now offers vaccinations to travelers so she went online, download forms and contacted the local store and asked questions like how soon could an appointment be made, who would she be meeting with to discuss travel plans, what would the charges be etc. She found out there is no fee for the travel consultation, they use the vaccination

recommendations on the CDC website and will work with someone's physician to get appropriate prescriptions. Customers can stop in any time, no appointment necessary.

Mrs. Wheeler summarized the various Community Health activities; screening (blood pressure, diabetes, cholesterol, blood sugar, HIV and STD, and an annual dermatology check), Rabies testing and annual animal rabies vaccination clinic. There are three evidence based programs which include: Chronic disease self management program, diabetes self management program, and matter of balance. These programs are brought to the Westport and Weston Senior Centers and libraries. The WWHD offers a number of community educational programs that include: Lyme disease prevention and radon awareness.

The WWHD offers a Homebound program where a nurse (working about seven hours a week) makes non-skilled home visits to monitor medications, do a safety evaluation, and conduct a simple health needs assessment. Referrals come from Social Services, Human Services, family members and local physicians. There was general discussion on why the WWHD provides this service and whether Medicare could be billed for this service. Medicare can be billed for skilled nursing visits for services such as wound care, dressing changes, etc., the WWHD is not Medicare approved for these.

Chairman Crawford noted that the exercise program at the Senior Center is usually full and has to turn people away. There seems to be a need for this kind of program and might be something the WWHD would want to consider. Mrs. Wheeler noted that classes are run by contracted physical therapists from Rehab Associates. There was general discussion on the exercise programs being run at the Senior Center and the YMCA. There appears to be a need for more space to run such programs.

Mrs. Wheeler noted that several years ago the WWHD started a Safer Homes Task Force, originally called the Hoarders Task Force, to respond to complaints being received about hoarders houses, both from neighbors and emergency response personnel. The WWHD has responded, as part of the Safer Homes Task Force to a hoarder's home in both Westport and Weston. Mr. Cooper noted the high profile case recently in the news involving animals in Weston. There was general discussion on hoarding and the issues that arise when dealing with them.

Mrs. Wheeler stated that one of the important mandates that all health jurisdictions must comply with is monitoring various communicable diseases. Contact tracing must be done for tuberculosis cases, sexually transmitted diseases and foodborne illness outbreaks. She noted that there has been a recent big increase in Chlamydia. WWHD staff have been discussing the development of an educational campaign aimed at the college and even high school populations; the age cohort most often affected. There was general discussion on getting into the schools for such a discussion and how best to get the information out to the those that need it. Dr. Steinman noted that studies have shown that most at risk teens get pregnant between the hours of three to six in the afternoon. Effective intervention need to include social organizations.

Mrs. Wheeler stated that Community Health also supports the WWHD's Emergency Preparedness and Response efforts. Support rolls include staffing Points of Distribution for antibiotics, mass vaccinations, nursing staff for shelters, and coordinating the Medical Reserve Corp (MRC) volunteers who may get called during emergencies to help with specific tasks. The State has requested MRC's to look into setting up Family Assistance Centers during local disasters involving mass fatalities. The WWHD is also the fiduciary for the Regional MRC which includes 7 area town units.

Mr. Cooper distributed a copy of the WWHD's Activities Report for Calendar Year 2016 with Budget Information for FY 2017-2018. He noted that pages 7 and 8 outlines, and provides statistics, for many of the programs and services that Community Health provides.

In concluding, Mrs. Wheeler indicated that one of the greatest needs of the WWHD is to put back on staff a health educator. Mr. Cimarosa added that replacing the food program sanitarian may also be a need, depending the economic climate as we enter the new building season.

Mr. Cooper initiated a discussion on the difficulty of getting payment for services from some third party insurance payers. Initially the WWHD sought to become providers for flu and pneumonia vaccinations; however, one of the providers has now insisted that the contract for services include all of the vaccinations the WWHD can provide. Staff is spending an inordinate amount of time re-billing and trying to provide the insurance company with the information they keep requesting.

Mrs. Wheeler added that the WWHD used to require cash payments for Travel Clinic services and would provide the client with all the information they would need to submit their own claim to their insurance carrier.

Mr. Cimarosa explained that the WWHD used to only accept cash or payments from Medicare for flu and pneumonia. After the Affordable Care Act was enacted, the vaccinations became part of someone's insurance package, and covered at no cost to the policy holder. What seemed like a way to help clients and increase revenues, has not turned out that way.

There was general discussion on insurance coverage, the range of plans, what they cover and pay, the future of health care, and how the WWHD may be able to provide clients with all the information they may need to obtain reimbursement from their own insurance plan.

Chairman Crawford asked what was being proposed. Mr. Cooper said that internally, staff have been discussing going back to only accepting payments directly from clients and letting them file for reimbursement from their insurance provider. Dr. Steinman added that most travel vaccinations are not covered by insurance. He also suggested caution because once insurance is accepted, then one has to accept everything insurance covers, at their reimbursement rate. One needs to be in, or out. Additionally, one is required to bill everyone for services, at the same rate, regardless of their ability to pay. Mr. Cooper indicated he will pull the insurance provider contracts and look at the termination clause of each.

Chairman Crawford stated that this is a fairly complex situation with a lot of unknowns, in a rapidly changing health care environment; he suggested putting this on another agenda to specifically discuss insurance issues.

Budget Discussion - Operational Reports

Mr. Cooper noted that Operational Reports for December and January were provided in the meeting package for each Director and that the draft budget that has been presented to the First Selectmen in Westport and Weston, as well as the Westport Board of Finance working group, has not changed. It is a zero percent increase from last year's request.

Mr. Cimarosa indicated that the WWHD's revenue has been doing better lately. As noted by the audit, the WWHD is spending less and making a little more revenue with the community health fees. Government grants are less than they have been and the current thinking is that they will continue to

decrease. Expenditures for employee benefits are also down because of the employee contributions. It is also being anticipated that there will be about fifty thousand dollars less in environmental fees than last year.

Budget Workshop

Mr. Cooper stated he has met with the First Selectman , Treasurer and Board of Finance subcommittee in Westport, and had an opportunity to briefly discuss budget with Weston's First Selectman and Town Manager. They seem to be accepting a zero percent increase. I have explained that this is a survival maintenance budget with a lot of unknowns in front of us from the State Commissioners proposal to consolidate local health to a potential repeal of the Affordable Care Act. The Board needs to approve the budget by April 15 by Statute.

There was general discussion on potential capital needs such as a telephone system replacement, the Town of Westport's computerized permitting system initiative, aging computers, etc.

2017 - 2018 Holiday Schedule

Mr. Cooper noted that the proposed holiday schedule includes all of the same federal holidays as last year. July 3rd, a Monday has been chosen as the floater.

On a motion made by Director Lewis and seconded by Vice Chairman Revzon, the Westport Weston Health District approves the 2017 - 2018 Holiday Schedule as proposed. Chairman Crawford voted yes; Vice Chairman Revzon voted yes; Director Lewis voted yes; Director Loffredo voted yes; Director Stahl voted yes.

Motion was approved 5 to 0.

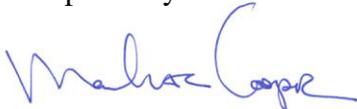
Any Other Business

Chairman Crawford stated that for the next meeting he would like to see on the agenda more information on the insurance contract situation and ideas of how to save money in Community Health and other areas. Mr. Cooper agreed that he will take a hard look at the insurance payments and other costs associated with Community Health.

Being no additional business, on a motion by Director Lewis and seconded by Director Loffredo to adjourn the meeting at 9:25 pm. Chairman Crawford voted yes; Vice Chairman Revzon voted yes; Director Lewis voted yes; Director Loffredo voted yes; Director Stahl voted yes.

Motion was approved 5 to 0

Respectfully submitted



Mark A.R. Cooper Director of Health
Westport Weston Health District