The Chairman called the meeting 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. Motion carried.


Mr. Marien described the review process that PKF O'Connor Davies undertook at The Nathaniel Witherell (TNW). He commented that the objective was to convert TNW financial records currently maintained in the Government Accounting Standards Board (GASB) accounting format (as a department within a municipality) into the Financial Accounting Standards Board (FASB) accounting format (as a stand-alone operation similar to a not-for-profit corporation). In order to arrive at the review's FY 2017-2018 financial statements (the Review), the financial position at June 30, 2016, was used as the starting point. The Review presents Statements of Financial Position, Statements of Activities and Changes in Net Assets, and Statements of Cash Flows. The Review was then 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
• 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
• revise the accounting protocol to reflect the responsibility and accountability of administrators and departments for each stage of reporting
• Consider hiring an external consultant to assist in the transition to best practice processes and systems

Upon a motion by Ms. Krumwien, seconded by Mr. Ramer, the Committee voted 4-0-0 to accept the PKF O'Connor Davies Review. Motion carried.

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

Mr. Hull introduced Health Dimensions Group (HDG) as a national health care consulting and management firm and managers of senior care communities. HDG had previously provided consulting services to the Town of Greenwich for TNW in 2004, 2010 and 2011. He introduced the Project team specialists: Stephanie Cyrus, director of financial planning and analysis; Colin Higgins, director of analytics and research; and Kathy Karr, vice president, consulting services and the Project manager.

The HDG representatives 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 medical management and strengthening relationships with referral sources by expanding the types of post-acute care services that TNW would provide.

Ms. Cyrus presented the strategic analysis of TNW financials and explained the model comparison and recommendations for each strategic option being considered for TNW. Mr. Higgins discussed the summary of competition in the market area and the increasing pressure on capacity in TNW given both the estimated decreasing population of seniors over age 85 in the catchment area and the potential excess of beds in the market. Mr. Higgins commented that there were more alternatives to skilled nursing facilities (SNF), including home health care, assisted living, independent living, and affordable housing units. Ms. Karr reviewed the labor costs of the different types of positions in the SNF as they compare to wages and benefits offered in TNW’s competitors, and recommended operational changes.

Operations recommendations were derived from comparing 4-star 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
• changing the non-productive hours policy to a paid time off (PTO) system
• seeking economies through changes to new-hire wage/benefit packages
• updating Business Office processes and procedures.
Finally, the presentation summarized the effects on TNW's projected financial performance of varying assumptions of staffing, benefits and revenue expectations over five years pursuant to each of the following ownership/operating models:

- Maintain TNW (a) at current staffing levels, (b) at a 5-star staffing level, or (c) at a 4-star staffing level, while seeking greater efficiencies
- Sell/lease to a 501(c) (3) not-for-profit corporation
- Sell/lease to a for-profit manager

In summation, HDG recommended further exploration of the scenario of selling/leasing to a 501(c)(3) while continuing to make operational improvements.

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 and the accuracy of LPN wage calculations given that all the LPNs were paid the same amount and that amount was not reflected in the report. Mr. Brown questioned HDG's conclusion that shift-differential wage compensation was not best practice. The Committee requested more benchmarking on staffing levels and the wage/benefit scale from HDG. Mr. Brown discussed the Centers for Medicare and Medicaid Services (CMS) analysis and the Committee asked HDG for clarification of CMS' position.

4. Schedule of Future Meetings

The next two meetings of the Committee will be held on Monday, April 1, 2019, at 9:00 a.m. and Wednesday, April 17, 2019, at 3:00 p.m.

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. Motion carried.

Catherine Sidor, Recording Secretary

Arthur D. Norton, Chairman