

**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, October 11, 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
Santee Marion, Ret. Judge
Richard Usatine, M.D.
Margaret M. Vera

TRUSTEES ABSENT:

Graciela Cigarroa, Treasurer
Roberta Krueger, M.D.
Sheriff Javier Salazar (Ex-Officio)

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
James Chapman, Chief Compliance Officer
Adrienne Alcazar, Vice President of People & Culture
Lauro Garza, Vice President of Operational Safety Risk Management
Burt Santos, Sr. Director of
Leonard Rodriguez, Sr. Development Director & Foundation Manager
Carla Riedl, Legislative Analyst
Venisa Saenz, Chief of Staff/Board Liaison
Maritza Farias, Sr. Executive Assistant
Cynthia Hinton, Executive Assistant

GUEST PRESENT:

Hunter Stanco, Morgan Stanley
Kathryn Keeton, Chair of The Center for Health Care Services Foundation

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, October 11, 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 6:01 p.m., with the following trustees present: Mses. Brown,

Marion, Spencer, Vera, Whited, and Dr. Usatine, thereby establishing a quorum.

PLEDGE OF ALLEGIANCE - Led by Chairman Daniel Barrett

CITIZENS TO BE HEARD – There were none.

1. APPROVAL OF MINUTES

Mr. Barrett asked for a motion to approve the Minutes of the August 9, 2022, Regular Board Meeting, which were presented for review and approval. Dr. Whited so moved for approval as presented; Judge Marion seconded the motion. Motion carried.

Mr. Barrett noted that Mr. Guevara would lead the meeting since Ms. Jamison could not be in attendance.

2. BOARD CHAIRMAN'S REPORT

Mr. Barrett reminded the Board Members of the CHCS Foundation's golf tournament to be held on Friday, October 14, and the social hour starts at 6:00 p.m. Mr. Rodriguez said there are two teams left but the golf tournament is sold out.

Mr. Guevara announced that Kathryn Seeton, Chair of CHCS Foundation Board, was present to speak about the golf tournament. Ms. Seeton stated there are just two teams left to finish out and the social hour will include a silent auction, hors d'oeuvres, and drinks. It is going to be a fantastic event and lots of opportunity to socialize and network. She is encouraging Board Members of both CHCS Foundation Board and the CHCS Board to purchase tickets so that there can be a great community presence and active participation. Mr. Rodriguez stated that there is 100% participation for the CHCS Foundation Board and close to having 100% participation of the CHCS Board. Also, they are very close to reaching their goal of \$80,000. Flyers were handed out.

Mr. Barrett said that the Center's Wellness Conference was fantastic and sold out.

Mr. Guevara introduced and welcomed Venisa Saenz as the new Chief of Staff/Board Liaison for the Center. Ms. Saenz gave a short background about herself.

3. PRESIDENT/CHIEF EXECUTIVE OFFICER'S REPORT

Leadership Briefing – there was none.

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

- Dr. Olvera reported that Dr. Christopher Healy has joined the Center OATS (Opioid Against Therapy) Team. Dr. Healy's primary focus will be opening the Center's Sub Oxone Clinic, which will be office based Opioid Treatment (OBOT).
- A new initiative has been started. The Center's Nurse leadership has come up with an incentive pay for our Crisis nurses to assist with shifts that have been difficult to fill at the 24/7 clinic. He is calling it a pilot program because he anticipates looking at it in the upcoming months and making some adjustments. By training and incentivizing Center nurses, he hopes to increase covered shifts, reduce costs, and provide incentive pay that is

competitive with local weekend rates.

Contracts executed by the President/CEO over \$50,000 and under \$100,000 for the months of August and September 2022 – Mr. Guevara stated there were none to report.

4. 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*

Mr. Barrett stated the Finance Committee accepted the Second Quarterly Report from Hunter Stanco.

2. Review and Approval of the Board & Committee Meeting Schedule for FY 2023 as recommended by Executive Committee – *Jelynn LeBlanc Jamison*

Mr. Barrett thanked Judge Marion and Mr. Chapman for their hard work on these policies bringing them up to date.

Mr. Barrett asked for a motion to approve the Consent Agenda items. Dr. Usatine so moved; Judge Marion seconded. Motion carried.

5. INDIVIDUAL ITEMS FOR REPORT, DISCUSSION & APPROPRIATE ACTION

FINANCE COMMITTEE (*Mary Rose Brown, Chair*)

1. Discuss and take action to Amend the CHCS Retirement Plan to eliminate an Exclusion of Eligibility – *Frank Garza*

Mr. Garza stated the Finance Committee was briefed as well as the Executive Committee at their last meetings with regards to amending the retirement plan. Mr. Stanco is here and can answer any questions the Board may have. Mr. Garza stated it is a simple amendment that is needed to adopt this resolution to approve amending the retirement plan to allow non-resident aliens who are legally working in the U.S. to also be able to participate in the Center's retirement plan. Currently the Center has a 401(a) plan and a 457 Plan. This is needed to amend the 401(a) Plan, the 457 Plan does not have that exclusion. Board approval is needed for this resolution. It is approximately \$15,000 that will need to be included in the plan to cover these individuals who have already worked for the Center, which is already included in the budget that the Board recently approved.

Mr. Barrett asked for a motion to take action to amend the CHCS Retirement Plan to eliminate an exclusion of eligibility for these individuals. Judge Spencer so moved; Judge Marion seconded. Motion carried.

2. Acceptance of the Center's Financial Statements for the period ending June 30, 2022, and July 31, 2022– *Robert Guevara*

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

a) June 2022 Financials

Mr. Guevara informed the Board that these financial statements are the first ones from the new EHR system.

- Overall operating loss of (\$1.2 million) for the month, bringing the overall YTD to a loss of (\$1.5 million). Including the Planned Reserve Expenditures YTD of \$7.5 million and all funds recognized the Net YTD gain is \$5.9 million.
- Monthly personnel costs were \$93,354 above May expenses. May and June had the same number of payroll days.
- 1115 Waiver Funding and DPP recognition YTD – \$12.6 million. There is still \$4.1 million to recognize this fiscal year.
- Fund Balance Composition: Cash – \$1.9 million, A/R – \$12.2 million
- YTD Revenue Budget – \$107 million, Actual YTD Revenue – \$88 million. The difference of (\$19 million) is comprised of three areas: Waiver, HHSC Other, and Other Sources, which have no positive or negative impact to the bottom line.
- Strategic Plan Revenues – (\$2 million), the equivalent of 12%.
- Strategic Plan Expenses – (\$12 million), the equivalent of 19.97%. We are closing that revenue gap.
- YTD Service Revenue Budget – \$8.7 million, Actual YTD Service Revenue – \$9.2 million. Service target exceeded by \$541,000.

On the next two slides you will see the impact of going live with the new EHR system.

- Monthly Service Revenue target was \$1.1 million. Actual – \$395,000, and the reason for that is that we are still learning the new EHR system and gathering information on what type of reporting capabilities it has. It is a conservative estimate he is putting in for the month of June. As they start learning more about the system and feel more comfortable with the claims coming out of it, then he will come back and revise the estimate. NetSmart is here this week to help work through these issues.
- Daily Billable Service Revenue – \$52,000 and the estimate for June to be at \$17,000. Same time last year was \$42,000.
- Medicaid Rehab Budget – \$294,000. Was able to recognize \$38,000 for the fiscal year which is a very conservative estimate.
- Fund Balance – \$36 million, Investments in Tex Pool increased \$2.2 to fund operations. Interest Earned – \$4,124. Days of Operation – 86. Total Profit Margin – 6.48%
- Cash Flow – Beginning Balance – \$3.4 million, In Flows – \$13.1 million, Out Flows – \$11.9 million, Ending Balance – \$4.5 million.

Mr. Guevara stated there are two things happening. The first component is to implement the new EHR system, we had to provide a lot of face-to-face services to get people into the system by having them re-do their assessments, ANS, and CANS. While that contact is an accountable encounter to the State, it is non-billable activity to Medicaid and Medicare insurance. The second component is that as we go through the revenue cycle process and if anything is wrong with the note, then it will stop the claim from being billable. The system will then dump it into a non-recoverable, and in this system, it can't see what is recoverable yet. There is a lot of money sitting in the non-recoverable, he just can't see how much of it is true billable activity, which is why he was hesitant to put a different estimate. Questions and answers ensued.

b) July 2022 Financials

- Overall operating loss of (\$889,000) for the month. YTD loss – (\$2.4 million). Planned Reserve Expenditures - \$8.8 million. With all funds recognized, the Net YTD gain is \$6.3 million.
- Monthly personnel costs were \$307,486 below June expenses. July had one less payroll day.
- 1115 Waiver Funding & DPP recognition YTD – \$13.9 million and still have \$4.5 million left this fiscal year.
- Fund Balance Composition: Cash – (\$203,724), A/R - \$13 million. This is one of the reasons he has brought a recommendation to the Board to authorize the Center to get a loan with Frost Bank so that we can bridge that. As of the end of August the \$10 million loan has been paid off, so we are debt free.
- YTD Revenue Budget - (\$118 million). Actual YTD Service Revenue – \$96 million. Actual YTD Expense – \$101.8 million. Net YTD loss – (\$5.5 million). The variance of (\$22.1 million) have none or minimal financial impact to the bottom line but does impact service capacity.
- Strategic Plan Revenues – \$3.3 million, the equivalent of 18%
- Strategic Plan Expenses – \$4.2 million, Controlled Spending, the equivalent of 24.7%
- YTD Service Revenue Original Budget - \$9.5 million. Actual \$9.6 million. Right at target exceeded by \$48,000. It is due to the estimates we have for June and July.
- Monthly Service Revenue target – \$1.1 million and estimate is \$52,000.
- Daily Billable Service Revenue – Daily average target is \$52,000. Actual billable service revenue - \$2,488. Below target about \$50,000.
- Medicaid Rehab target \$294,728, Actual – \$10,000.
- Fund Balance - \$34.8 million
- Investments in Tex Pool decreased (\$3.1 million). Interest earned for the month - \$1,480. Profit margin of 5.76%. Days of Operation – 82, with all funds recognized sitting at a positive profit margin \$6.12 million.
- Cash Flow – Beginning balance – \$4.5 million, In flows – \$14.6 million, Out flows – \$18 million, Ending Balance \$1.2 million.

Mr. Barrett asked for a motion to accept the Financial Statements for June and July 2022. Ms. Brown so moved; Judge Spencer seconded. Motion carried.

Executive Committee – Daniel Barrett, Chair

1. Approval of the Charity Care Program Policy and Ratify the effective date of such policy to October 1, 2022 – *Robert Guevara*

Mr. Guevara gave an overview of the Charity Care Program (CCP). It is designed to capture what it costs the Center to provide services to unfunded individuals, and to allow qualified providers to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, immunizations, and other preventative services, when those costs are not reimbursed by another source. It was found out about two or three weeks ago that participation in the CCP requires a policy statement by the Center's Board evidencing the Center's commitment to providing charity care as defined by the program. Therefore, the policy is being brought to the Board now and for ratification date to be effective October 1, 2022. The processes are in place, but this policy is an aid to apply by having the Charity Care Policy that is needed, otherwise the Center would not

be able to participate. It identifies the income parameters and the family size parameters that must be captured in our system to ensure people are insured through CCP. The estimated budget for FY 2023 impact to the Center for participation in this program is \$12,334,137. This amount is the amount of Waiver dollars that is not going to be recovered through the Directed Payment Program (DPP). On November 14 a cost report will be submitted that has identified all the processes that those people that are unfunded and underfunded have been provided care for the first year. He believes that all the changes that Judge Marion had were incorporated into this policy. It is a standard board approved policy that all the Community Centers are using across the State.

Judge Marion stated that she had sent her questions to Mr. Chapman and Mr. Garza, but because of the timing, there was no time to take it to the Board Policy Committee. Ms. Vera asked what if the Center gets more people that have not yet been seen. Mr. Guevara explained that if the Center gets more consumers under this program that are eligible that are receiving services and that have not yet been seen, then more than likely the reimbursement will go up. The reimbursement could get smaller if there are not enough costs in the system. Questions and answers ensued.

Mr. Garza stated that in the definition of Charity Care, he made it clear that it covers both free, full, or partial discounts, so that language is included in the policy. Also, regarding family what's included and what's not included is also incorporated into the policy. He also stated that the policy that went to the Executive Committee was posted on the Center's website because the Center was required to have it as of October 1, 2022. This revised policy will replace the one on the website.

Mr. Barrett asked for a motion for approval of the CCP Policy and to ratify the effective date as October 1, 2022. Dr. Usatine so moved; Judge Marion seconded. Motion carried.

2. Approval of the Loan from Frost Bank with Terms and Conditions – *Robert Guevara*

Mr. Guevara stated he is asking the Board to approve a non-revolving line of credit from Frost Bank for \$15 million in preparation for DPP and CCP. The line of credit is needed as a mitigation strategy for cash flow impacts related to the transition of the 1115 Waiver to the DPP and CCP. The line of credit will be used only as and/or if needed and will be limited to a twelve-month maturity, which will mature at the end of August. This is a loan that will probably be coming to the Board on an annual basis until we get more familiar with what Charity Care looks like. Because it is a revenue anticipation note and not tied to capital, the prime rate is the only rate that Frost could give the Center. There is no prepayment penalty, and it is non-revolving. The \$15 million is the equivalent of two months of operations. If approved, Center staff will continue to monitor cash flow to determine the utilization of the advancing non-revolving line of credit.

Mr. Barrett asked for a motion for approval of the loan from Frost Bank with terms and conditions. Ms. Brown so moved; Dr. Whited seconded. Motion carried.

INFORMATIONAL ITEM

1. Update on the Certified Community Behavioral Health Clinic (CCBHC) – *Burt Santos*

Mr. Santos provided an update of the CCBHC recertification process. He stated that the Center is currently in the recertification process and went over that process. The Scope of Services included updating over twenty-five policies, and the Center does provide all nine of the Expected Services.

He then went over the four Additional Expected Services that include: 1) Social support opportunities, 2) Assertive community treatment program, 3) Establishment of cooperative relationships & a provision of Assisted Outpatient Treatment, and 4) Establishment of an Advisory Work Group. The criteria are broken into six program areas and for initial certification, the Center had to score 90% overall to pass the scoring requirement. The Center scored 96% for initial certification and is one of the highest scores at the top. For recertification the Center must obtain a minimum score of 90% for each program requirement for the six sections identified by HHSC for the targeted review. Once we hit the 90% threshold and complete the staff interviews, a tentative date of mid-November is when the next round of scoring should be anticipated, and then be recertified for an additional three years. Mr. Santos then went over the timeline of recertification for HHSC reviews and their feedback on submitted documents.

2. Update on DSRIP Transition – *Burt Santos*

Mr. Santos went over his presentation. He stated that even though the DSRIP program ended September 2021, reporting is still required in April and October 2022. The Center obtained 100% of all funds through this DSRIP extension. The Centers for Medicare & Medicaid Services approved HHSC's 1115 Waiver Fast Track Extension for ten years on January 15, 2021. It secures over \$11 billion in supplemental or directed payments annually through September 30, 2030. Five new funding pools were established within the 1115 Waiver, but the Center is eligible to participate in only two: the Public Health Provider-Charity Care Program (PHP-CCP) and the Directed Payment Programs for Behavioral Health Services (DPP-BH). HHSC supports the CCBHC model of care, and their goal is to have all Community Mental Health Centers become a CCBHC.

Mr. Santos then explained what is required for DPP and the components for DPP. Every month the Center must send Texas Council a survey of Center units to monitor not only our own usage of those units but how the Center compares to other organizations across the State. Mr. Santos explained that the program period for CCP is October 1 through September 30. Year one will cover Medicaid shortfall and unfunded/compensated care, and year two will only cover unfunded/compensated care. CCP will look at what the Center is getting paid vs what the Center should be getting paid for providing services to Medicaid eligible or uninsured individuals. Payments made on a per member per month basis. Recertification is starting in December 2022. Questions and answers ensued.

EXECUTIVE SESSION (DISCUSSION ONLY: CLOSE TO THE PUBLIC) PURSUANT TO TEXAS GOVERNMENT CODE: CHAPTER 551, SECTION:

551.071 (Consultation with General Counsel)

Executive Session was not held due to no items to be discussed.

REPORTS

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

Mr. Barrett reported that there is a lot of legislation initiatives. Texas Council has come out with a two-page document with all the initiatives ongoing with the legislature, and he will provide that information in the future.

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

Mr. Guevara stated the TCRMF Board Meeting is not until November 18, 2022.

TEJAS HEALTH MANAGEMENT BOARD – Robert Guevara

Mr. Guevara stated Tejas is in good shape right now. They are sitting at over a positive million dollars at the end of the fiscal year. The operating reserve goal is \$1.8 million, and that goal will be met this fiscal year. They are currently working internally and with the CPA firms to start discussing repayment of the Center’s contribution to Tejas.

ADJOURNMENT

There being no further business to discuss, Mr. Barrett called for a motion to adjourn the meeting. Dr. Whited so moved; Dr. Usatine seconded. Meeting adjourned at 7:17 p.m.

Passed and approved this 13th day of December 2022.



Daniel T. Barrett
Board Chairman



Cynthia Hinton
Executive Assistant