

HIGHLAND RIVERS HEALTH
BOARD OF DIRECTORS MEETING
October 28, 2014
Highland Rivers Health – Bartow Recovery Center
650 Joe Frank Harris Parkway, Cartersville, GA 30120

MINUTES

Members Present: Chantel Adams, Linda Crawford, Bill Fann, Carol Franklin, Jim Mehaffey, Zab Mendez, Jean Smilie, Faye Ward, Allen Wigington, Nancy Wood
CEO Jason Bearden

Members Absent: Jonathan Blackmon, Lori Rakes, Rhonda Wallace, Donna Whitener

Staff Present: Candice Baldwin, Georgia Bennett, Stephanie Collum, Melanie Dallas, Dena Payne, Mark Phillips, Kathleen Varda

Legal Counsel: Jim Catanzaro

1. CALL TO ORDER

Chairwoman Carol Franklin called the meeting to order at 10:30 AM.

2. OATH OF OFFICE FOR NEW BOARD MEMBERS

Judge Allen Wigington administered the oath of office for new board members Bill Fann, Polk County, and Zab Mendez, Whitfield County. Introductions were made by staff and members and the two new representatives were welcomed to the board. Bill Fann is city administrator for Cedartown and Zab Mendez is an officer with Citizens and Southern Bank in Dalton.

3. APPROVAL OF AGENDA

The agenda was approved as presented on unanimous vote of motion by Allen Wigington and second by Linda Crawford.

4. APPROVAL OF AUGUST 26, 2014 MINUTES

Minutes were approved as presented on unanimous vote of motion by Allen Wigington and second by Nancy Wood.

5. EXECUTIVE SESSION

On unanimous vote of motion by Allen Wigington and second by Linda Crawford, the Board convened in executive session to consult with legal counsel pertaining to pending or potential litigation, settlement, claim, administrative procedure, or other judicial actions involving Highland Rivers; and to discuss or deliberate upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or performance of an employee.

6. RECONVENTION OF REGULAR SESSION

There was no action resulting from executive session.

7. APPROVAL OF SHELTER PLUS CARE AGREEMENT & RESOLUTION

ACTION: The FY15 Shelter Plus Care Agreement and Resolution were approved on unanimous vote of motion by Allen Wigington and second by Linda Crawford.

8. RATIFICATION OF DBHDD CONTRACTS / AMENDMENTS

ACTION: The FY15 FFS Child & Adolescent Services contract, FY15 System of Care contract, and FY15 ACT Renewal contract were ratified on unanimous vote of motion by Allen Wigington and second by Linda Crawford.

Core Contract Amendment #01 – CEO Jason Bearden reported to the Board that partnerships with the Department of Behavioral Health and Developmental Disabilities for new services across the catchment area and response to the numerous entreaties made regarding underfunding of outpatient services have brought Highland Rivers from a \$33.5 million to a \$40 million organization. The new amendment for \$611,249.98 helps to right the inequity by improving outpatient and recovery services through focus on high utilizers of inpatient and crisis services.

Melanie Dallas, Chief Operating Officer, explained that the Regional Office faces the dilemma of having to purchase more hospital beds than budgeting permits and asked for a proposal from Highland Rivers to help with that issue. Rather than requesting more crisis unit beds, Highland Rivers management put together a proposal to enrich services in the outpatient sector that would lower the need for hospitalization.

The proposal included an increase in hospital liaison staff, increase in case management and addictive disease service staff for high utilizing consumers, hiring of engagement specialists to assure commitment and ability of consumers to keep appointments for services, and the addition of a men’s substance abuse intensive outpatient program in Floyd County.

ACTION: Core contract Amendment #01 (441-93-1531009) was ratified on unanimous vote of motion by Allen Wigington and second by Nancy Wood.

9. RESOURCE COUNCIL RECOMMENDATION & ANALYSIS

CEO Jason Bearden informed the Board of the decision made by the Resource Council during its October 23, 2014, meeting to deed all Council properties to Highland Rivers Health if the Board wishes to accept the transfer of ownership. The gift comprises five properties across the catchment area which the Council currently owns and rents back at a reduced rate to aid Highland Rivers in its provision of behavioral healthcare services.

CFO Mark Phillips explained that ownership of the properties will contribute to fiscal solvency by increasing the net fund balance, maximizing possibility of obtaining a bank line of credit for short term needs, and increase cash flow by reducing rent expense. It will also enhance competitive advantage by increasing the potential for positive financial evaluation by state auditors.

Board members expressed their gratitude for the generosity of the Resource Council gift.

ACTION: On unanimous vote of motion by Allen Wigington and second by Jean Smilie, the Board agreed to accept the Resource Council offer and authorize legal counsels for the two organizations to work together on final negotiations for movement of the properties.

10. BENEFIT REDESIGN RECOMMENDATION

COO Melanie Dallas stated that in response to the Board's prior advice to move slowly in making large changes to employee benefits structure, a timeline was developed that proposes implementing changes over a multi-year period. The initial step will begin January 1, 2015, with the equalization of benefits so that all Healthcare Staffing personnel who work over 30 hours a week will receive paid time off / holidays. Currently, 63 HCS positions are not eligible to receive that benefit.

A second phase is planned for January 1, 2016, start date to evenly balance the holidays between Highland Rivers Health (currently 12) and Healthcare Staffing (currently 6) to provide for 9 holidays each at an approximate net cost of \$5,000. Increased revenue is expected to be \$16,000 per day for additional clinical work or \$48,000 for the three days saved.

An as yet undetermined start date calls for converting current annual/sick leave into one PTO plan to align Highland Rivers with industry and other CSBs. An organizational study of market changes will be completed to assess the impact of the change in plans.

Final portion of the benefit structure change will be the implementation of quality care incentive remuneration. Projected start date remains to be determined.

11. CEO REPORT

Jason devoted his report to the Department of Behavioral Health and Developmental Disabilities' vision for the future, core redesign, and the administrative services organization. The information is important because it speaks of the state's coming plans to move fully into a fee for service rather than the historical grant in aid funding system, Jason said. Six million of the \$40 million HRH budget for next year will move to fee for service funding with expenses remaining approximately the same as revenue becomes dependent upon the agency's ability to bill for services rendered. The challenge will be managing infrastructure costs, optimizing productivity, and engaging with consumers in a more focused manner with the risk of decreasing revenues.

Commissioner Berry led his team to evaluate where the health care industry as a whole was headed and to create a plan that would put Georgia and DBHDD in the lead. They looked at four principal components to guide the Department: 1) managed care environment; 2) accountability for whole health; 3) focus on independence and recovery; and 4) community based care.

Commissioner Berry's guiding vision is "easy access to high quality services". To attain that goal, hospital, behavioral health and developmental services must intersect. Stated objectives for the administrative services organization are to assure care in the right place, at the right time, and for the right amount through combining functions of existing contracts, combining DD and BH whenever possible, integrating authorization and claims payment, information management tools to support utilization management and quality management, and enhanced reporting capability.

Current disparities in funding received by Highland Rivers and its NoGAP partners could be exacerbated by the shift from grant-in-aid to fee for service funding without further productivity achievements, increased business, and decreased expenses. Highland Rivers does not have a lot of room to shrink administrative cost further due to its low 11% rate vs 13% nationwide. The next few

years will be challenging for all CSBs and will call for creative ideas and combined functions to maintain fiscal viability and continued growth, Jason concluded.

12. CFO REPORT

CFO Mark Phillips reported that net income for the first quarter of FY15 was positive at \$323,207 compared to the budgeted amount of \$222,611 for a favorable variance of \$100,596. Total revenue was \$9,628, 827, a variance of (\$289,210) compared to budgeted \$9,918,036. Main reasons for the negative variance were decreases in Medicaid and Medicaid Waiver billing compared to budget. Total expenses for the quarter were \$9,305,620 for a positive variance of \$389,806 against the budgeted amount of \$9,695,425. "We are doing well for the quarter," Mark stated. The favorable net income is attributable to two main factors: positive net income from Crisis, TANF (Women's Outreach), Residential Services and Developmental Disabilities offsetting losses in outpatient clinics. The positive net income was also impacted by the contract revenue related to Highlands Recovery Center during its initial ramp up stage.

Operating cash as of September 30, 2014, is \$1.37 million compared to the June 30 cash of (\$106,000). This increase in cash reflects certain cash receipts over the normal operating receipts: 1) \$363,000 of FY14 DBHDD payments received in July; 2) \$86,000 of 2014 Intensive Residential startup and infrastructure costs received in July; 3) a \$317,000 increase in the FY15 DBHDD annual cash advance over the FY14 cash advance; 4) FY15 funding for new program initial expenses related to Highland Recovery Center (20-bed residential program in Pickens County) and the Intensive Residential Treatment (ITR) program.

13. CORPORATE COMPLIANCE REPORT

Corporate Compliance Committee Chairman Allen Wigington reported there was a significant increase in number of complaints made to the hotline number, doubling those of the previous year in the first three months of FY15. Majority of the calls were based on complaints from a disgruntled former employee. A number of good things came out of the subsequent investigations and all actual issues identified have been corrected.

The policies and procedures matrix showed a number of policies are delinquent for review / revision but actual protocol expectations have not been neglected. The committee is taking a good look at the policies and procedures to identify any items to be addressed.

14. CSB EDUCATIONAL EXCHANGE REPORT OUT

Lori Rakes was unable to attend the board meeting to present board member perspective on the CSB Association's Annual Educational Exchange Conference.

15. BOARD MEMBER ENGAGEMENT WITH CSB ASSOCIATION

Jason reported that during the Educational Exchange, Allen Wigington was nominated and elected as a member of the Association's governing committee. Jason said it is exciting to have the Highland Rivers Board member serving with the Association since the relationship between the Association and CSBs is increasingly a critical advocate for providing quality services to consumers.

16. BOARD WORK GROUP REPORTS

- Cultivate Visibility and Awareness of Highland Rivers Health to Improve Access to Care – Chair Jean Smiley reported she had solicited input by email to board members for their suggestions on

efforts that can and should be done to impact awareness of Highland Rivers Health services. She suggested the committee can build on what members are already doing in their communities as well as put forth additional ideas for adding to the visibility of the organization.

- Evaluate Work to Be Done for Board to Be CARF Certified – Chair Carol Franklin said committee members are reviewing standards for certification from the CARF Manual. Much of what is needed is already being done by the Board but has not been put on paper. Carol said it would be a “prestigious” accomplishment for the board to be accredited.
- Other work groups are still in the organizational stages.

17. REVISION OF BYLAWS

This item was tabled to the next meeting.

18. PUBLIC COMMENT

There was no public comment.

Chairwoman Franklin presented a crystal honorarium piece to Linda Crawford as expression of the Board and staff’s appreciation for her tenure of service as Board Chair.


19. ADJOURNMENT

The meeting was adjourned on unanimous vote of motion by Jim Mehaffey and second by Allen Wigington.

During lunch, members heard an inspiring story of the loss and eventual restoration of hope and recovery from a participant of the Highland Rivers Health Residential Recovery program. All in attendance were moved by the simply stated but dramatic presentation of the downward spiral of addiction leading to loss of home and living in a tent to finally becoming enrolled in residential and supportive employment services. Treatment and support have helped the individual to initially obtain a job in a fast food restaurant and currently to a position as chef-in-training for a sit down restaurant.



Carol Franklin, Board Chair



Date