

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
NATHANIEL WITHERELL STRATEGIC PLANNING COMMITTEE
Special Meeting

MINUTES –Town Hall Meeting Room
Monday, March 18, 2019

Committee: Arthur D. Norton, Chairman; William Drake, Andreas Duus, Elizabeth K. Krumeich, Jeffrey Ramer

Staff: Allen Brown, Director, The Nathaniel Witherell; Roland Gieger, Budget Director; Peter Mynarski, Comptroller

BET: Jill Oberlander, BET Chair; Leslie Tarkington

TNW: David Ormsby, Chairman, Friends of The Nathaniel Witherell; Laurence Simon, Chairman, The Nathaniel Witherell Board of Directors

Public : Darrin Hull, SVP, Health Dimensions Group (HDG Consulting Practice); Colin Higgins, Business Development Manager, HDG; Stephanie Cyrus, Snr. Financial Consultant, HDG; Katherine Karr, Manager Consulting Services, HDG; Tom Marien, PKF O’Conner Davies

The meeting was called to order at 2:05 P.M.

1. Approval of the BET Nathaniel Witherell Strategic Planning Committee Meeting Minutes:

Upon a motion by Mr. Ramer, seconded by Mr. Duus, the Committee voted 4-0-0 to approve the Minutes of the BET Nathaniel Witherell Strategic Planning Committee Meeting of March 5, 2019.

2. Update/review personal services Contract #6740 Town of Greenwich and PKF O’Conner Davies for the Audit Review of The Nathaniel Witherell (TNW)

PKF O’Conner Davies’ consultant, Tom Marien, described the Audit Review process that he undertook at The Nathaniel Witherell. He commented that the initial objective was to convert TNW financial records currently maintained in the GASB accounting format into FASB. In order to arrive at the Report’s FY2018 financial position. The closing figures of FY2016 were a start-point to develop a two-year comparison. The Review separated operating results, equity and unfunded liabilities to determine cashflow for both years to calculate what was the costs to the Town to operate TNW.

The Report was annotated with supplemental information to explain the assumptions and adjustments made during the conversion process. Mr. Marien offered observations and recommendations to support TNW’s future financial records:

- document all TNW reports in MUNIS
- overhaul the Chart of Accounts to promote more robust tracking
- utilize best practices to improve reimbursement, collection and monthly closings

- establish a Reserve Fund since the current Enterprise accounting format is based on a breakeven standard
- renovate the accounting protocol to reflect the responsibility and accountability of individuals and departments for each stage of reporting
- hire an external consultant to assist in the transition to best practice processes and systems
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Upon a motion by Ms. Krumeich, seconded by Mr. Ramer, the Committee voted 4-0-0 to accept the PKF O'Connor Davies Report. Motion carried.

3. Presentation by Health Dimensions Group (HDG) – Financial and Operating Report for The Nathaniel Witherell

Mr. Darrin Hull, SVP, HDG Consulting Practice, introduced HDG as a full-service healthcare management organization and owners, operators and managers of skilled nursing facilities which had previously provided consulting to the Town of Greenwich for TNW in 2004, 2010 and 2011. He introduced the Project team specialists who prepared the strategic analysis of TNW financials (Stephanie Cyrus), marketing (Colin Higgins) and operations study (Kathy Karr) and present their findings of opportunities and structural options for TNW's future

The Presentation reviewed the dynamics of TNW's capacity challenges and explained the demographics of current and future market-demand for skilled nursing facilities and how competitive alternatives and future Medicare and Medicaid reimbursement methodology would force changes in Marketing. Marketing recommendations included initiating programs to increase clinical competency and positioning the new service-specialty during relationship-building outreach to current referral sources.

- Operations recommendations were derived from comparing 4-and 5-star staffing models and their costs locally, regionally in the Northeast and nationally. The recommendations specified:
- adjusting staffing levels to increase efficiency, reduce overtime and differential labor costs
- adjusting the vacation policy to the current practice of paid-time-off (PTO)
- seeking economies through changes to new-hire wage/benefit packages
- updating Business Office processes and procedures.

The final aspect of the presentation proposed business models for TNW in a five-years scenario to compare assumptions of staffing, benefits and revenue expectations:

- Maintain TNW as is
- Sell/Lease to a 501(c) (3) corporation
- Sell/Lease to a For-Profit Manager

In summation, HDG recommended converting TNW to a 501(c) (3) as the best option for its sustainability.

Upon a motion by Mr. Duus, seconded by Mr. Drake, the Committee voted 4-0-0 to accept HDG's Report. Motion carried.

Discussion of comments by Allen Brown, Executive Director, The Nathaniel Witherell

Mr. Brown questioned the HDG's recommendations of a lease arrangement; the accuracy LPN wages calculation; and, whether shift-differential wage compensation qualified as best practice. The Committee discussed each comment and requested more benchmarking on staffing levels and the wage/benefit scale from HDG. Mr. Brown characterized the Centers for Medicare and Medicaid Services (CMS) analysis as arbitrary and the Committee asked HDG for clarification of CMS' position.

4. Schedule of Future Meetings

April 1, 2019 9:00 A.M. Committee Meeting

April 17, 2019 3:00 P.M. Committee Meeting

5. Adjournment

Upon a motion by Mr. Drake, seconded by Ms. Krumeich, the Committee voted 4-0-0 to adjourn at 4:49 P.M.

Catherine Sidor, Recording Secretary

SUBJECT TO APPROVAL

Arthur D. Norton, Chairman