

MINUTES
RICHLAND COUNTY HEALTH AND HUMAN SERVICES
December 29, 2009

The Special Budget Training Meeting of the Richland County Health and Human Services Board was called to order at 10:00 a.m. on December 29, 2009 by Jeanetta Kirkpatrick in the Main Conference Room of the Community Services Building, 221 West Seminary Street, Richland Center, Wisconsin.

Members Present: Betty Havlik, Fred Clary, Jeanetta Kirkpatrick, Paul Kinney, Ray Schmitz, Robert Holets, and Walter Gust.

Members Absent: Marilyn Rinehart.

Others Present: Christy Duhr, Randy Jacquet, Cheryl Ketelhut, Patrick Metz, Nichole Myers, and Marianne Stanek.

Approval of Agenda and Posting: Motion by Walter Gust, seconded by Ray Schmitz to approve the agenda and posting. Motion carried.

Citizen Comments: None.

Review the Budget Reporting Process Used by the Agency:

Patrick Metz introduced the purpose of this meeting. He distributed two handouts, "Special HHS Budget Presentation" summary and "Budget Presentation" spreadsheet.

Mr. Metz went on to begin discussing the Expense Process to the Board. He explained that client-related expenses are forwarded directly to Accounts Payable while non-client expenses are approved by the HHS Sub-Finance committee and the Health and Human Services Board and are then forwarded to Accounts Payable to be paid. Mr. Metz indicated that client-related expenses are kept confidential and no identifying information, other than a unique client number, is sent to the County Clerk's office when the expense is submitted for payment. Fred Clary noted that *all* county records are subject to Open Records laws and are therefore public record. Discussion was held regarding confidentiality and HIPAA rules. It was determined that although invoices are "scrubbed" of client information, HHS should be aware that such records could be subject to Open Records laws.

Mr. Metz further explained to the Board that there are seven expense funds containing 86 expense accounts which consist of 1417 line items. He added that there **must be** a paper trail for every expense paid, thus necessitating the line item detail.

Fred Clary questioned why, on the AS400 reports, is there no "Budgeted" data entered for Health and Human Services? Patrick Metz indicated that although the County Clerk's office is provided with the line item budgets, it is an internal choice at that office to omit

this information. Mr. Clary and Jeanetta Kirkpatrick questioned why Mr. Metz does not enter the information himself. Mr. Metz indicated that he does not have the authority to do so. He went on to add that to preserve the integrity of any database, access to that database should and must be limited. Therefore, at this time, it is the responsibility of the Clerk's Office to enter the data into the AS400 accounting system.

Randy Jacquet noted that if the HHS Board would like to have the individual line item data made available to them, this is certainly something that can be done. It is not the current practice due to the large volume of data.

Fred Clary questioned Patrick Metz why he does not use the AS400 to do the HHS budget? Mr. Metz indicated again that the County Clerk's office, as good practice, limits input access to the database. Mr. Metz is only able to run reports and enter payments and receipt of non-state revenues in the AS400 system and is unable to enter the budget data. Mr. Metz went on to add that the accounting system he has developed in Microsoft Excel mirrors the AS400 line by line.

Jeanetta Kirkpatrick questioned what prevents the transmission of data from the Excel spreadsheets to the AS400. Mr. Metz indicated that this capability would have to be a programming change created by the software company that supports the AS400 accounting system.

Fred Clary voiced his concern that there are two accounting systems being used. Patrick Metz assured Mr. Clary that although there are two systems, they mirror each other. Mr. Metz went on to add that in order to have a dynamic, real-time budget, it must be a living document, not static as the AS400 is for the purposes of building and maintaining a yearly budget. Mr. Metz further stated that all activity within the budget is based upon the county books.

Patrick Metz noted that with this system, we are able to capture the information from the county books *and* include the monthly adjustments. He noted that the County data is never real-time information. Mr. Metz is able to include incurred expenses to be able to make better budgetary projections. Fred Clary added that paid expenses are entered into the AS400 two to four weeks behind when they occurred. He further added that revenues are not reflected until they are actually received. Mr. Metz indicated that by using an adjusted budget, such as this, problems are not masked. A more accurate real-time picture is seen.

Both Fred Clary and Jeanetta Kirkpatrick expressed concern that real-time data has not been historically used by HHS to act when problems have arisen. Mr. Clary specifically questioned why, this past year, when the HHS budget was presented to the Board, the Board was told that there was no corrective action that could be taken. Randy Jacquet indicated that action had already been taken in the form of lay-offs and delays in refilling positions. Mr. Clary still felt that the HHS Board and Administration should have acted sooner and more expansively to make a bigger impact on the 2009 budget when problems were becoming apparent.

Mr. Metz informed the Board that this system was new as of December 2008 and the difference between the previous tracking systems and this one has been invaluable. Robert Holets asked Patrick Metz how accurate the system prior to December 2008 had been. Mr. Metz indicated that the accuracy with the previous system was not as good as this one. The new system is more realistic, easier to use, and is more accurate. Mr. Holets questioned whether this system would be able to identify double payments or lack of payments? Mr. Metz indicated that yes, the new workbook will catch such occurrences because each month is logged side by side rather than on separate sheets. Identifying trends and problems occurs sooner because of this.

Ray Schmitz asked if all received revenue was documented in sum or broken into 1/12 increments. Patrick Metz indicated that it depends on the type of revenue. If it is a fixed amount, such as tax levy, then yes, it is broken into 1/12 increments. If the revenue is earned revenue, that is recorded as it comes in.

Fred Clary questioned what happens when expenses are incurred but the anticipated revenue to pay for the expense does not come in for several months. How are problems identified if this is a routine occurrence? What conversations are had when the revenue is expected to be there, it is not, and expenses continue to be incurred? Patrick Metz responded that State revenues are almost always at least two months behind the billings. Private insurance or Medicaid billings can take two to three months to receive.

Patrick Metz noted to the Board that beyond the anticipated client and non-client expenses, there are unexpected expenses that can greatly impact the budget such as Worker's Compensation and out of home placements for both adults and children.

Mr. Metz showed the Board the many different expense and revenue spreadsheets that are used to create and track the budget throughout the year. He indicated that the report that the Board receives on a monthly basis is a summary of the end total of each month. It is a summary of the each line item condensed down to a more streamlined report.

The Board expressed the desire for the agency and the Board to be able to identify problems with the budget sooner than what has been done in the past. Patrick Metz indicated that this new system is already doing that, but communication with the managers is key, as well.

Fred Clary questioned whether or not there was a policy or a procedure that the Board could implement to speed up monthly claims to reduce the reimbursement delays. Patrick Metz responded that HHS submits billings to the various entities on a monthly basis. Once the billings are submitted, the reimbursement time is out of our hands. For example, HHS has consistently submitted billings to the State for CCS services, but the State has not completed reimbursements for the year 2008 yet. This is an extreme example, but it demonstrates that HHS cannot impact the speed with which reimbursements are paid to the agency.

Mr. Clary asked why private pay and private insurance billings were not billed for on a daily basis? Mr. Metz indicated that the revenue from private pay is very miniscule and submitting to private insurance on a daily basis would not help because they have their own reimbursement timeframes.

Mr. Clary asked that Patrick Metz consider billing private insurance at the time of service as a means to speed up incoming revenue. Mr. Metz indicated that he would speak with the unit managers and determine how the current process could be improved to decrease the reimbursement delay.

Randy Jacquet reported that he had met with Jack Vig of Vig and Associates, the group who audits the county records, this past summer. At that time, Mr. Vig had suggested that the agency hire an assistant for Patrick Metz so that there is another individual who is intimate with the budget process for HHS. They stressed that duplication of knowledge is needed. Mr. Jacquet noted that financially, this position is not feasible. In addition, much of the system is now automated, with monthly data entry.

Fred Clary questioned that with more accounting staff, would HHS potentially receive revenues faster? Betty Havlik questioned if the cost of an assistant could be paid by the lack of having a deficit? Randy Jacquet responded that by having an accounting assistant could not guarantee increased revenue. Patrick Metz indicated that potentially, revenues could be received sooner, but not more than what is being received.

Robert Holets asked Patrick Metz if his accounting system was equivalent to or more advanced than other county's systems. Mr. Metz indicated that from what he has seen, his is more sophisticated, but it depends on the county and their financial standing.

Christy Duhr complimented Patrick Metz's knowledge of the budget and accounting skills. She noted that he is integral to this agency and managers could not maintain their budgets without his assistance.

Jeanetta Kirkpatrick thanked Patrick Metz for taking this time to educate the HHS Board on the budget processes. She noted that the problems with the budget have not been solved, but a better understanding is now had.

The next regular Board meeting is scheduled for Thursday, January 14, 2010 at 9:30 a.m. at the Community Services Building. The Finance Sub-Committee will meet at 9:00 a.m.

Adjourn: Motion by Paul Kinney, seconded by Fred Clary to adjourn the meeting. Motion carried.

Respectfully Submitted,

Nichole Myers
Confidential Administrative Secretary