



TOWN OF LEDYARD

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Legislation Details (With Text)

File #: 23-1458 **Version:** 2 **Name:**

Type: General Discussion **Status:** Held

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On agenda: 4/19/2023 **Final action:**

Title: Continued discussion and possible action regarding the continuation of the Visiting Nurses Association in Ledyard.

Attachments: 1. PHN Analysis with benefit costs thru February 2023.pdf, 2. PHN FY 20-21 BUDGET VS ACTUAL EXPENSES.pdf, 3. PHN FY 20-21 BUDGET VS ACTUAL REVENUES.pdf, 4. PHN FY 21-22 BUDGET VS ACTUAL EXPENSES.pdf, 5. PHN FY 21-22 BUDGET VS ACTUAL REVENUES.pdf, 6. Nursing section of Charter.pdf, 7. ORD 500-005 Nursing Services Board.pdf

Date	Ver.	Action By	Action	Result
4/19/2023	2	Finance Committee	Discussed	
4/5/2023	1	Finance Committee	Continue	

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Continued discussion and possible action regarding the continuation of the Visiting Nurses Association in Ledyard.

Background:

Department Comment/Recommendation:

(type text here)

Meeting Action Detail:

Finance Committee Meeting 04/19/2023:

File #: [23 -1458](#) Version: 1

Type: Discussion - Agenda Item

Title: Continued discussion and possible action regarding the continuation of the Visiting Nurses Association in Ledyard.

Action: Discussed/Completed

Minute Note:

Councilor Saums provided a summary noting at their April 5, 2023 meeting the Finance Committee discussed the financial viability and financial history of the LVNA, noting that the Finance Committee did feel that they could continue to ask the taxpayers to carry the burden of the costs for LVNA provided services. He stated as he mentioned during their last meeting, the LVNA provided a great service, noting that it was one of the best in the country. However, he stated the LVNA now had competition that they were not able to compete with, due to large healthcare organizations directing patients to use their own visiting nursing services, without mentioning the Ledyard VNA as an option. He stated when the Finance Committee discusses the proposed Fiscal Year 2023/2024 Budget later this evening that they have a potential amount to reduce the budget by if they decide to discontinue funding to support the LVNA.

Administrator of Nursing Karen Goetchuis stated obviously the Finance Committee has their minds made-up. She stated if the town would not support the loss of revenue, that she would need to know sooner rather than later because she has people who depend on their job for a living; she had deadlines with Medicare which included 45-days for some things; they would have to stop taking patients.

Councilor Saums reviewed the budget schedule as follows:

- April 19, 2023 (tonight) Finance Committee would make a recommendation on the proposed Fiscal Year 2023/2024.
- April 26, 2023 Town Council would vote to finalize the proposed Fiscal Year 2023/2024 to forward to the townspeople.
- May 15, 2023 - Annual Town Meeting to present the proposed Fiscal Year 2023/2024 to the townspeople.
- May 16, 2023 Vote on the proposed Fiscal Year 2023/2024.
- July 1, 2023 Fiscal Year 2023/2024 Budget would be implemented.

Councilor Saums stated the schedule he noted (see above) would be implemented unless the Budget was voted down at the May 16, 2023 Budget Referendum. However, he stated budgets were not typically voted down to increase the budget.

Administrator of Nursing Karen Goetchuis questioned the reason this was being done at the ninth hour, noting that obviously the revenues had been declining since 2017/2018. However, she stated that they were addressing it now with less than two-months to shut down the LVNA, instead starting this discussion at the beginning of the fiscal year (2022/2023). Councilor Saums stated the Finance Committee discussed with Ms. Goetchuis concerns regarding the loss of the LVNA revenues during the Fiscal Year 2021/2022 Budget Work Session, the Fiscal Year 2022/2023 Budget Work Sessions and that they also discussed it with Ms. Goetchuis at the March 13, 2023 Fiscal Year 2023/2024 Budget Work Session in preparation for the upcoming year budget. He stated every year they discussed concerns regarding the declining revenues and the reason for it; and that Ms. Goetchuis did everything she could.

Administrator of Nursing Karen Goetchuis stated that perhaps she was naive in that she thought that even if the revenues were \$600,000 short that there would still be support for the LVNA. She stated that she never thought that this was where it was leading too. She stated there was never a conversation that said if your revenues did not meet a certain level in two-years that the LVNA would be shut down. Councilor Saums stated that they have been discussing the trend in the reduction of revenues for years, noting that every year they have lost more

money and that they cannot continue to justify it. He stated this was not a decision that they wanted to make.

Councilor Ryan stated this was only his second year on the Town Council Finance Committee; however, he stated if the argument has been made to the LVNA in terms of being net revenue positive or being equal, than it does change the situation. He stated should they go in the direction not to continue to fund the LVNA that he wanted to make sure they do everything they could regarding the impact to employees. Councilor Saums stated that he believed the town would do everything they could.

Councilor Ingalls stated that she would have liked to hear a solid business case to keep the LVNA. She stated the LVNA does a great job and that it has always been a nice service to have, as long as it was net revenue positive. She stated as Councilor Saums' stated at the Finance Committee's April 5, 2023 meeting, that providing nursing services was not an absolute must, it was not a mandate, it was not a statutory requirement. She stated it has been a really great service. However, she stated for taxpayers to subsidize it to the tune of a half a million dollars; that as an agent who has been charged to steward tax dollars that this was a difficult decision.

Councilor Rodriguez questioned what was meant by the town would do everything they could with regard to employees. Councilor Saums stated that the employees would need to find jobs and that he would assume that the town would do everything they could to help them in transition; and if finding jobs was one of the things the town could do that they would want the town to do that.

Administrator of Nursing Karen Goetchuis noted that there were number of other decisions that would need to be made such as:

- Medicare License - 45-day process to terminate the license, and work associated.
- Community Health Outreach (flu clinics, blood pressure checks, etc.)
- Visiting Nurse Association of Southeastern Connecticut (VNASC) located in Waterford (school nurses, senior center, etc.)
- CHART - Nursing Software - Funding would need to be held in escrow because she was fighting with Medicare for payment for some patients, which could take years.
- Patient charts need to be retained for seven years.

Councilor Saums questioned whether town was required or mandated to have a Medicare License or provide flu clinic, etc. Ms. Goetchuis stated the town did not have to have a Medicare License, noting that she was a business within a business. She explained that a person could have a Medicare License if they met the qualifications, and you could have a private Medicare License, which meant that they did not have to be associated with a hospital. She stated there were only four Medicare Licenses in Connecticut that were associated with towns.

Councilor Saums thanked Ms. Goetchuis for attending tonight's meeting.

Action: Discussed/Completed

Finance Committee Meeting 04/5/2023:

File #: [23 -1458](#) Version: 1

Type: Discussion - Agenda Item

Title: Continued discussion and possible action regarding the continuation of the Visiting Nurses Association in Ledyard.

Action: Discussed/Continued

Minute Note:

Councilor Saums presented the Ledyard Visiting Nurse Agency (LVNA) Budget for the past eight years, noting that as a business their revenues have been steadily declining year after year.

Ledyard Visiting Nurses Agency (LVNA)									
		Projected	-1						
	FY' 23/24**	FY' 22/23	FY' 22/23	FY' 21/22	FY' 20/21	FY' 19/20	FY' 18/19	FY' 17/18	FY' 16/17
PHN Revenues			\$800,000^						
PHN Fees	\$600,000	526,058	350,705	636,929	883,537	943,024	835,413	946,094	1,039,360
% increase/decrease		-17.41%		-27.91%	-6.31%	12.88%	-11.70%	-8.97%	-4.71%
PHN Expenses									
Department Help	97,857	95,000	58,546	92,674	90,835	89,388	87,904	83,866	82,462
Supervisors	87,131	78,000	50,993	76,668	68,810	69,250	69,057	64,761	64,320
Assistant Wages	51,627	73,000	57,309	99,890	96,519	91,271	85,406	84,590	77,366
Nurses Salary	192,902	180,000	121,721	197,071	215,880	219,854	169,206	192,749	240,153
Nurses Aids	30,000	19,125	12,750	21,904	25,913	31,814	37,704	44,644	44,968
Per Diem Nurse	63,850	6,765	4,510	45,658	49,983	24,516	56,653	42,898	26,725
Stipends (Municipal)	10,000	10,000	6,440	10,000	-	-	-	-	-
Clothing Allowance	1,550	2,273	1,515	800	1,620	2,850	-	-	-
Professional/Technical	125,000	90,000	50,782	83,125	100,682	130,427	142,559	170,580	158,891
Other Professional Services	2,000	750	500	3,950	5,100	4,000	4,250	5,350	6,650
Accounting Services	3,000	3,563	2,375	2,375	2,375	2,375	3,000	3,000	3,000
Patient Satisfaction	2,500	1,800	1,200	1,800	1,800	1,650	1,800	2,081	830
ICD Coding	14,000	8,970	5,980	9,193	9,280	9,931	8,962	9,222	12,992
Contract Maintenance Leases	12,143	10,103	6,735	10,369	10,425	9,906	10,232	11,002	10,061
Repairs & Maintenance	47,000	26,261	17,507	27,620	18,884	20,351	20,237	19,254	17,650
COVID 19 Expenses		-	-	-	-	642	-	-	-
Operating Expenses	10,000	10,677	7,118	9,123	10,806	13,534	12,406	11,816	13,048
Other Supplies	7,000	3,815	2,543	8,105	17,284	20,531	16,492	14,159	12,538

Dues & Fees		-	-	-	550	-	-	-	-
Trainings/Meet	7,040	8,375	5,583	5,756	9,082	6,301	10,801	12,376	13,354
Employee Reim	16,000	7,268	4,845	11,885	13,969	14,707	16,034	16,060	16,192
VNA Liability co	7,203	7,203	7,203	7,203	7,203	7,203	7,203		
Community Hea	3,000	443	295	5,056	1,271	3,566	3,444	2,347	7,677
Miscellaneous E	2,000	1,722	1,148	678	659	902	941	-	3,560
Total Expenses	792,803	645,109	427,598	730,903	758,930	774,969	764,291	790,755	812,437
% increase/decrease		-11.74%		-3.69%	-2.07%	1.40%	-3.35%	-2.67%	4.27%
Profit (Loss) bet	-192,803	-119,052	-76,893	-93,974	124,607	168,055	71,122	155,339	226,923
Benefits (38% 2 -19)	163,216	\$161,880	\$109,656	\$177,195	\$179,377	\$178,510	\$148,166	\$153,348	\$167,148
Net Profit (Loss) benefit calc.	-356,019	(\$280,932)	(\$186,549)	(\$271,169)	(\$54,770)	(\$10,455)	(\$77,044)	\$1,991	\$59,775

Nursing Administrator Karen Goetchius questioned whether Councilor Saums was looking at the “*Projected Revenues*” versus the “*Actual Revenues*” or whether he was looking at their “*Actual Revenues*” versus their “*Expenses*” .

Councilor Saums stated he was looking at the *Actual Revenues* minus the *Expenses*.

Ms. Goetchius explained in preparing the LVNA annual budgets that she has been too optimistic and that she went too high in projecting their revenues. She also noted that there were a number of things that impacted the LVNA Operations, noting the following:

- Staff turn-over - Ms. Goetchius stated they had to turn some patients away because they did not have enough staff, which they had never done before.
- Implementation of the Emergency Medical Records Software (EMR) - Ms. Goetchius noted that there was a learning curve for the nurses to use the new software program.
- Changes in the Insurance - Ms. Goetchius stated the changes in the insurances were complicated and were happening quickly. She explained this coupled with the new Emergency Medical Records Software (EMR) that their Biller could not keep up with filing of the claims correctly; and therefore, they were being denied payment. She stated they currently had about \$100,000 in the queue coming to them.
- Billing Position - Ms. Goetchius stated this position was eliminated, which included benefits. She stated the LVNA was now contracting with the Emergency Medical Records Software Company to handling their

billing. She stated the contract would pay the Billing Company 2% for the collection of Medicare Payments; and 4% for the collection of Private Insurance. She stated if they paid the Billing Company \$12,000 - \$13,000 per year, compared to Salary/Benefits they were paying for the Biller position, that the LVNA would come out ahead. She stated last year (fy 2022) she gave money back to the Town.

Finance Director Matthew Bonin stated the LVNA expenses came in under the budgeted amount. He noted the LVNA Fiscal Year 2021/2022 as follows:

- ✓ Expenditure Budget: \$857,000
- ✓ Total Actual Expenditures \$723,000 (not including benefits)
- ✓ Actual Revenues: \$636,929.

Councilor Saums stated that they have to look at the LVNA from a Business Perspective. He stated the LVNA Revenues have been trending downward noting that they have been loosing money since Fiscal Year 2017/2018.

Ms. Goetchius stated that she agreed that the revenues were not coming in as she had projected, explaining that around Fiscal Year 2017/2018 the large medical groups such as Yale New Haven Health and Hartford Healthcare started buying up all the Visiting Nursing Agencies.

Ms. Goetchius continued by noting that she has been with the town for 25-years and she questioned the reason the LVNA was the only Department that had to cover their expenditure budget. She stated no other Department had to generate revenues to cover their expenditure budgets. She noted the Emergency Dispatch Communications Department as an example, stating that their overtime was already over the amount budgeted for the year. She stated Ledyard could outsource the Emergency Dispatch Communications work.

Councilor Saums explained the town was required to provide certain services such as Police, Fire, Ambulance, and Dispatch Communications. He stated whether the town outsourced Dispatch Services or whether they handle this work in-house that the town would have to pay to provide those services. However, he stated that the town does not have to provide Visiting Nursing Services.

Ms. Goetchius stated the LVNA has about 15 residents who private pay to have a home health aide give them a shower once or twice a week. She stated no other Agency would provide these types of services for them. She stated by not offering LVNA services that the quality of services would not be there. Councilor Saums stated he agreed that LVNA provided great quality, noting that the work Ms. Goetchius and her team have done was phenomenal, noting the LVNA has been nationally recognized for being in the Top 25-VNA's in the country for the services they provided and in their patients satisfaction. However, he stated based on the decline in revenues that residents were making the decision not to use the LVNA, noting that the town had no control over their decisions.

Ms. Goetchius stated she was a one-man show noting that she oversees the entire LVNA operation. She stated that she had stopped the postcard mailings because the quarterly Events Magazine was going to reach every household in town. However, she stated the LVNA was not getting a good return from the Events Magazine. Therefore, she stated that she was planning to go back to doing separate mailings to inform residents about the services the LVNA provided. She addressed Councilor Saums' comment that "*it was the residents' decision to choose other visiting nursing providers, not the town's*". Ms. Goetchius explained that it was not the residents' decision. She stated it was the doctors' decision when patients were being discharged from the hospital or from

a surgical procedure. She stated the patients the LVNA was seeing were the people who had knee surgery and called them because they were not satisfied with the visiting nursing agency that the hospital, or the doctor arranged for them; and that they wanted to have the LVNA back. She stated by not offering the LVNA that they were taking away the patients' choice. She asked for one year to see if she could turn the tide again, noting that just 30 patients could make a difference in terms of revenues.

Councilor Saums stated the town was not taking the decision away from patients regarding which visiting nursing agency to use, noting that Yale New Haven Health, Hartford Healthcare, and United Healthcare have provided other Agency options, stating that these healthcare organizations have taken the decisions away from the patients. He stated the LVNA has done a phenomenal job however, he stated they have been talking about the large healthcare providers taking over the market for years; and that they all know that the doctors and healthcare organizations were directing patients to other visiting nursing agencies and they were not telling them that they had a choice. Ms. Goetchius stated the patients need to know that they have a voice and a choice in their visiting nurse services.

Ms. Goetchius asked for another year, noting that she would do more independent advertising and public relations and then see how the year goes.

Councilor Saums stated the Finance Committee was only discussing the issue noting that they did not have a motion to vote on this evening. He went on to state that it was his opinion that this was an unviable situation that could not continue, and that he did not know what they were going to do.

Councilor Ingalls asked Ms. Goetchius to present a Business Case to the Taxpayers of Ledyard that they should continue to cover a \$200,000-budget deficit to support the LVNA, noting that she was open to hear their Case. However, she stated that she agreed with Councilor Saums' that the LVNA was trending in the direction that was not viable. She stated VNA's across the State have gone on by the wayside.

Councilor Saums thanked Nursing Administrator Karen Goetchius for attending tonight's meeting.

[Action:](#) Discussed/Continued