



SKILL CREATIONS, INC.

Strategic Priorities Fiscal Year 2018-2019

1-Workforce Development

- Supervisory Development
- Hiring/Retention of Qualified Staff

2-Risk Management

- Client Safety
- Cyber Security



Creating Life Skills with Those We Serve

STRATEGIC PLAN

Fiscal Year 2018-2019



2017-2018 Strategic Plan

Skill Creations, Inc.

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Executive Summary and Introduction

This document represents a one year Strategic Plan for the fiscal beginning on July 1, 2018 and ending June 30, 2019. As with our previous multi-year Strategic Plans, this document is dynamic and may be edited depending on changes to the nature and environment of our business and the variables that lie within this business that are out of our control. Since the majority of our funding comes from Medicaid, we must accommodate changing rules and regulations that we have no control over.

The C-Team of Skill Creations, Inc. developed this strategic plan with the assistance of the Strategic Planning Committee and stakeholder input. It reviews the company's strengths, weaknesses, opportunities and threats. The plan identifies proposed goals and strategies that promote the company's values and mission statement and desire to meet the needs of persons served, staff and other stakeholders.

It is our hope that this plan provides the company with a 1 year roadmap for organizational development and maintenance, as well as a guideline for other committee plans within the organization. The Strategic Planning Committee and Board of Directors will review this plan at least annually for necessary updates, changes and annual strategic priorities.

About SCI

Skill Creations, Inc. is a North Carolina based 501(c-3) non-profit organization that provides services for people with intellectual and/or developmental disabilities. The services we provide aim to support all people and help them achieve their full potential to live and grow in their community. Our services include community housing (group homes), alternative/host family living, community employment services, community integration and day program services, community based personnel support services and respite care.

Skill Creations, Inc. was incorporated in 1984 within the State of North Carolina, and opened its doors for business in August of 1985. The company has continually grown to a point where it currently serves more than 500 individuals, and employs more than 500 people across the state.

The company operates three service divisions and the administration division. The original service division is the ICF/MR Division which currently provides 191 individuals with specialized residential care in 15 different towns in North Carolina. The second

service division is the Community Operations Division which provides residential and non-residential services to persons in their home community. The third service division is the Child Development Division which is located in Goldsboro, NC. This division operates a 5 star rated preschool and child care center for all children ages birth – 5 and a 3-star rated child care center serving children ages birth-school age.

Currently, SCI serves about 580 people from the coast to the mountains of North Carolina, with offices and/or facilities from Wilmington to Asheville. While the majority (450) of our clients ranges in age from 18-65, we also serve around 50 children ages 0-5, 40 children ages 6-17 and 40 older adults ages 66-85. Male and female clients are equally represented. Aside from a few Asian, Hispanic and Native American clients (10 total), the rest of our clients are either African American or white. We currently have 224 residential community housing clients living in 22 group homes and another 102 clients living with host families. The rest of our clients are served in the community, either at a day program or through community or in-home services and respite. Many of our clients have physical disabilities as well as intellectual and/or developmental disabilities which require a higher level of care.

The Corporate Office is located at 2105 Royall Avenue in Goldsboro. Community Operations Division offices are located in Hudson, Morganton, Asheville, and Goldsboro.

Skill Creations, Inc. is a private, non-profit corporation with 501 (c) (3) status from the IRS. All donations are tax deductible and are utilized solely for client related needs.

Skill Creations, Inc. was fully accredited by the Council On Accreditation for Services of Families and Children, Inc. from 2000-2016.

Skill Creations, Inc. was fully accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF International) in March 2016 (3 year accreditation)

Skill Creations, Inc. is a member of Developmental Disabilities Facilities Association (DDFA).

Skill Creations, Inc. is a member of N.C. Association of Community Based ICF/MR Providers.

Skill Creations, Inc. is a member of the N.C. Provider Council

SCI Vision, Mission and Values

Vision

Skill Creations, Inc. envisions communities where all people have the ability to live, work and integrate into their communities regardless of disability and are provided with the highest quality of care and support needed to attain this.

Mission

The Mission of SCI is to provide Support and Care that promotes Independence.

Values

The following core operating values influence the culture and image of Skill Creations, Inc. as an effective organization serving a wide variety of individuals and their families. These values or ideals articulate what the organization aspires to hold itself accountable for and offer guidance about how the organization behaves in carrying out its mission.

- **Client First Attitude and Services**
- **Quality Care**
- **Integrity, Honesty and Ethical Practices**
- **Loyalty and Fairness**
- **Dedicated (to clients and staff)**
- **Positive Reputation**

Skill Creations, Inc. operates under the guiding principle that the client is the #1 priority. All decisions are made based on client needs, safety and well-being and overall quality of life. Skill Creations, Inc. works with a variety of partners both internally and externally to ensure that quality services are provided in the most efficient and effective manner for the long term stability of the organization. Skill Creations, Inc. has the highest level of integrity in its administrative and service activities, as well as maintaining and reporting accurate records. Skill Creations, Inc. holds all employees to these same standards and in return provides them with the opportunity to claim ownership for their roles and responsibilities within the organization. The organization utilizes its own set of *Courtesy Standards* as a guideline. Skill Creations, Inc. holds all of their staff and partners to the highest standard of ethical behavior in order to provide the highest level of quality services to the clients and families served as well as uphold the mission of the organization. The organization demonstrates compassion and support for the people and families of which it serves.

S.W.O.T. Analysis

Strengths:

- Service Delivery, assuring clients' needs are met, expect quality care, clients come first
- Longevity
- Staff Recognition, compassion for staff, Staff morale
- Online Training
- Building family spirit/Family spirit-support of other divisions and Teamwork
- Improving technology(EMR, Relias)
- Company-wide communication
- Budgeting/Fiscal Management

Weaknesses:

- Communication/Internal communication between departments and divisions
- Staff recruitment (esp. rural areas)/Staff retention
- Client safety/increased incidents and injury
- Teamwork/common goal/being unified
- Communication - ongoing related to policy and procedures
- Processes/doing things the same way company-wide

Opportunities:

- Increased training in Relias/extend individual training/training for areas with problems or issues in workplace/additional safety training, and other
- Innovation in thinking and operations/ looking at creative and expanded services
- Participate in local events not necessarily focused on our specific population (city events, festivals)/employees part of civic organizations
- Increased presence at decision making/influencing sessions/stronger relationships with MCO's and government entities
- More electronics/intranet
- Whole person care –more awareness of other disabilities/awareness of mental health in relation to dual diagnosis in the clients we serve
-

Threats:

- Financial-operating vs reimbursement, reduction in funding, unfunded mandates, inability to implement changes due to lack of funding
- MCO/Medicaid reform and legislation/unknown system ahead

- Quality of staff we are hiring, not enough to fill open positions, retention of qualified staff especially as economic climate improves (fast food, retail, etc.), competitive staff salaries
- Number of MCOs and difference in requirements/Service barriers (interpretation of regulations)

Strategic Focus Areas

1. Workforce Development

Skill Creations, Inc. will recruit and retain a skilled, caring workforce and will support and partner with its employees to become an “Employer of choice”. A qualified, trained and motivated workforce will assure high quality programs and service delivery that are reflected by documented stakeholder satisfaction.

2. Risk Management

Skill Creations, Inc. will continue to identify potential problems before they occur so that risk-handling activities may be planned and invoked as needed to mitigate adverse impacts on the company and its mission, especially in the areas of client safety and care and technology.

Goals and Strategies

In order to pursue the Strategic Focus Areas described above, Skill Creations, Inc. has developed the following goals and objectives. These are listed in prioritized order.

Workforce Development:

❖ **Goal 1: Supervisory Development - Target Date of 12-31-18**

Strategies:

- Form a HR Development Committee. Create a committee of a variety of current staff (positions, demographics, locations, etc.) to help brainstorm ideas related to workforce development. (COO-HR with help of Executive Directors)
- Meet the varied needs of a multigenerational workforce; for the younger generation the need to use technology and receive immediate communication/supervision, for the older workforce the need for education surrounding technology. Explore changing supervision strategies to appeal to a younger generation with more immediate feedback. (COO-HR/HR Development Committee)

- Continue to look at Relias and other training for non DCE staff and supervisors to assist and strengthen supervision. (Staff Development and Training Dept./IT/CIO)
- Continue and strengthen on the job training and retraining though out employment.(C Team)
- Develop ways to ensure the Staff Morale Committees stays active. The purpose of these committees is to increase morale with feel good activities and exercises for all service areas. (Division COOs and CEO)

❖ **Goal 2: Hiring and Retention of Qualified Staff - Target Date of 6-30-19**

Strategies:

- Continue to work with Relias to enhance the educations and training of direct care and supervisor staff with current modules or future modules of training (CIO)
- Implement an online and uniform application (IT/CIO)
- Change employment focus; explore ways to appeal and attract a younger workforce, explore ways to tailor the hiring culture and process to attract more qualified applicants, explore resources that are already out there to create and attract a more diverse committed workforce. (COO-HR/HR Development Committee)
- Exposure at local events/job fairs. Explore ways to maximize representation at local events and allow the public and community to better understand SCI and what we do (Division COOs)
- Increase employment retention beyond 3 months by utilizing input from newly formed HR committee to brainstorm and generate ideas (COO-HR/HR Development Committee)

Risk Management:

❖ **Goal 1: Provide Client Safety and Quality Care - Target Date of 12-31-18**

Strategies:

- Increase awareness of the population we are serving to staff before hire and thereafter. Educate staff on the needs of our clients and the fact that we are being asked to serve a more difficult and more challenging population by creating and further developing a better on the job training program for on-site training and to continue hands-on training beyond Relias. (Division COOs)
- Increase medication administration supervision and training to reflect the increase in the number of staff trained in medication administration to ensure competency of unlicensed staff. (CNO/Nursing Dept.)

❖ **Goal 2: Cyber Security - Target Date of 6-30-19**

Strategies:

- Ensure data storage and back up (and backups to our backups). Ensure we have enough data storage as we move forward with EMR system being fully implemented. (IT/CIO/CFO)
- Unsure data storage control; that we are able to get data when needed. Explore innovative ways to handle this control. (IT/CIO/CFO)
- Educate staff on cyber security to include viruses and/or scams to avoid contamination of the SCI system. Explore implementation of mystery shopper internally to determine if staff fall victims to scams. (IT/CIO)

Long Term Visions

While this plan is designed to be executed for a one year period, the Strategic Planning Committee and C-Team recognize that are issues that will need to be addressed outside of the one year period. These issues are not a priority for this year due to various reasons, but the company would like to remain active in pursuing them when the time is appropriate or it becomes necessary. Those items are listed below. In addition, the Board continues to work on expand the number of members and to add cultural diversity to the membership. This is an ongoing endeavor.

- ❖ **Continue staff education on technology and EMR security with the goal of more computer confidence developing over time.**
- ❖ **Explore an EMAR system (Electronic Medication Administration Program) to help ease threats of medication errors**
- ❖ **Increase involvement in governmental affairs**

Financial Projections/Forecast

Financial stability is essential for all goals and strategies discussed in this plan. As a part of the planning process, the C-Team and Strategic Planning Committee recognize the importance of budgeting and successfully mitigating internal and external financial threats to the organization. As such, a balanced budget is prepared and SCI Board approved annually. The 2018-2019 budget includes funding for strategic plan initiatives including Relias Training Software, the Electronic Medical Record, staff development, and others. In addition, Skill Creations, Inc. has developed business outcomes and pro forma financial statements to enhance its financial position.

Skill Creations Pro Forma Income Statement

	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>
Revenues			
Patient	\$ -	\$ -	\$ -
ICF	\$ 21,116,496	\$ 21,538,825.92	\$ 21,969,602
CS	\$ 13,971,556	\$ 14,250,987.12	\$ 14,536,007
Child Development	\$ 690,417	\$ 704,225.34	\$ 718,310
Other	\$ -	\$ -	\$ -
Contributions	\$ 47,000	\$ 51,700	\$ 56,870
Total Revenues	\$ 35,825,469	\$ 36,545,738	\$ 37,280,789
Operational Expenses			
Nursing Services	\$ 2,800,000	\$ 2,856,000	\$ 2,913,120
Direct Care Services	\$ 22,412,061	\$ 22,860,302	\$ 23,317,508
Special Services	\$ 192,000	\$ 195,840	\$ 199,756.80
Dietary	\$ 976,811	\$ 996,347	\$ 1,016,274.16
Day Programs	\$ 379,211	\$ 386,795	\$ 394,531.12
Laundry & Linen	\$ 55,250	\$ 56,355	\$ 57,482.10
Facility Operations and Maintenance	\$ 4,200,000	\$ 4,284,000	\$ 4,369,680
Total Operational Expenses	\$ 31,015,333	\$ 31,635,640	\$ 32,268,352
Revenue in Excess of Operational Expenses	\$ 4,810,136	\$ 4,910,099	\$ 5,012,437
General and Administrative Expenses			
Client Charity Expenses	\$ 4,150,000	\$ 4,233,000	\$ 4,317,660
	\$ 45,000	\$ 51,700	\$ 56,870
Operating Income (Loss)	\$ 615,136	\$ 625,399	\$ 637,907
Financial and Other Expenses	\$ 65,000	\$ 65,000	\$ 65,000
Net Income	\$ 550,136	\$ 560,399	\$ 572,907
Net Assets Beginning of Year	\$ 4,853,025	\$ 5,403,161	\$ 5,963,560
Net Assets End of Year	\$ 5,403,161	\$ 5,963,560	\$ 6,536,466

Skill Creations Pro Forma Balance Sheet

	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 3,940,627	\$ 4,389,000	\$ 4,700,789
Restricted cash - residents' deposits	\$ 250,000	\$ 250,000	\$ 250,000
Accounts receivable			
ICF	\$ 300,000	\$ 600,000	\$ 780,000
CS	\$ 1,395,797	\$ 1,545,657	\$ 1,800,000
Other	\$ 36,130	\$ 33,228	\$ 45,000
Linens Inventory at Cost	\$ 19,100	\$ 19,100	\$ 19,100
Prepaid expenses and other current assets	\$ 350,000	\$ 350,000	\$ 350,000
Total Current Assets	\$ 6,291,654	\$ 7,186,984	\$ 7,944,889
Property and Equipment			
Land and land improvements	\$ 213,338	\$ 213,338	\$ 213,338
Buildings	\$ 964,437	\$ 964,437	\$ 964,437
Leasehold improvements	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Departmental Equipment	\$ 1,509,247	\$ 1,509,247	\$ 1,509,247
Transportation Equipment	\$ 1,516,058	\$ 1,516,058	\$ 1,516,058
	\$ 5,600,000	\$ 5,403,080	\$ 5,403,080
Less Accumulated Depreciation	\$ (3,816,988)	\$ (4,000,000)	\$ (4,200,000)
Net Property and Equipment	\$ 1,783,012	\$ 1,403,080	\$ 1,203,080
Other Assets			
Deposits	\$ 13,496	\$ 13,496	\$ 13,497
Total Other Assets	\$ 13,496	\$ 13,496	\$ 13,497
Total Assets	\$ 8,088,161	\$ 8,603,560	\$ 9,161,466
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 175,000	\$ 150,000	\$ 150,000
Payroll Accruals	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
Short term notes payable	\$ 25,000	\$ 25,000	\$ 10,000
Resident's deposits	\$ 250,000	\$ 250,000	\$ 250,000
Current portion of long-term debt	\$ 350,000	\$ 350,000	\$ 350,000
Current portion of capital leases	\$ 100,000	\$ 95,000	\$ 95,000
Total Current Liabilities	\$ 2,000,000	\$ 1,970,000	\$ 1,955,000
Long-term Liabilities			
Capital Lease obligation, less current maturities	\$ 225,000	\$ 225,000	\$ 225,000
Long term debt	\$ 460,000	\$ 445,000	\$ 445,000
	\$ 685,000	\$ 670,000	\$ 670,000
Total Liabilities	\$ 2,685,000	\$ 2,640,000	\$ 2,625,000
Net Assets, unrestricted	\$ 5,403,161	\$ 5,963,560	\$ 6,536,466
Total Liabilities and Net Assets	\$ 8,088,161	\$ 8,603,560	\$ 9,161,466

Business Outcomes

- ❖ **Goal 1: Increase fundraising proceeds by 10% each year, \$44, 798 – Target Date of 6/30/19**

Strategies:

- Explore methods to increase participation in the fundraising committee. (CFO and Fundraising Committee)
- Expand and improve proven fundraising methods to increase amounts raised. (CFO and Fundraising Committee)
- Explore opportunities to raise awareness of SCI's mission in communities to increase the likelihood of donations. (CFO and Fundraising Committee)

- ❖ **Goal 2: Limit overtime to 10 hours or less per facility and less than 65% of revenue earned per client for community operations staff – Ongoing Target Date**

Strategies:

- Increase staff and administrative awareness of the financial burden that overtime creates. (Division COOs)
- Explore the feasibility of incentives for managers who successfully manage overtime. (Division COOs and C-Team)

- ❖ **Goals 3 & 4: Reduce State and/or Audit paybacks to less than \$25,000 per fiscal year and maintain non-audit based write-offs to less than \$50,000 per year. - Target Date of 6/30/19**

Strategies:

- Continue focused training and awareness to the details of billing, service provision, and service documentation. (Division COOs)
- Continue routine monitoring of authorizations to reduce write offs for exceeding authorizations. (Division COOs)
- Continue monthly accounts receivable review to ensure that aging receivables are researched and billed within timely filing limits. (CFO)

- ❖ **Goal 5: Ensure ICF daily expense per client does not exceed the average daily reimbursement per client. –Target Date of 6/30/19**

Strategies:

- Review monthly financial reports and compare averages. Address overages with the C-Team as appropriate.(CFO)
- Maintain awareness of clients changing needs and those requiring more resources for care. Identified clients should be brought to the C-Team for discussion to see if an enhanced rate is necessary. (COO-ICF, CNO, CFO)

- Examine expected resource expenditures on admission candidates and request enhanced rates for clients whose services are expected to exceed the daily rate at the time of admission. (CNO, COO-ICF, COO-Corp Relations, CFO)

Conclusion

Skill Creations, Inc. believes that this plan is comprehensive, yet evolutionary and dynamic. The plan is designed to be used as a mapping tool for individual service divisions to meet desired outcomes as well as the company as a whole. The plan will be reviewed throughout the year and revisions will be made as needed. Progress towards individual goals and strategies implemented will be documented by the responsible parties and communicated quarterly to the Strategic Planning Committee. Quality assurance and quality improvement efforts are imbedded throughout this plan. For more information on Quality Management and Quality Improvement practices, see Skill Creations, Inc.'s QM/QI Operational Procedures Plan.