

**BEXAR COUNTY BOARD OF TRUSTEES FOR
MENTAL HEALTH MENTAL RETARDATION SERVICES d/b/a
THE CENTER FOR HEALTH CARE SERVICES**

Regular Board Meeting

6800 Park Ten Blvd, Suite 200-S

San Antonio, Texas 78213

Tuesday, August 9, 2022

6:00 p.m.

- TRUSTEES PRESENT:** Daniel T. Barrett, Chairman
Mary Rose Brown, Vice Chairman
Donnie Windham Whited, Secretary
Polly Jackson Spencer, Ret. Judge
Sandee Marion, Ret. Judge
Richard Usatine, M.D. (Zoom)
- TRUSTEES ABSENT:** Graciela Cigarroa, Treasurer
Roberta Krueger, M.D.
Margaret M. Vera
Sheriff Javier Salazar
- STAFF PRESENT:** Jelynn LeBlanc Jamison, President/Chief Executive Officer
Robert Guevara, Chief Financial Officer
Rene Olvera, M.D., Chief Medical Officer
Frank Garza, General Counsel
Adrienne Alcazar, Vice President of People & Culture
Edward Benavides, Vice President of Adult Behavioral Health
Lauro Garza, Vice President of Operational Safety Risk Management
Juanita Rodriguez-Cordero, Vice President of Clinical Outcomes
Melissa Tijerina, Vice President of Children's Behavioral Health
Elizabeth Ackley, Sr. Director of Learning & Development
Ashley George, Director of Communications
Leonard Rodriguez, Director of Fund Development
Adam Velez, Director/Contracting & Procurement
Terry Treviño, Chief of Staff/Board Liaison
Cynthia Hinton, Executive Assistant
- GUEST PRESENT:** Hunter Stanco, Morgan Stanley

The regular meeting of the Bexar County Board of Trustees for Mental Health Mental Retardation Services d/b/a The Center for Health Care Services was held on Tuesday, August 9, 2022, at the Administrative Offices located at 6800 Park Ten Blvd, Suite 200, San Antonio, Texas 78213.

**CALL MEETING TO ORDER
CERTIFICATION OF QUORUM**

Mr. Barrett called the meeting to order at 6:10 p.m., with the following trustees present: Mses. Brown, Krueger, Marion, Spencer, Whited, and Dr. Usatine (Zoom), thereby establishing a quorum.

PLEDGE OF ALLEGIANCE - Led by Chairman Daniel Barrett

CITIZENS TO BE HEARD – There were none.

1. REPORT FROM THE NOMINATIONS COMMITTEE

Ms. Brown stated that Dr. Usatine and Ms. Cigarroa agreed to serve on the Nominating Committee again this year. The Committee checked with all the existing officers to see if they would serve again. The existing officers agreed to serve for FY 2023.

2. ELECTION OF OFFICERS FOR THE PERIOD AUGUST 2022 – JULY 2023

Mr. Barrett asked for a motion to approve the existing officers serve another term. Judge Marion made motion and Dr. Whited seconded. Motion carried. Mr. Barrett thanked the Board for their confidence and stated that this is the best run Center that he has ever been a part of.

3. APPROVAL OF MINUTES

Mr. Barrett asked for a motion for approval of the Minutes of the June 14, 2022, Regular Board Meeting and the May 26, 2022, Special-Called Board Meeting, which were presented for review and approval. Judge Spencer moved for approval as presented; Dr. Whited seconded the motion. Motion carried.

4. BOARD CHAIRMAN'S REPORT

Mr. Barrett noted that Ms. Greer did a beautiful job of creating a plaque that was read at Board Emeritus Ira Smith's funeral service. He had an opportunity to speak about some of Ira Smith's history at the Texas Council. It was very moving and nice to know that Ira Smith was a pioneer and gave his time and talent for so many years. Ms. Greer said she wrote the words but wanted to give credit to Ms. George's team because they made it into something beautiful and into a plaque.

5. PRESIDENT/CHIEF EXECUTIVE OFFICER'S REPORT

Leadership Briefing

- Ms. Jamison stated there was a memo included in the Board packet in which she shared the results of the Board Retreat with all the Board Members and gave some context around the budget discussion. She will answer any questions if there are any about the memo or the findings of the Board Retreat. They will see the same organization as the budget is presented to them for consideration because the same format was used in the key focus areas and tracking the imperatives that they identified as being key to work on for next fiscal year. There were no questions.

Contracts executed by the President/CEO over \$50,000 and under \$100,000 for the months of June 2022 & July 2022 – Ms. Jamison stated there were none to report.

Chief Medical Officer's Report – *Dr. Rene Olvera*

- Dr. Olvera went over his report that summarizes Learners for July 2021 – July 2022. The year before 2021 during COVID, taking in students had been put on hold. Over the year of 2021 there were ninety-one different Learners. There were 8 Family Practice Residents, 9 General Practice Residents, and 6 Child Psychiatry Fellows, a combination from UIW and UTHSC. There were 29 Medical Students, seventeen from UIW and twelve from UTHSC. There were so many because they rotate at a faster pace. There were 14 Psychiatric Mental Health Nurses, seven from Walden University and the other seven from different universities. There were 3 Nurse Practitioner Students working on their doctorates. There were 10 Nurse Practitioners from UTHSC, and there was a Leadership Training for RNs in conjunction with UTHSC. There was a Students Level Masters Counselors for 4 Social Workers. There were six students for Health Information Technology. It was a large span of medically related fields. He uses the medical calendar which is from July to July. It was a good year considering it was the first year in coming back from COVID and opening the Center to students. Mr. Barrett said that is great and felt this is the key in opening the Center and participating.

6. CONSENT AGENDA

1. Review and Recommendation for Approval to the Board of Trustees for the President/CEO to Negotiate and Execute an Agreement with Gallup for the provision of Employment Engagement Services – *Adam Velez*
2. Review and Approval of the Board & Committee Meeting Schedule for FY 2023 as recommended by Executive Committee – *Jelynn LeBlanc Jamison*

Mr. Barrett asked for a motion to approve the Consent Agenda items. Dr. Whited so moved; Ms. Brown seconded. Motion carried.

7. INDIVIDUAL ITEMS FOR REPORT, DISCUSSION & APPROPRIATE ACTION

FINANCE COMMITTEE (*Mary Rose Brown, Chair*)

1. Acceptance of the Center's Financial Statements for the period ending April 30, 2022, and May 31, 2022– *Robert Guevara*

Mr. Guevara presented the Center's Financial Statements as follows:

a) April 2022 Financials

- Overall operating loss of (\$2,869) for the month. YTD loss of (\$163,930). Including the Planned Reserve Expenditures YTD of \$5.6 million and all funds recognized the Net YTD gain is \$5.5 million.
- Monthly personnel costs were (\$394,285) below March expenses. April had two less payroll days.
- 1115 Waiver Funding and DPP recognition YTD - \$9.9 million, approximately (\$3.5 million) below the expense budget YTD
- Fund Balance Composition: Cash - \$3.9 million, A/R - \$13.3 million

- YTD Revenue Budget - \$86.1 million, Actual YTD Revenue - \$70.6 million, Actual YTD Expense - \$73.2 million, Net Gain YTD - (\$2.6 million).
- Strategic Plan Revenues - (\$1.5 million), the equivalent of 11.65%.
- Strategic Plan Expenses - (\$10.4 million), the equivalent of 13.04%.
- YTD Service Revenue Budget - \$6.9 million, Actual YTD Service Revenue - \$7.5 million. Service target exceeded by \$618,722 with the inclusion of the budget amendment presented to the Board.
- Monthly Service Revenue target was \$1,052,839. Actual- \$977,089. Target missed by \$75 thousand without the budget amendment. With the budget amendment, the actual target exceeded by \$85 thousand.
- Daily Billable Service Revenue - \$46,528. Same time last year was \$50,000. Loss of \$4,190 per day. However, this is an improvement from last month by \$1,034 per billable day.
- Medicaid Rehab Budget - \$294,728. Actual - \$226,658
- Fund Balance - \$37.7 million, Investments in Tex Pool decrease (\$4.6) to fund operations. Interest Earned - \$1,527. Days of Operation - 85.44. Total Profit Margin - 7.5%
- Cash Flow - Beginning Balance - \$9.3 million, In Flows - \$5.2 million, Out Flows - \$9.7 million, Ending Balance - \$4.8 million.

b) May 2022 Financials

- Overall operating loss of (\$194,284) for the month. YTD loss- (\$358,213). Planned Reserve Expenditures - \$6.3 million. With all funds recognized, the Net YTD gain is \$5.9 million
- Monthly personnel costs were \$235,786 above April expenses. May had one additional payroll day.
- 1115 Waiver Funding & DPP recognition YTD - \$11.1 million, approximately (\$3.9 million) below the expense budget YTD
- Fund Balance Composition: Cash - \$2 million, A/R - \$13 million with May typically being the lower cash month.
- YTD Revenue Budget - (\$96.9 million). Actual YTD Service Revenue - \$79.6 million. Actual YTD Expense - \$82.3 million. Net YTD loss - (\$3.1 million). The variance of (\$17.2 million) have none or minimal financial impact to the bottom line, the majority are cost reimbursement.
- Strategic Plan Revenues - (\$1.4 million), the equivalent of 9.29 %
- Strategic Plan Expenses - (\$11.4 million), Controlled Spending, the equivalent of 12.73%
- YTD Service Revenue Original Budget - \$7.8 million. Actual \$8.6 million. Target exceeded by \$812,681.
- Monthly Service Revenue target - with the budget amendment the target exceeded by \$235,301. Actual Service Revenue - \$1,340,782
- Daily Billable Service Revenue - Daily average target is \$52,642. Averaging \$46,667 through the month of May. Actual billable service revenue - \$67,039. Exceeded prior month by \$14,000. This time last year average was about \$50,000 daily. Below target about \$4,100.
- Medicaid Rehab target \$294,728, Actual - \$323,611. Target exceeded by \$28,000.
- Fund Balance - \$37,311,340
- Investments in Tex Pool decreased (\$2,298,541) to fund operations. Interest earned for the month - \$1,459. Profit margin of 7.2%. Days of Operation - 83.44

- Cash Flow – Beginning balance - \$4.8 million, In flows - \$5.4 million, Out flows - \$6.8 million, Ending Balance \$3.4 million.

Mr. Guevara informed the Board that the Center did receive the 1115 Waiver \$18.4 million on July 31. The Center had to pay back a little over \$6 million to the Frost Bank loan. There is still \$5.9 million pending that will be paid towards the end of August, which is when the loan matures and will get the Center right in line to the State withdrawal. He plans to meet with Frost Bank next week to tie the line of credit moving forward to our State general revenue withdrawal vs. the 1115 Waiver.

Mr. Barrett asked for a motion of acceptance of the Financial Statements. Dr. Whited moved; Judge Marion seconded. Motion carried.

2. Review and Approval of the Center's FY 2023 Budget and Staffing – *Robert Guevara*

Mr. Guevara stated that this presentation is a confirmation of the work that was done during the Board's Strategic Planning Retreat, the Quarterly Management Team Meeting, and the Executive Leadership. The findings of those meetings were presented to the Finance committee Meeting on July 21, 2022, and then brought back. The mission was that they identify the impact which was presented to the Executive Committee Meeting on August 3, 2022. This evening the overall budget will be presented.

He started by first providing a recap to show how the Center is doing for FY 2022. For FY 2022 the Board approved a budget of \$120 million and approved the use of the fund balance of \$6.2 million that has been used to offset vacant salary and fringe. Overall, he is projecting that the year will end with a positive \$5.9 million this fiscal year. The Center has met 100% of the 1115 Waiver metrics, and the total valuation of \$18.4 million, and have met 100% of the State Performance metrics. A new EHR was also implemented. He stated the 1115 Waiver has ended and is now going into a two-phase revenue stream. One is a Directed Payment Program (DPP) which is an enhanced rate for all our Managed Care that we have. The second component is the Charity Care Program (CCP) which is the program where the costs are captured of providing indigent individuals care. In the first year and only the first year will it cost the Center to provide services to the Medicaid traditional and Medicaid managed care population. For DPP a little over \$5 million is being budgeted based on expected MCO payments, and CCP is budgeted at \$12.3 million. The combination of both is the same exact dollar amount that was budgeted last year for the 1115 Waiver. He wanted to point that out because the CCP is still unknown. The cost report will be submitted in April, and the goal is that the Center will receive that \$12.3 million delta from the Waiver to the DPP. At this point based on the known information, the Center will need to cover at least \$8 million to keep neutral. He just wanted to point out that we kept the Waiver DPP and CCP at the same exact levels because that is the most sensitive estimate in the budget that is being presented. Discussion ensued regarding the Bexar County Drug Court funding request.

He provided detailed information on the Budget Revenue Assumptions, Budget Expense Assumptions, and Key Focus Areas 1 – 6 with the goals. Overall, the total impact to the Key Focus Areas is \$6.8 million and 23 FTEs for FY 2023. Judge Marion asked what the Academic Coordinator position entails. Ms. Jamison said that person will focus on developing relationships with high schools and universities in the area, and then help the Center create intern opportunities for them so we can grow the pipeline. The current Academic Coordinator is focused

on the medical personnel that Dr. Olvera talked about previously in his report. This new position would focus on high schools and colleges. Judge Spencer asked might it be something in the Community Perception Key Focus Area 3 that would be good to work with the County on, because it might be their perception of us could be improved? Ms. Jamison replied that there is indication that it needs to be included. Mr. Guevara continued going over the Budget Funding by Source, the overall request is a budget of \$130,622,564; Expense by Category a total of \$130,662,564, Staffing Plan by Business Unit a total of 1304.52, Service Revenue by Year \$9,426,691; Program Budget Comparison projected total \$130,662,564, 3-Year Staffing Comparison 1304.52; and Expense Comparison \$130,662,564.

Mr. Guevara stated the request is a proposed budget of \$130,662,564, proposed headcount of 1304.52 FTEs, and a fund balance designation accounting for the \$102,000 reduction in the County Court Contract that was discussed, a fund balance of \$10,684,761, and as has been done in previous years we will sweep up unfilled salary and fringe and offset that towards the fund balance.

Mr. Barrett asked for approval of the Center's FY 2023 Budget. Judge Spencer so moved; Ms. Brown seconded. Motion carried. Mr. Barrett said that this was an exceptionally good concise budget that they have ever heard. Ms. Jamison wanted to give credit to all the leadership team. Mr. Barrett thanked everyone and said the budget was very well thought out and encompasses things that were talked about at the Board Retreat.

Mr. Barrett asked for a motion for approval. Ms. Brown so moved Ms. Spencer seconded. Motion carried.

INFORMATIONAL ITEM

1. Contracting and Procurement Department FY 2023 Revenue Contract Report – *Adam Velez*

Mr. Velez stated this is just an informational report regarding changes to FY 2023 revenue contracts and the anticipated renewals during the period of June 1 – December 31, 2022. There are twenty-four contracts for a total of \$62,356,496 and continued to go over the contracts. Discussion ensued.

EXECUTIVE SESSION (DISCUSSION ONLY: CLOSE TO THE PUBLIC)

At 7:16 p.m. Mr. Barrett moved the Board into Executive Session per Texas Government Code, Sections:

551.071 (Consultation with General Counsel)

551.074 (Personnel Matters) – Discuss the process and timeline for CEO performance Evaluation

RECONVENE OPEN SESSION

The Board reconvened into Open Session at 7:50 p.m., where Mr. Barrett stated no items were approved in Executive Session. Mr. Barrett asked if there is a motion regarding Ms. Jamison's contract. Ms. Brown made a motion that the Board authorize the change to Ms. Jamison's non-qualified deferred comp plan as discussed; Dr. Whited seconded. Motion carried.

REPORTS

TEXAS COUNCIL OF COMMUNITY MHMR CENTERS INC. BOARD – Daniel T. Barrett

Mr. Barrett reported that Lee Johnson was selected as the new Executive Director at Texas Council who was previously the Policy Lobbyist.

TEXAS COUNCIL RISK MANAGEMENT FUND BOARD (TCRMF) – Robert Guevara

Mr. Guevara stated the Board met on August 3 & 4, 2022. Things that came out of that meeting is they have \$31.9 million surplus right now but lost \$6 million in unrealized loss per investments. This was going to impact the rates so the Board allowed them to use some of that surplus to stabilize rates so they could maintain the rates for worker's comp, property, and liability. The other thing is they are going to engage a professional appraising firm to appraise all the Centers physical properties every three years as opposed to them doing the valuation. The Center for Health Care Services is not in the first cycle, it may be Harris, Central Plains, and Community Health Core. Mr. Barrett said it needs to be done. Mr. Guevara said they are focusing on property because the combined member premiums for property is the equivalent of premiums for workers' comp and liability combined.

Then the focus for the next couple of years is going to be retention. Centers are experiencing up to 46% turnover right now. Here at the Center, we are experiencing 27 or 28% turnover. TCRMF is losing headcounts in the member pool, which means the workers' comp pool is shrinking. There has been a significant decrease in workers' comp and are currently paying \$670,000 in premium rates which is a substantial improvement, not only in savings but in keeping workforce safe. Prior to this time premium rates were \$800,000 – \$900,000. Mr. Barrett said that when TCRMF started 31 years ago, the rate was \$450,000 and workers' comp could not be bought because it was so out of control.

TEJAS HEALTH MANAGEMENT BOARD – Robert Guevara

Mr. Guevara stated the August Board meeting was postponed. The Board will not meet until September or October 2022.

ADJOURNMENT

There being no further business to discuss, Mr. Barrett called for a motion to adjourn the meeting. Ms. Brown moved for adjournment; Judge Spencer seconded. Meeting adjourned at 7:57 p.m.

Passed and approved this 11th day of October 2022.



Daniel T. Barrett
Board Chairman



Mary Rose Brown
Board Vice Chair