

CHIEF OPERATING OFFICER'S REPORT

SEPTEMBER 2015

Community Corrections – The sheriff is no longer interested in contracting for female detention services. He is hopeful that they will be successful with the tax initiative and move to expanding the jail. We continue to prepare for the DCJ audit and recently traveled to Fort Collins to the visit the IRT program knowing that they went through the audit. We are updating our operating policy and procedures and should be ready.

There has been some staff turnover in case management and with the IRT program as well. It has affected our client population because the staff to client ratio has to be applied. This means that we are not able to bring in the budgeted population and have not been able to meet our revenue projection. We are in the process of filling the positions and hope to get up to full capacity very soon.

Sigmond Building – The property inspection report has been completed and it reveals some issues with the property. The most notable is the need to replace the roof and other small repairs are needed as well. We contacted a roofing contractor that specializes in flat roofs and his recommendation is full replacement at an approximate cost of \$20,000.

We are still waiting for the property appraisal by Norm Roberts and believe that it will be delivered by the end of September if not sooner. I have made arrangements with the bank to secure a loan if the purchase goes forward.

SyCare – Our new Executive Director, Sandy Gutierrez has come to our center and met with staff and also toured community corrections. She reports having a great visit and was surprised with our investment in facilities. We were the first visit and she has since gone to each of the partners and reports a similar surprise.

The new challenge for the partnership is the increase in the IPN, which are external partners that are providers in our network. The costs have increased and due to our partnership agreement we each contribute to a reserve pool in the amount of \$6.00 PMPM. The anticipated increase in the IPN cost will require a bump to the \$6.00 PMPM. Our center is arguing that we should not have to continue to pay higher IPN cost given that we are always under this amount. We are asking our partners to take a fresh look at this concern and provide some relief to us. Robert is working on a risk corridor plan that will help defray any additional IPN costs from our center up to a certain level. We are hopeful that his plan will have merit with the other partners and they will want to adopt it.

ICHP – We are in the process of writing a job description for the Executive Director position. The interim director is Lora Roberts who is currently a VO employee. The writing of the job description is a challenge for our group given the ongoing positioning that never seems to end.

We are looking for an individual that has all of the skill sets that can move us into the future. The big item on the agenda is the need to prepare for the RFP in 2016-17. The planning group will be formed to outline our strategy and set in motion the teams that will be working on different segments of the RFP.

CBHC – Doyle has done well with taking on all the issues of the association and has the support of her staff. The ongoing struggle is the need for the state to address the states looming deficit that varies by the millions depending on what entities is reporting the facts. The deficit challenge is overflowing into the mental health centers and there will be revenue loss that can't be avoided. We are currently trying to hold on to some of the indigent dollars that were lost last year, but this may not be worth defending given the demand to address the deficit. The dollar amount that is in question is about \$4 million. It is also estimated with all the dollars that will be lost to the mental health centers this year will be in the \$30 million dollar range.

It also appears that OBH has certain programing that they want to address and thus will require additional revenues to satisfy this interest. The indigent dollars are dwindling very fast and there is an assumption by many legislators that Medicaid will cover the majority of the need that was present when indigent populations did not have insurance.

Cash demands – The insurance reserve increase due to more Medicaid revenue. What we expected our share to be was reduced by \$60,000 and the \$100,000 reimbursement to OBH for not meeting our contract will not have to be paid back. The two pending paybacks are with recoupment and AWDc.