

CHIEF EXECUTIVE OFFICER'S REPORT

MAY 2017

ICHP - The management of the company is still going well and is mostly concentrating on meeting the deliverables of the grant. We are having to do very little in the operations at this point and the executive team meets regularly to handle the operational support needs to guide the director. The full board meetings are quarterly or sooner as needed. Most of the issues that will be addressed center on how much capital will be needed to close the company and then final closure, which will occur on June 30 of 2018.

CHP/BHO - Arnold is starting to wind down the operations of CHP given that the RAE will be the official replacement in 2018. He is also starting his own transition and hopefully will be engaged with us a while longer in another capacity to help with the transition. He has already engaged in the process of closing the company and we will be involved with him as we go into FY17-18.

SYCARE - There is an ongoing discussion about the future of SyCare and how it may be leveraged with our transition into the new contract as a provider or as an owner. Any decisions that will be made can only come after we know the outcome of the RFP. In the meantime, Sandy is working hard to position us well in the politics of the day and continues to monitor and contribute to the topics that bind the four mental health centers together. She is starting to become more involved in the development of the new company and at the same time streamlines the operating costs of SyCare. To this end, she actively engaged in negotiating the sale of the Kavely's operation and has a potential buyer. We are trying to sort out what our IT operations at this location looks like. We will have to rethink this part of our operation if the building is sold. I am very excited that we are close to selling this business.

Health Colorado - This is the new company that we will use to bid for the RFP. We are in the process of securing an HMO license, which is a requirement to be able to bid the RFP. We can pursue other licenses if this effort is not successful. We are meeting regularly and have already built teams to address certain sections that require responses from the center level and Beacon Options will address a greater portion of the contract deliverable as it relates to the policy and operations side of managing the contract. We are in the process of working out the details of the management service agreement, bylaws and articles of corporation.

SLVBHG - New Management structure for SLVBHG given the loss of the Kristina Daniel who held the title of COO. I will introducing a new management structure at the board meeting.