

San Luis Valley Behavioral Health Group
May 24, 2016

Members Present: Richard Pacheco, Laurie Rivera, Brenda Vialpando, Louise Sanchez, Harry Larsen, Alonzo Payne, Pat Stanford, Fernando Martinez and Jerry Gallegos by phone

Members Excused: 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 Jerry Gallegos and Alonzo Payne to approve the agenda as presented. Motion carried.

3. Approval of Minutes:

It was M/S by Laurie Rivera and Pat Stanford to approve the minutes dated April 26, 2016. Harry Larsen abstained. Motion carried.

4. Correspondence Review

Richard reviewed the correspondence for the month.

5. Financial Committee Report

Laurie Rivera explained that the finance committee met and reviewed the Statement of Expenditures and Revenues for the month ending April 30, 2016. It was M/S by Brenda Vialpando and Louise Sanchez to file the financial statements for audit. Motion carried.

6. Carrie Heltzel – HB1451 Director

Carrie explained that the San Luis Valley Behavioral Health Group is working with over 20 SLV community partners through our local HB 1451 SLV Collaborative Management Program to create and maintain a trauma aware and trauma –informed workforce in human services, probation, schools, healthcare and other systems who work with youth and families. The goal is to increase outcomes for the benefits of youth and their families. Carrie invited the board to the next stakeholders meeting on June 8th here at the Mental Health Center.

7. Rate Reduction – Budget Amendment

As of right now, all the details about the RFP are not available. Our approach is to maintain our cash to protect the mission of keeping our people employed. Our plan is to come to the June board meeting with a plan and an amended budget.

8. Compliance Plan Approval – This agenda item was tabled until the next meeting.

9. Review of Minutes – SLV Asset Management

Laurie reported that the board met on May 9 and Robert Pacheco presented the financials. Based on the results of the inspection report the buyer withdrew their bid for the property located at 404 9th Street. Fernando will obtain a copy of the inspection report tomorrow. The house has been put back on the market. The board approved the purchase of the Del Norte building. The asking price is \$160,000 less \$19,000 for repairs for a total of \$141,000.

10. Review of Minutes – SLV Community Corrections Board

Alonzo explained that the board met earlier and reviewed favorable financial statements. The YTD revenue over expenses is \$277,844. We have not received an update on the allocation on the RFP yet. There is a new DOC –RFP and we are hoping that we will be awarded an additional 12 condition of parole beds. There is a heroin concern at our facility and it has slowed down our local referrals. The screening board is being more restricted on who they send our way. We are working on ways to change this; the first is to organize an in-house drug therapy group within the facility. Corrections America has shown an interest in the facility. They have sent a document (sharing information) that was approved at the meeting to be signed by Fernando and we will move forward with their request for information.

11. SyCare

The SyCare Retreat was held May 5th and 6th. The Board of Managers Meeting held there meeting at this time also. SyCare will sponsor the candidate forum on September 30th. The Wine Tasting event that SyCare generally hosts in Breckenridge will be cancelled. Sandy feels like this money could be spent in different ways.

12. CEO Report

Need to Amend the Budget – We have received word from Colorado Health Partners (CHP) to expect a rate reduction of 16%, which is equivalent of \$1,400,000. The budget that was approved last month had factored in a 5% cut which was \$440,000. The balance left to address is \$960,000. This will not be an easy task and will force a staff reduction. In order to minimize staff layoffs the team has already proposed several items to be considered. We will prepare a list of all the items we want action on and the rest we will address as it relates to operations. This additional revenue loss will be addressed at the June board meeting with a budget amendment. To get in front of this reality the items that are already moving forward Fernando will ask that they be terminated. The team has proposed that we not go forward with the property purchase in Del Norte, that the building expansion on the maintenance building is cancelled, that we keep some vacant positions open, that we cancel the mural project for the Mi Esperanza building. This does not get to the end. We will have recommendations for the June board meeting that includes the termination of some programs and services that are not related to our core contract and finally we think that 10 staff positions will have to be terminated. We will continue to review a host of other possibilities during this time.

*Before this meeting Fernando received a phone call from Arnold telling him not to do anything drastic yet. He is optimistic and we don't need to worry too much.

Community Corrections – Fernando has been contacted by Corrections America about the possibility of selling our operation. They have sent a document (sharing information) that we will need to sign if we want to move forward. This is the same document that we signed 2 years ago with a party that has similar interests. Earlier the Community Corrections board authorized Fernando to sign the document.

The Director Phil Sanz has resigned and the interim director is Denise Jiron. We still do not know what our IRT allocation is and hope to hear in the next few days. The DOC IRT RFP is still under review and we hope to hear if we won the award some time before the end of June.

Glen Tapia has agreed to meet with Fernando and Glen Tapia. We are hoping to get a better understanding of what the added language to our Footnote means. Referrals continue to be a struggle and our daily count is off by 5 beds. We are working hard to keep the referrals flowing and continue to be in contact with our referral partners to send more clients our way.

SYCARE – Sandy continues to do an outstanding job and Fernando is very appreciative the she has brought leadership to our partners. The retreat was held in Pueblo and was very productive and Sandy is now better able to set her course for the next year. We are still having difficulties with the IPN in the Pueblo and Canon City locations. The IPN was dropped to \$5 PMPM and is now at \$6 again. Fernando is interested in again introducing a stop gap so that the two partners can take more responsibility and we are not disproportionately taking on the risk. This will not be an easy task. Dorothy is again threatening to leave the partnership if she does not get a higher distribution. She reports that her agency is now in debt for \$12 million by purchasing a large building complex. This will be the reason she thinks that by leaving the partnership, Health Solutions will be better off.

ICHP – Fernando is very pleased with Chris the new director. She has a way to cutting through our partnership's red tape and dealing with the difficult issues facing the partnership. We hope to get ready for the RFP and align our battle plan to win the contract. At this point we have little drama do deal with, not to say that we have won the battle over governance and the like.

Colorado Health Partners – Arnold and Tina are in the trenches everyday to preserve the rate and address a deluge of changes that is hitting the docket. The onslaught is relentless and it is apparent that not much can get done with the current administration. The current thinking is to minimize the damage until this administration ends and then try to rebuild our industry. We heard from the CBHC partners that all are experiencing similar challenges. We were the ones who were the first on the rate discussion schedule with the state and all have been surprised that we ended up with such a high percentage cut. All are reporting that any rate reduction of 10% will cause them to shut down several programs. It is reported that three of the bigger centers were audited by the state and several issues were identified as concerns when the audit was concluded. The final results of the audits have not been sent to them, but they are anticipating some paybacks. The one that has been identified is in-kind donations and how they were factored in the cost report. The state is saying that this is not an allowable cost and is owed money and the

directors of these centers are disputing the claim of not being allowable. They are preparing for a legal battle if this can't be sorted out.

13. Other Business

a. Board Member of the Year – It was M/S by Alonzo Payne and Jerry Gallegos to nominate Louise Sanchez as Board Member of the Year. Motion carried.

b. Software Implantation Holiday – It was recommended by Fernando and Kristina to close the office on Friday July 1st and start fresh on Tuesday July 5th with the new Net Smart software program. It was M/S by Louise Sanchez and Harry Larsen to accept the recommendation made and close the office on Friday July 1st. Motion carried.

14. Next Meeting

The next meeting will be on June 29, 2016.

15. Adjournment

The meeting adjourned at 7:50 p.m.