

CHIEF EXECUTIVE OFFICERS REPORT

JULY 2015

ICHP – As we get closer to the date of the RFP some of the partners are realizing that several decisions have to be made with a simple majority vote. This realization has caused some very intense discussion about representation and balance within the partnership. All of the partners have indicated an interest in staying together, but this may not be the case if certain deliverables can't be met for some of the partners. The vote count has been a problem for the FQ partners since the beginning and continues to be an ongoing theme.

The other hot topic is who should be our leader if we are successful with the RFP. There is some concern that the present ICHP Executive Director may not have the skill set that is needed to run a bigger company. This discussion will continue to the next ICHP board meeting with the intention to set forth a plan to resolve the leadership question.

CBHC – George has now included Doyle the new CBHC Executive Director into the chain of meetings that make up the CBHC effort. She has already been involved with learning the issues and the intense negotiations that now seem to take place on a daily basis. George is moving much faster on the last of his transition responsibilities and all want to give him a big warm send off at the event in August. The CBHC staff is working hard on several fronts, but the one that is taking a lot of their attention are OBH contract and the rate cuts that are going into effect. Both are still not settled and we have to wait to see if any of our negotiations will be successful to turn the tide of cutting funds. If we are not successful the estimate is that state wide we will lose approximately 40 million in FY 16-17.

CHP – Arnold and Tina continue to deal with multiple issues that have come up regarding the current funding of the MHCs and a model that will move Colorado into a new system of care. All issues have an intense level of involvement that has not been encountered before. The negotiations that are taking place on the rates are top priority. This will be a strong interest of a small MHC like ours since we run very lean as an organization. Any adjustment in the rates that are lower will cause us to reduce our operating costs.

INP is another issues that does not favor our center. This is related to external providers that we cover their cost for providing treatment, because they are in our network. Our success in this area is now looked at as a concern and liability. The concern is that our overall medical loss ratio is the lowest in the partnership. This has prompted us to recruit outside treatment providers to increase our service in the region. More to come as we get a better handle on how to respond to this new challenge.

CC – We are still talking to providers to determine if there is interest in purchasing our program. We are moving slow with the jail interest given the changes that are occurring with revenue and

deliverables. We have noticed that we will have an IRT audit in October of this year and have begun the process of preparing for it. Program operations have gone well and bed capacity is steady and above average. The software has been upgraded for offender management and staff are pleased with the update.

Annexation – We have met with the City of Alamosa and Alamosa County zoning staff on this matter. We have been informed that it is to our advantage to not have our property zoned into the City of Alamosa. This recommendation is based on the different zoning requirements that each entity is operating under. The county zoning regulations favor our interest to build on the site, where as the City zoning regulation prohibit a building. Given this information we will not move forward with the zoning application. This will help protect any future interest to build on the vacant land we own in this subdivision

SYCARE – I am extremely excited that Sandy Gutierrez has been hired as the new Executive Director of SyCare. She will bring a new level of leadership to our partnership that is very important given the challenges we are facing. She reports that she will visit each partner and get a thorough understanding of the issues that affect our regions. I hope to invite her to our board meeting in September.