

CHIEF EXECUTIVE OFFICER'S REPORT

October 2019

Monte Vista Expansion – I had asked for a 30-day delay as a result of the issues Health Colorado was dealing with concerning the Corrective Action (CAP) issued by HCPF. I am pleased to report that all of the hard work that went into answering the concerns has put us in a better place with the department. This does not mean that the CAP has been removed, but by all indications, we are moving in the direction that they have outlined. We have agreed to look for a third party to enter into a partnership with and have three entities in open dialog with at this time. The department is looking to remove Beacon from doing the care coordination with physical health. I think that Beacon is now aware how serious the wishes of the department are and have agreed to move in this direction.

Arnold has been looking for an attorney that we can engage with in anticipation that we are surprised by the department and the contract is at risk. For now, this is only a precautionary measure. We also may need legal counsel in the course of our daily business as well.

The positive events that have been unfolding leads me to believe that we will retain the RAE contract. Based on this information I will ask the Asset Corp. to allow the project to go forward and ratified by the main board.

I have learned from the architect that he is working with the City of Monte Vista to work out the zoning designation given that we are located in a residential area and it is not clear on how the city handled the zoning in 1973 when we were issued title to the property. This comes as a surprise given that we asked the architect to resolve this matter at the beginning. More to come on this issue.

HCI – I am still guarded, but would like to report that we are in a much better place with HCPF. We have hired a medical director, contracted to purchase a care coordination tool and working to engage a third party to do physical health care coordination. We are aggressively working to respond to all the department concerns and we are completing tasks one by one. Our engagement has been received well by the department in this somewhat hostile environment. The meeting that happened yesterday was our best and we look for more of the same as we move to settling all the issues that were brought to our attention.

Fleet Leasing – Currently our fleet includes 28 vehicles. We are going to pilot leasing 6 vehicles and moving our oldest out of the fleet. We currently purchase vehicles and trade them out as we acquire new ones. The cost of repairs is a common occurrence as the fleet gets older and the average price for a used vehicle is \$18,000. We seldom purchase new vehicles. The pilot will give us some time to see how many vehicles we move to a fleet arrangement. The vehicles are

replaced every three years. The other positive element to this cost is that we can count it towards the RVU.

CBHC – The politics will be heating up this year given the new Governors interests and the fact that Behavioral Health is in the spotlight. We will be monitoring new bills and influencing the creation of others. We had a great year last session and will work hard to get positive outcomes again.

CBHC is concerned the payment model that we are under may not sustain itself and is looking for new funding formulas that can create reliable funding for the future. The one model that is being investigated is Certified Behavioral Health Clinics (CCBHC). This model is similar to the pay model FQs are under where they have guaranteed rates for their services rendered. This will be a very in-depth investigation on the possibility of this type of model replacing the RVU. All the community mental health centers will attend presentations on this model throughout the year until we get consensus or move on to another model. More to come.