



INTERDEPARTMENTAL COMMUNICATION

September 19, 2014

TO: Steve Ledoux, Town Manager

FROM: Doug Halley, Health Director
Brian McMullen, Assistant Finance Director
Mark Hald, Assistant Town manager

SUBJECT: Special Town Meeting – Nursing Service Articles

Attached with this memo please find recommended language for Special Town Meeting Articles related to the options for the Nursing Service being considered by the Board of Selectmen. In developing these Articles we recognized that while it is critical to receive guidance from Town Meeting, consideration must be also given to the fact that the Special Town Meeting can't bind next April's Annual Town Meeting, when Fiscal Year 16 budgets are considered.

Given that premise the main Article is structured to only consider each options impact on the FY 15 budget. As such the form of the Article would be a budget transfer dedicating funds from the current fiscal year to the identified costs of each option. Those costs have been estimated in the attached spread sheet.

In selecting the options for the Board's consideration we developed budgets for three of the primary options identified by the Homecare Management Solutions report. Those three options are; Option 1, keep the Medicare Certified Agency as is; Option 4, retention of only Public Health Nursing and transition of Nursing Services to Parmenter; and Option 5, retention of Public Health Nursing, transition of Nursing Services to Parmenter and implementation of the Health Navigator. At this time we have not developed budgets for outsourcing Public Health Nursing (Options 2/3) but we have requested a quote from Parmenter for that service.

Option 1 for FY 15 is trending towards an additional deficit of \$165,000 for FY 15. This is in addition to the \$135,000 dedicated from reserves in the enterprise fund and the \$45,000 of cash on hand at the beginning of this fiscal year. This estimate is based on conservative estimates of future revenues and anticipation of full utilization of the expense budget. In past years we have found that expenses are reduced as the patient population is reduced. Currently, we are averaging 14 patients per week and this is an indicator that full utilization of the budget may not be necessary.

It should be noted that the other two options call for the dissolution of the Enterprise Fund which will have closure costs. Those potential costs fall into two areas; patient transition and unemployment benefits. In regards to patient transition, the average length of service for a patient is 8 weeks. Our average loss per week is \$5,000. Based on that information we are estimating a \$40,000 patient transition costs for either of the two remaining options. That cost may be due to our direct costs in servicing the remaining patients or it may be a cost incurred in an agreement with Parmenter to accept each of the patients.

In regards to unemployment benefits, there are presently 9 staff members within the Nursing Service equal to 5.775 FTE's. Three of these employees reside in both the Enterprise Fund and the Public Health Nursing budget. With the removal of the Enterprise Fund and retention of only the Public Health Nursing budget the hours that we are able to offer to the existing employees may not be sufficient and we may end up losing all 9 employees. However, it is our plan to have two positions in the public health budget and based on that our closure costs assume 7 staff members may be eligible for unemployment benefits.

Our negotiations with Parmenter have set a high priority on transitioning our employees to their service. This is in the best interest of Parmenter as the true face of the Nursing Service is its employees and Parmenter will retain good patient satisfaction if the caregivers remain the same. However, Parmenter can't guarantee that all employees will transition to their service. Our employees would still have to go through a hiring process with them and as much as Parmenter wants to retain the same caregivers they may determine not to hire all of our employees. On the other side our employees can either choose to work for Parmenter or not. If they choose to not join the Parmenter system we may still have their unemployment liability.

With the Health Navigator and Public Health Nurse option we have additional flexibility in providing similar work conditions for up to six employees. Therefore our budget plan anticipates at least 3 employees will be eligible for unemployment benefits. Those unemployment benefits were calculated on the assumption of \$650 per week for a 30 week period. In some cases the weekly payment may be less but there is also a strong possibility that an extension would be given to the 30 week period.

Option 4, which is funding a level service in-house Public Health Nursing program calls for an increase of the current 1.18 FTE's to 1.8 FTE. With the support of the Medicare Certified Agency we are able to provide public health nursing services M-F, 8 hours per day. Without that support that service can't be maintained and a drop of service would be incurred. In order to provide as close as possible the current level of service we have budgeted for a 32 hour public health nurse and a 40 hour administrative assistant. As funding for this option would only be for ½ year the differential is \$10,000. With this option there would be a cost of closure of \$157,000, based on the assumptions stated above.

Option 5, which is implementation of the Health Navigator program, has an annual cost of \$140k. This estimate is based on the attached Budget Year 1 prepared by HMS. It calls for a 32 hour Health Care Navigator, and 26 hours for administration of the program.

Expenses would be approximately 5% of the budget. With this option there would be a cost of closure of \$98,500, based on the assumptions stated above.

The option or options that the Board of Selectmen chooses can be placed within a Budget Transfer Article as discussed above. An additional Article (see attached) is required to potentially close the Nursing Service Enterprise Fund. This Article will need to be acted on if Option 4 or 5 are approved or if Option 1 is planned to transition to the General Fund. If Option 1 retains the Nursing Service in the Enterprise Fund the Board of Selectmen can recommend that this Article be passed over.

Acton Nursing Service 5 Year Budget Options

	FY 15	FY 16	FY 17	FY 18	FY 19
Medicare Certified Agency					
Revenues	\$485,000*	\$275,000	\$247,500	\$222,750	\$200,475
Expenses	(\$650,000)	(\$620,000)	(\$638,600)	(\$657,758)	(\$677,491)
Total	(\$165,000)	(\$345,000)	(\$391,100)	(\$435,008)	(\$477,016)
Health Navigator					
Revenues	\$0	\$0	\$0	\$0	\$0
Expenses	(\$70,000)	(\$144,200)	(\$148,526)	(\$152,982)	(\$157,571)
Closure	(\$98,500)	\$0	\$0	\$0	\$0
Total	(\$168,500)	(\$144,200)	(\$148,526)	(\$152,982)	(\$157,571)
Level Service Public Health					
Revenues		\$10,000	\$10,300	\$10,609	\$10,927
Expenses	(\$10,000)	(\$150,000)	(\$154,500)	(\$159,135)	(\$163,909)
Closure	(\$157,000)	\$0	\$0	\$0	\$0
Total	(\$167,000)	(\$140,000)	(\$144,200)	(\$148,526)	(\$152,982)

* Includes \$135,000 Fund Balance and \$45,000 Cash on hand

** Closure is based on patient transition costs and unemployment benefits

Patient Transition is based on an average 8 week patient stay at a cost of \$5,000 per week

Unemployment benefits are based on \$650 per week per employee for a 30 week period

Budget Year 1

Budget for FTE: EXPENSES

Salaries and Wages	DPH	Grants	Endowments
Care Navigator (32h)	\$61,568.00		
Fringe Benefits (x25%)	\$15,312.00		
Administrator (16h)	\$34,944.00		
Fringe Benefits (x25%)	\$8,736.00		
Administrative Asst (10h)	\$12,480.00		
Fringe Benefits (x25%)	\$3,120.00		
Total	\$136,160.00	\$0.00	\$0.00

Equipment	DPH	Grants	Endowments
Computer	In-kind		
IT/Telecon	In-kind		
Mobile Phone/IPAD	\$500.00		
Phone Contract	\$720.00		
Total	\$1,220.00	\$0.00	\$0.00

Materials/Supplies	DPH	Grants	Endowments
Office Equipment	In-kind		
Supplies	In-kind		
Utilities	In-kind		
Marketing Items	\$1,200.00		
Total	\$1,200.00	\$0.00	\$0.00

Travel/Mileage	DPH	Grants	Endowments
Travel			
Mileage Reimbursement	\$2,800.00		
Total	\$2,800.00	\$0.00	\$0.00

Community Seminars	DPH	Grants	Endowments
Refreshments	\$325.00		
Education Materials	\$1,295.00		
Total	\$1,620.00	\$0.00	\$0.00

Other	DPH	Grants	Endowments
	\$0.00		
	\$0.00		
Total	\$0.00	\$0.00	\$0.00

Total Expenses	DPH	Grants	Endowments
	\$143,000.00	\$0.00	\$0.00



Lisa Tomyl

From: Steve Noone [snoone@lutco.com]
Sent: Wednesday, September 17, 2014 8:28 AM
To: Board of Selectmen
Cc: Steve Ledoux; Doug Halley
Subject: Advice from the Finance Committee on ANS

Last night The Finance Committee approved a motion made by Bob Evans by a vote of 7-1 with one member absent.

The text of the motion follows;

"I move that: The Finance Committee advise the Selectmen that they believe the following steps should be adopted by the Selectmen relative to the Nursing Service:

- 1) Effective October 1st no new referrals would be accepted by the Nursing Service and relevant employees would be advised of the terms of their transfer or termination. All current clients would phased out by natural progression or transfer to Parmenter by October 30th.***

- 2) The Town would continue to provide basic Public Health services as mandated by Massachusetts Law.***

- 3) The Town would continue to explore the provision of Navigator Services by defining what services are needed and by whom and how these could be provided and at what cost. These explorations would be carried out in the context of also exploring what other public services are needed, especially additional local tax relief for low income elderly citizens as voted by prior Town Meetings, relief which could be in effect for FY 16 with April 2015 Town Meeting approval."***

The committee reviewed a financial spreadsheet that I prepared using information provided by Doug Halley. I plan to attend your meeting Monday night and would be happy to go over that information, and answer any questions from the Board at that time.

Steve

Friends of Acton Nursing Service
PO Box 541
Acton, MA 01720-0541

To: Acton Board of Selectman:

As of September 16, 2014 the Friends of the Acton Nursing Service, in the presence of Selectwoman Katie Green and Doug Halley, Director of Public Health, voted unanimously to recommend to the Board of Selectman to keep the Acton Nursing Service, retaining the Medicare Certification and placing the cost of said service into the general funds.

Florence Ross R.N.
President

Florence M. Ross, R.N.

Patricia E. Haras
Secretary

Patricia E. Haras

Board of Directors

Phyllis E. Campbell
Frank Serpanti
Geoffrey Werner
Rosalee Berry
Jean Lane
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