

**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, April 9, 2024

6:00 p.m.

- TRUSTEES PRESENT:** Daniel T. Barrett, Chairman
Mary Rose Brown, Vice Chair (Virtual)
Donnie Windham Whited, Secretary
Graciela Cigarroa, Treasurer
Polly Jackson Spencer, Ret. Judge
Roberta Krueger, M.D.
Sandee Marion, Ret. Judge
Richard Usatine, M.D. (Virtual)
Margaret M. Vera
- STAFF PRESENT:** Jelynn LeBlanc Jamison, President/Chief Executive Officer
Robert Guevara, Chief Financial Officer (virtual)
Frank Garza, General Counsel
Amber Pastusek, M.D., Chief Medical Director (Virtual)
Leonard Rodriguez, Sr. Director and Foundation Manager
Adam Velez, Sr. Director of Contracts & Procurement
Venisa Saenz, Chief of Staff/Board Liaison
Cynthia Hinton, Executive Assistant
- GUESTS PRESENT:** Hunter Stanco, Morgan Stanley
Kim Gonzalez, Garza/Gonzalez & Associates
Jason Hyde, Garza/Gonzalez & Associates

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, April 9, 2024, 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 6:08 p.m., with the following trustees present: Mses. Cigarroa, Krueger, Marion, Spencer, Vera, and Dr. Whited, thereby establishing a quorum. Mses. Brown and Dr. Usatine attended virtually.

PLEDGE OF ALLEGIANCE – Led by Mr. Barrett
CITIZENS TO BE HEARD – There were none.

I. APPROVAL OF MINUTES

Mr. Barrett asked for a motion to approve the Minutes of the February 13, 2024, Regular Board Meeting, which were presented for review and approval. Dr. Whited so moved for approval as presented; Dr. Krueger seconded the motion. Motion carried.

II. BOARD CHAIRMAN REPORT – Mr. Barrett

Mr. Barrett reported:

- Good news from Mr. Guevara regarding Charity Care.
- NATCON 24 is next week.
- The Texas Council will be holding their annual conference this June in San Antonio, and he hopes the Board Members will be in attendance.

III. PRESIDENT/CEO REPORT

Leadership Briefing

Ms. Jamison mentioned the following:

- NATCON 24 will be happening April 15 – 17, 2024 in St. Louis, MO.
- May is Mental Health Awareness Month
- CHCS Behavioral Health Conference will be held May 17, 2024. Registration will open next week.
- The Texas Council annual conference will be held at the Grand Hyatt in San Antonio June 17 – 19, 2024. It is Father’s Day weekend and a holiday weekend. It will be challenging but thinks the San Antonio location will be the draw for the conference. Center staff have been working with the Texas Council Meeting Planner and staff to plan that conference.
- Earlier this week the Center was made aware that Texas has released all the CCBHC Rules. Mr. Santos had gone over those potential changes at a previous Board meeting. Those rules have been determined and released. There is a Go Live date of July 1, and staff are doing several things to prepare for July 1. One is that the Center must license a Children’s facility for Substance Use Treatment. Ms. Jamison signed that application today. In the area of Governance, none of the proposed changes on the differences of the Center Advisory Board with the Board went through. Clarification is being sought on one provision that would suggest like the National CCBHC Rules that we must provide service to anyone regardless of service territory, because that is in direct conflict with the Performance Contract. We are asking the two departments of the agency to talk with each other and decide which they are going to require the Center to meet.
- Budget preps are beginning to be looked at, so April 19 will be the first Budget Work Session with the Leadership Team. They will begin looking at our budget initiatives to present the budget to the Board at the August 13 Board Meeting for consideration for the new fiscal year which begins September 1.
- The Center will be participating in the City of San Antonio and Bexar County’s budget process because they will begin their budget process in the May timeframe. The summer will be very busy in responding to their needs in getting ready for the budget to be presented to our Board as well.
- The Center will be doing additional training and development of Center staff now that it is

known what the requirements are for our Directed Payment Programs and our CCBHC certification. We will be doing some Center-wide training to make sure that the Center is in the best position for next fiscal year.

- Ms. Jamison introduced the Center's new Chief Medical Officer, Dr. Amber Pastusek who is attending the meeting virtually and began with the Center on April 1. She is a Texas native and comes from Harris County Center for Mental Health where she was their VP for Crisis and Forensic Medical Services. She received her BS, MS, and MD from Texas Tech, and did her Psychiatry Residency at UT Galveston.

Chief Medical Officer's Report

Dr. Pastusek greeted the Board and reported the following:

- Since last week she has been working on different things and is looking forward to getting to know the Board more, learning about the community needs, and getting to know the Community Stakeholders.
- EOU is fully functional at 16 bed capacity as of April 1.
- The shortages in nursing staff have been resolved at this time.
- There are two new hires; one Nurse Practitioner went through orientation with her and will be working at the East Houston clinic; and one Nurse Practitioner for Psychiatric started at the OATS clinic last month and is wrapping up her training and should be on her own very soon. Excited to have those new hires on board.

Contracts executed by the President/CEO over \$50,000 and under \$100,000 for the months of December 2023 and January 2024

Ms. Jamison reported there was one contract renewal with Haven for Hope, a Service Agreement for \$90,000.

IV. CONSENT AGENDA

1. Review and Approve the CY 2023 Fourth Quarter Performance Report of the Center's 401(a) and 457(b) Accounts from Morgan Stanley – *Hunter Stanco*
2. Review and approve the authority for the President/CEO to negotiate and execute a contract with Mallinckrodt Enterprises, LLC for the provision of Pharmaceutical Products – *Adam Velez*
3. Review and approve the authority for the President/CEO to Negotiate and Execute a Contract with McKesson Medical-Surgical Government Solutions, LLC for the Provision of Medical Supplies – *Adam Velez*

Mr. Barrett asked for a motion to accept approval of the Consent Agenda. Judge Spencer so moved; Judge Marion seconded. Motion carried.

V. INDIVIDUAL ITEMS FOR REPORT, DISCUSSION & APPROPRIATE ACTION

1. Review and Approve a Resolution of the Board, ratifying and supporting the submission of an application for funding from the FY 2024 allocation of Bexar County's CDBG, HOME, and ESG Programs – *Leonard Rodriguez*

Mr. Rodriguez stated that on April 1 the Center submitted an application to Bexar County for an Emergency Services Grant in order to support the Center's Integrated Treatment Program (ITP)

at the Haven for Hope Campus. The amount requested was \$98,870.23. The funding is going to be used to increase Case Management with an additional staff of one Care Manager, improve Employee Assistance Access, Job Training Services, increase Transportation Assistance, provide Recreational Activities, and facilitate improvements to the dormitory. There was a 100% match for this grant which the funding from the City of San Antonio that helps support the Center's ITP was used. For this application to be complete, a Resolution is needed from the Board of Trustees by April 19.

Mr. Barrett asked for a motion to approve a Resolution. Judge Spencer so moved; Dr. Krueger seconded. Motion carried.

2. Review and Approve receipt of Charity Care Program (CCP) payment and subsequent adjustment to the FY 24 Approved Budget – *Robert Guevara*

Mr. Guevara reported that CCP is the second component of the 1115 Waiver, and the first piece is the Directed Payment Program (DPP) that is strictly tied to units of service for the Star Plus population. CCP is the other component which is the federal government reimbursement to provide care to indigent individuals. The first year included the Medicaid population and unfunded individuals. Reported for CCP in fiscal year 2022 that the Center was paying \$24.3 million. This is the second year and the Center reported that in November 2023, which is included in our current budget, we gave an estimate of \$18 million for CCP. As of April 1, the Center has received payment of \$37.8 million, which is \$19 million more than the anticipated budget. Overall, this is good news. By accepting that CCP payment, the Center is requesting to amend the budget which will include two things. 1) reducing the fund balance designation that the Board approved which was \$8.6 million, take that away and reduce lapsed salaries. 2) pay off the Frost Bank loan that is \$9.5 million outstanding and then get current with Account Payable obligations which is about \$7 million. With this request, the revised budget for FY 2024 would be \$147,530,479 and an authorized headcount of 1,239.17. There is no change to the authorized headcount. The request is to accept the payment and revise the budget, to account for the \$19 million received in addition to our estimate in the fund balance designation.

Mr. Barrett asked for a motion to approve receipt of the CCP payment and subsequent adjustment to the FY 24 approved budget. Judge Marion so moved; Judge Spencer seconded. Motion carried.

3. Review and Approve the Center's Financial Audit Report for FY 2023 Independent Audit conducted by Garza/Gonzalez & Associates – *Garza/Gonzalez & Associates*

Ms. Gonzalez introduced herself and Jason Hyde, Manager of their firm. Ms. Gonzalez thanked Center staff for their cooperation, flexibility, and the time they committed to assist them in performing the audit. They will go over the results of the Annual Financial and Compliance Report of the Center for fiscal year ended August 31, 2023, which covers September 1, 2022, through August 31, 2023. They went over the highlights of the Audit summary which is the most important part of why the Center contracts with an Auditor, to review the financial audit and financial statements, and it is a requirement to undergo an annual audit because of federal funds received more than \$750,000. The following is a summary of their findings on page 1 of the Audit Summary:

1. Independent Auditor's Report – Financial Statements (FS)
This was rendered an Unmodified Opinion. That is the best opinion that an agency can receive which is very positive for the Center. Activity for the CHCS Foundation and the Pension Plan are included in the audit but pointed out that their fiscal years end December 31, 2022, because their fiscal years are different than the Center's.
2. Auditor's Report – Federal & State Awards
Had positive results indicating there were no material weaknesses or significant deficiencies, no noncompliance required to be reported in accordance with Government Auditing Standards and in FS, and there were no questioned costs.
3. Major Programs
The Center qualifies as a low-risk Auditee because there has been no significant or material weaknesses in the three programs that were audited as part of the single audit. For Federal, it was the Block Grants for Community Health Services, and the Tenant Based Rental Assistance. For State, it was the General Revenue.
4. Fund Balance for the General Fund
\$7.7 million as of August 31, 2023, and represents a decrease by (\$2.6 million) from August 31, 2022. The Fund Balance categories of Unassigned \$7.1 million represents approximately 18 days of operations.
7. Government-wide Statements – Governmental Activities
Capital Asset Additions \$168,181, Capital Assets Net \$34.5 million
Last year a new Accounting Standard was adopted for Leases. Right-to-use Lease Asset Additions \$7.8 million. These are leases that are entered for multi-year so the Auditors are required to record a liability if it can be cancelled. It doesn't have a net effect overall. Also new is the SBITA Assets. These are leases of a software for a number of years like the MyAvatar the Center has. It has an asset and a liability so there is not an overall large effect. SBITA Asset Additions \$.9 million; year-end \$3.3 million, Amortized over 2 years remaining.

Report on the Conduct of Audit

No significant difficulties were encountered in performing and completing the audit. There were some adjustments proposed but nothing material enough, just normal adjustments done during the audit. There were a few recommendations from the audit. and in the final report Management has included their responses to those recommendations and how they may implement and correct those going forward.

Ms. Jamison asked Mr. Guevara to go through the Management Responses for the Board because all those concerns were addressed.

Mr. Guevara then went over each response for the following:

1. Paul Elizondo Clinic (formerly the Inner-City Center) – The issue is the reconciliation of the debt service under Senate Bill 292. The Center continues to work with Bexar County staff. We disclosed that the CEO and Board Chair has met with the two County Commissioners and presented a draft amendment and a draft agenda item for them to consider.
2. Pension Distributions – Currently a Review Process is conducted and will tighten up that process to ensure the distributions are reviewed prior to them being executed.
3. Procurement – There were two contracts that exceeded \$50,000 that had no documented competitive procurement method. Currently there is a process to review all the expenditures

that are at a certain threshold. Additional training will be provided to Managers so that they are aware of the requirements for those procurement guidelines. Will tighten up on the expense slide presented in the Expense Summary to the Executive Compliance Council, and part of that is looking at expenditures that reach a certain threshold so that the Center can engage in procurement activity.

4. Grant Drawdowns – Block Grants for Community Health Services – The Center had picked the wrong month to bill towards a Grant and was able to fix it towards the end. The Review Process is being enhanced so that when invoices go out to the Grantors they have been reviewed and signed off on.
5. Tenant Based Rental Assistance (TBRA) Program – There were no written waiting list policies for marketing plans. The Center is working with the TBRA Program to identify those policies and marketing plans going forward.

The big one now is the work they are doing around the Paul Elizondo Clinic, trying to get that discrepancy reconciled. Questions and discussion ensued.

Ms. Jamison stated she has given the County two draft agenda items; one is to ratify the MOU and direct the Auditor to recognize all those services, and the second was a \$4 million invoice for staffing gaps since FY 2021. When they explained the first item does not have a fiscal note, it was thought that might be one that could easily be placed on the agenda but has not yet been given a date when that might be considered. She and Mr. Barrett met with Commissioner Rodriguez and met with Commissioner Calvert and are trying to get a meeting with Commissioner Moody as well as with Commissioner Clay-Flores. Discussion ensued.

Mr. Garza stated that last December is when an updated agreement was sent to the County for their consideration based on their Internal Auditor telling us that the MOU was not enforceable because it was executed by the County Manager and not by the Court or Judge. Therefore, a revised agreement was done for the Court to approve which was sent last December. Ms. Jamison said then a draft agenda was done so that all the County has to do is put a date on it. Discussion ensued.

Mr. Barrett asked for a motion to approve the Center's Financial Audit Report for FY 2023. Judge Spencer so moved; Judge Marion seconded. Motion carried.

4. Review and Approve the Center's Financial Statements for the period ending December 31, 2023, and January 31, 2024 – *Robert Guevara*

Mr. Guevara presented the Center's Financial Statements.

a) December 2023 Financials

- The Center had an overall loss of (\$550,000) thousand bringing the year-to-date loss to (\$253,309). We have \$5.8 million in Planned Reserve Expenditures. Overall gain with all funds recognized sitting at a positive \$5.6 million through the month of December.
- Monthly personnel costs were \$267,842 above November expenses. December had one less payroll day, and PTO payout was included in December.
- DPP/Charity Care recognition YTD - \$6.5 million. Approximately (\$931,777) below the budget year to date.

- Fund Balance Composition: Cash - \$4,927,527 and A/R - \$18,214,165.
- Cash Flow – Beginning Balance - \$7.1 million, In Flows - \$14 million, Out Flows - \$15.9 million, and Ending Balance - \$5.2 million.

b) January 2024 Financials

- Monthly Loss of (\$446,427). YTD loss – (\$700,360). Planned Reserve Expenditures YTD of \$7.3 million. With all funds recognized the Net YTD gain is \$6.6 million through the month of January.
- Monthly personnel costs were (\$166,473) below December expenses. December had 2 additional payroll days.
- DPP/Charity Care recognition YTD - \$8.1 million (this does not include the \$19 million excess mentioned earlier), approximately (\$1,208,391) below the budget year to date.
- Fund Balance Composition: Cash – \$2.4 million, A/R - \$17.6 million.
- Cash Flow – Beginning Balance \$5.2 million, In Flows \$6.1 million, Out Flows \$8.4 million, Ending Balance \$2.9 million.

Ms. Jamison addressed two items that Mr. Guevara stated.

1. The Center’s projections are based on 60% of gross; the Center needs to get back to the position where we are looking at our historical and can see 100%. There are two things that are being done internally in anticipation of next fiscal year. A consultant has been engaged to help to look at the Center’s configuration in the electronic health record and help to identify in their data tables where the Center’s revenue information is by unit by the program level. For example, we can see ABH but not all the programs within ABH. The consultant will help us with those data tables so that we have that visibility and then it can be seen where all the revenue is and have accurate staffing calculations and see the caseloads leveled.
2. The other thing being done Center-wide is bringing in all the Direct Care staff and retraining them on clinical documentation, recovery plan documentation, and the requirements under the Directed Payment Programs in our CCBHC. Two revenue days will be lost toward the end of the fiscal year because we will take off over 300 staff in a mass training so that they will be ready for the next fiscal year. We will not be reporting at Planning & Operations Committee on the compliance issues that has been seen year after year, and with the consultant there will be more visibility into the revenues, and won’t see that 60% of gross, our historical averages will be seen which have been in the 97% category. Those changes are expected to be seen at the beginning of the fiscal year. Discussion ensued.

Mr. Barrett asked for a motion to approve the Financial Statements for December 2023 and January 2024. Judge Spencer so moved; Ms. Cigarroa seconded. Motion carried.

VI. INFORMATIONAL ITEMS

1. Fiscal Year 2024 Year End Financial Projection – *Robert Guevara*

Mr. Guevara reported he is bringing forward the mid-year projection for FY 2024.

- The current estimated Operating Revenue is \$121.8 million. This is outside the \$19 million that was found out on April 1.
- The Center should be receiving additional Private Psychiatric Bed Day Funding of \$2.6 million and will be paying back some DPP recoupment of (\$1.4 million).

- Additional Revenue is \$1.1 million.
- Overall Revenue is \$122.9 million.
- Estimated current Operating Expense is \$130.4 million.
- Estimated Operating Loss without the CCP revenue is (\$7.4 million).
- Reminded the Board that they approved \$8.6 million Fund Balance at the beginning of the fiscal year. The Center is over performing by \$1.1 million so far at this point. With the CCP revenue coming in, the projection will be a positive \$19.8 million and will recognize all that revenue at the end of the fiscal year.

2. Reorganization of the Crisis Response Units – *Jelynne LeBlanc Jamison*

Ms. Jamison stated she wanted to make the Board aware that a reorg has been done internally. The larger departments or business units was the Community & Crisis Response, and it initially started with one program that we had in collaboration with STRAC Southwest Advisory Council. It has grown from one to seven programs from a little over \$1 million to \$7.1 million with all of the programs we have related to our Crisis Response System. We are going to separate that one department into two. Crisis Care will continue which includes the Extended Observation Unit, Psychiatric Emergency Department, Detox Center, OATS Clinic, and Methadone Clinic. All of that will continue under our Crisis Care & Recovery Services Department. We will take all of our Crisis Response Units, all of the programs with STRAC as well as our own civilian response unit, our mobile crisis team for adults, and our mobile outreach team for children, and the contractor that was hired to manage the crisis line 24/7. All of that will respond to a VP over Crisis Response. That unit alone will still have over 100 FTEs. We are recruiting now so that we can try to get someone on board before July 1 which is the Go Live date for the San Antonio Police Core Unit Expansion. She has received several resumes already, both internal and external candidates. The position will be kept open until the end of April, then interview and try to get someone on board. It is a big job and most of that staff requires 24/7 shift work. The other side works 24/7 too but not as dynamic as Crisis Response. Most of these units respond to 911 calls, the others respond to emergent calls in our Crisis Call Center. She thinks this reorg will make the Center more responsive and allow for us to give attention to the staff. They are 12-hour shifts to stay in alignment with law enforcement. The MAP unit is on an 8-hour shift which is the unit that works with the Fusion Unit at San Antonio Police Department, so they don't make night calls.

VII. EXECUTIVE SESSION (DISCUSSION ONLY: CLOSED TO THE PUBLIC) PURSUANT TO CHAPTER 551, TEXAS GOVERNMENT CODE 551.071 (Consultation with General Counsel)

No Executive Session held.

VIII. OPEN SESSION

VIII. REPORTS

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

Mr. Barrett stated Texas Council Board will meet on April 25 – 26, 2024. The Annual Texas Council will be held June 17 – 19, 2024 here in San Antonio. He asked the Board Members to read the article that was included in their material. It is about Judge Kazen in the Wall Street Journal.

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

Mr. Guevara stated their next Board meeting is scheduled for May 16 – 17, 2024.

3. TEJAS HEALTH MANAGEMENT BOARD – Robert Guevara

Mr. Guevara reported that Tejas is doing very well. They approved their first Investment Policy. They have investments to make now and sitting with \$8.8 million in cash. Overall, Tejas is doing very well and is serving 38 of the 39 Centers in Texas. With Superior, they have 3600 hundred members, and \$2.6 million in billable claims. Ms. Jamison asked what will happen with Superior after August 31. Mr. Guevara replied that Star Plus will move to United Health and Molina.

IX. ADJOURNMENT

There being no further business, Mr. Barrett asked for a motion to adjourn the meeting. Judge Spencer so moved; Dr. Krueger seconded. Mr. Barrett adjourned the meeting at 7:02 p.m.

Passed and approved this 11th day of June, 2024.



Daniel T. Barrett
Board Chairman



Cynthia Hinton
Executive Assistant