

CHIEF EXECUTIVE OFFICER'S REPORT

MARCH 2016

Community Corrections – We have been awarded the RFP and are pleased that we have this notice; however we have not been given notice on the number of beds that have been allocated to our program. I made contact with DCJ and was informed that we will be notified sometime in the spring. All of the other vendors who received this notice did not receive a bed allocation.

We are in discussion with DOC regarding a possible IRT contract with them. They are getting involved with in-house treatment and see a need to draw from their own allocation for IRT services. I have been in discussion with Gil Romero about the footnote and whether it needs to be strengthened. I am concerned that we did not go to a higher bed count and also if they will honor the 36 beds count in the foot note. We have been notified that our current 24 bed contract will be **overspent** and that we do so at our own risk. This is where the footnote is in question given this type of notice. The exposure for our program is potentially \$100,000 in the 4th Quarter of the contract.

Integrated Health Partners (IHP) – The new Director of IHP Chris Senz has reported to work and is very engaged to learn as much as possible in a very short period of time. The board is excited about her and looks forward to the leadership she brings to the company. The delay of the RFP will give the time she needs to position us for the challenges we will face with full integration in 2018 of the BHO contract. The atmosphere has changes drastically with new leadership on board.

FY 2017 Budget – We will be presenting the first draft to the Finance Committee in April. The challenge is to keep the current staffing pattern in place. We will have a better revenue picture in the next 30 days. The program directors are working on their draft budgets which will be blended into the overall budget.

Valley Wide – We have been in a holding pattern for several months given Gigi's health challenges and managing a very large provider network. We have worked on the MOU and property lease. We hope to have them finalized in a very short time frame. Preliminary meetings have been set to begin working out the logistics of this new and exciting way to deliver integrated care. Now that there is movement with Valley Wide we will start our version of prepare for the clinic to open the first of August 2016. The clinic is still lacking a few items for the exam rooms and we will be preparing for IT integration as much as we can in a very restricted environment.

Colorado Health Partners (CHP) – Arnold has been given a lot of positive attention from his peers regarding the delay of the RFP. He does not have the same fanfare from the state and is being challenged in a variety of ways. It is important to note that the delay has not diminished the state ongoing investigation of the BHO's the scrutiny is unprecedented and has already lead to a number of battles regarding rate setting, profit margins, IPN expansion and productivity questions. The ongoing struggle to shape health care in Colorado continues to be very challenging with the

current state leadership. We are expecting ongoing scrutiny of the funding model and it appears the state will be moving to outcome measures.