

**San Luis Valley Behavioral Health Group**  
**April 25, 2017**

**Members Present:** Jerry Gallegos, Brenda Vialpando, Louise Sanchez, Richard Pacheco, Alonzo Payne, Pat Stanford and Fernando Martinez

**Members Excused:** Laurie Rivera, Harry Larsen and Marcella Garcia

**Staff Present:** Robert Pacheco, Kristina Daniel and Dawn Loch

**1. Roll Call/Declaration of Quorum**

**2. Approval of Agenda**

It was M/S by Louise Sanchez and Alonzo Payne to approve the agenda as presented. Motion carried.

**3. Approval of Minutes:**

It was M/S by Louise Sanchez and Alonzo Payne to approve the minutes from March 28, 2017 as presented. Motion carried.

**4. Correspondence Review**

Jerry reviewed the correspondence for the month.

**5. Valley Wide – Adam Roberts – COO Valley Wide**

Adam explained that in order to open a new clinic they had to complete a scope of work and they received that back with comments that needed to be addressed. Adam resubmitted the scope of work with a model of Integrated Care. Once approval comes in, they will have 120 days to make the clinic operational. If they received approval by the end of May the last possible date to see a patient is by August 28, 2017. Adam will work on getting a working group together between Valley Wide and us to start planning.

**6. Netsmart Update – Yolanda Lujan**

Yolanda Lujan gave an update on MyAvatar since the implementation date of March 15, 2015. The next big project is the bridging of the data between our Center and Valley Wide.

**7. Benefits – Toni Woods**

Toni Woods presented the recommended benefit package to the board. The recommendation for health insurance is a high deductible health plan (HDHP) through Colorado Choice with a health savings account (HSA). It was M/S by Alonzo Payne and Pat Stanford to accept the recommendation and approve the HDHP/HSA option. Motion carried.

Toni presented the options for Dental Insurance and made a recommendation to accept the plan with the employee paying 25% of the premium. It was M/S by Alonzo Payne and Richard Pacheco to accept the recommendation and approve the Delta Dental plan with the employee paying 25% of the premium. Motion carried.

Toni presented the options for a Retirement plan. The recommendation is for the Standard Bundled 3 (16) plan. It was M/S by Alonzo Payne and Brenda Vialpando to accept the recommendation and approve the Standard Bundled 3(16) plan for staff. Motion carried.

#### **8. Financial Committee Report**

Robert Pacheco explained that the finance committee met today and reviewed the Statement of Expenditures and Revenues for the months ending March 31, 2017. It was M/S by Alonzo Payne and Pat Stanford to file the financial statements for audit. Motion carried.

It was M/S by Louise Sanchez and Brenda Vialpando to accept Harry Larsen's resignation. Motion carried.

#### **9. CFO Report – Projected Revenue Loss**

Robert explained that a rate cut of 7.6% will go into effect July 1, 2017, this translates into a shortfall of approximately \$665,000 and there is an increase to the IPN which will cause our center to anticipate another one million dollar loss in revenue. The business office will be looking at different options through benefits and staff layoffs to absorb the deficit.

#### **10. Review of Minutes – SLV Asset Management Corp**

Robert explained that the board met on April 10, 2017 and reviewed the financial statements. The investment with Wes Ursick was up \$20,226 since 3/13/17. The loan balance with ASB is \$88,148 and we have delayed paying off the loan due to the cash flow issues. The Asset Corp approved the sale of 2017 and 2257 Lave Lane with the following terms: Purchase price \$1,250,000 at 5% for 25 years; with a balloon payment due in 12 years. Also approved was a bridge loan to Advantage Treatment Program for \$130,000 at 6% for 1 year.

#### **11. Review of Minutes – SLV Community Corrections Board**

Alonzo Payne explained that the board met today and reviewed the financial statements. He explained that the closing of the properties at 2017 and 2257 Lava Lane to Advantage Treatment Program will be held on May 5, 2017. Judge Kuenhold signed an agreement with ATP to provide services as of May 1, 2017. The Board will continue to meet to wrap up all business.

#### **12. SyCare**

Louise explained that the financial statement and committee reports were reviewed. The board went into executive session to discuss the RFP. The CEO evaluation form was approved. Timeline to have it completed and reviewed with Sandy is June 1<sup>st</sup>. The SyCare Retreat will be held on May 10<sup>th</sup> and 11<sup>th</sup>.

#### **13. CEO Report**

**Community Corrections** – The transition of the CC Program to Advantage Treatment Center will take place May 1, 2017. The closing of the property will take place on May 5, 2017. We have agreed to a capital operations bridge loan to expedite the transition of the

program. The loan is for \$130,000 and is for a period of 12 months. We are in the process of transitioning staff to the new company and working out other operational details as well. The 12<sup>th</sup> Judicial District Community Corrections Board will sign a contract with Mr. Doug Carrigan before the end of April to be the new vendor effective May 1, 2017.

**CHP** – Arnold is reporting that a 7.6% rate cut will take effect July 1, 2017. The rough estimate is that our center will experience a revenue short fall of \$665,000. This is related to the belief that we are paid beyond what our demonstrated needs. Medical Loss Ratio (MLR) is part of the problem and insurance companies like ours has a cap on how many premium dollars can be spent on administrative costs. The ratio is about 20% related to profit and administration costs and the 80% should be spent on services or improving services. The MLR more recently has become the driver of the rate discussion. There will be incentive packages that gives each center the ability to earn incentive dollars for our center, it will be in the neighborhood of \$300,000. The overall effect on CHP is \$203 million and will be close to \$16 million as it relates to the rate reduction.

**SyCare** – The IPN (Internal provider network) has dominated the stage of high priority issues that we are facing. We recently had a presentation from Beacon Options on the historical trend of the IPN and who are the bid users of the IPN. The three high users are Crossroads, Pueblo Community Health Center, and Gateway to Success. The data demonstrated that Crossroads is the highest SUD provider in our region and the revenue they are generating is \$110,000 a month. It was noted that if they were part of our delivery that we could get 6 times the RVU value to the tune of 14 million which in turn would lower our MLR. The discussion quickly turned to potential acquisition or any other arrangement that we could still get full value. Sandy has been given the assignment to make contact with Crossroads management and investigate any and all possibilities. We have yet again had to increase the PMPM to \$7.25, which is another \$45,000 out of our bottom line. The increase in the IPN and the rate reduction will cause our center to anticipate a one million dollar loss in revenue. The loss of revenue will generate a comprehensive review of our business practice to include benefit packages and staff layoffs.

**CBHC**- We are supporting a JBC bill that introduces legislation related to the ACC and defining its authority in three areas: defining the ACC, authorizing performance-based payments and addressing client fraud. There were amendments added the last two of the three areas that we believe will strengthen the bill in terms of prominence of behavioral health and would add additional detail to reporting, and accountability to the performance based payment program. This is a way the JBC can have more oversight of HCPF as we transition into the new future of health care.

**Success Planning** – It is time for Fernando to discuss the particulars of what a transition plan may look like for the CEO position of the SLVBHG. Fernando hopes that an advance notice would be strategic enough for the board to start thinking of what this will mean for the agency.

#### **14. Other Business**

- a. Executive Committee – The board went into executive session at 7:30 pm  
The board resumed its regular meeting at 7:45 pm

b. CEO Evaluation Committee – The committee will be Jerry Gallegos, Louise Sanchez, Alonzo Payne and Brenda Vialpando

**15. Next Meeting**

The next meeting will be on Tuesday May 30, 2017

**16. Adjournment**

The meeting adjourned at 8:00 p.m.