EMERGENCE HEALTH NETWORK BOARD OF TRUSTEES

MINUTES

(Audio copy of the meeting is available upon request)

Emergence Health Network Board of Trustees ("EHNBOT") Meeting
Thursday, August 31, 2017 at 3:31 PM
Central Administration, Boardroom, 201 E. Main St. Ste. 600, El Paso, Texas
PRESENT: MYER, WILSON, DRISCOLL, CINTRON, STOUT (3:33 PM) and THOMPSON

ABSENT:

1. INTRODUCTORY ITEMS
   A. Call to Order and Certification of a Quorum
      Quorum was certified.
   B. Public Comment
      Nellie Mendoza thanked EHN for the NAMI Walk involvement. A concern was brought up that NAMI was not receiving enough sponsorship from EHN. EHN committed to $1k for the walk for FY 2018.

2. REPORTS and PRESENTATIONS
   A. Chief Financial Officer’s report on Emergence Health Network financials.
      Ms. Roxie Samaniego reported the following:
      - EHN’s Financial Position on Current Assets as of July, total $19.9 million compared to total liabilities of $7.9 million. EHN is at a current ratio of 2.52 to 1. Fund balance is at $13.3 million.
      - MTD & YTD Actual vs Budget ending July 31st – actual decrease of $502k without the waiver; budget decrease of $558k with a variance of $56k. Primarily made up of lower net fee for service revenue, lower GNA salary benefits and lower client related cost. Eleven Month’s Ended July 31st actual normalized decrease of $4.2 million; budget decrease of $5.6 million with a positive variance of $1.3 million. Primarily made up of lower GNA salaries and benefits, lower capital expenditures, lower travel expenditures and lower supplies cost all around.
      - MTD & YTD Actuals FY17 vs FY16 ending in July 31st – normalized decrease without the Waiver of $500k compared to a decrease of $1.1 million for FY16 with a positive variance of $591k. Primarily due to higher net fee for service revenue, and lower GNA salaries and benefits. Eleven Months Ended July 31st, normalized without the waiver with a decrease of $4.2 million compared to a decrease of $1.4 million in FY16 with a decrease variance of $2.8 million. This is primarily due to higher GNA salaries and benefits, higher supplies costs, Tejas membership fees, and lower ECI revenues.
      - Health Fund – net expenses over revenue with a negative $228k for FY17; EHN is down
$448k.

B. Receive notice and presentation of Health & Human Services Commission, Department State Health Services, Department of Aging Disability Services, Optum and Aetna July 2017 audit results.
Mr. Rene Navarro reported the following:
- The five July audits conducted received favorable outcomes with no sentinel findings nor sanctions.
- DADS Corrective Action Plan will address findings involving service delivery, family and consumer coordination, documenting patient outcomes and safety.
- DSHS EOU/Crisis Corrective Action Plan will address findings involving policies and procedures, veteran implementation plan, QM Plan, and person-centered recovery plan documentation. This audit achieved a weighted score of 97%; the highest DSHS audit score ever achieved by EHN.
- A score of 100% was achieved for Optum and Magellan resulting in the re-credentialing of EHN as a service delivery site. Pending the final audit report from Aetna.

C. Receive notice and presentation on forced medication in the jail.
Dr. Marcelo Rodriguez-Chevres reported the following:
- A lot of consumers were not medicated in the jail due to refusing services. A few meetings were conducted with the Council of Judges, Sheriff’s Department and EHN staff to address this issue. Doctor Rodriguez announce that this issue has been successfully resolved and consumers are now being medicated in the jail system.
- Judge Gamboa recognizes the effort of medicating consumers in the jail system.
- Dr. Wayne Thornburg introduced a new technology medication called Evzio (auto injectors) that can be used to treat consumers that experience Opioid overdose. A demonstration was performed on how to use the device.

D. Committee updates
1. Board Planning and Network Advisory Committee (PNAC).
Mr. Rene Hurtado reported the following points for the meeting held August 8, 2017:
   - Committee received the EHN Strategic Plan that was approved by the board.
   - An overview of upcoming special events that include the NAMI Walk and Women’s Veterans Symposium on Sept. 9th.
   - $7k was raised for the Morgan Wonderland Park.
   - Tablet technology is being used for customer service surveys.

2. Board Planning and Development committee report
Dr. Peter Thompson reported the following points for the meeting held August 22, 2017:
   - Narrative Enhancement Cognitive Therapy project a UTEP Study proposal that is design to target self-stigma among people with mental health illness.
   - Partial Hospitalization and Intensive Outpatient Program curricula and program tracks.
   - An RFP will be processed with the United States Probation and Pretrial Services for Alternatives.
   - The center is considering Joint Commission Accreditation
- Identified Needs Threshold, DSM-5 eliminated the use of Global Assessment of Functioning measure; pending clarification.
- An agreement has been entered with PHIX to begin the Health Information Exchange.

3. **Board Human Resources committee report**
   Mr. David Driscoll reported the following points for the meeting held August 23, 2017:
   - Committee received staff briefing on Health Plan Analysis. Ms. Wilson suggests to compare plans with similar organizations.
   - A survey will be conducted for salaries by entry level, mid-point and high point.
   - Turnover rate for those positions affected by the $10 wage increase; merit increases will be identified appropriately.

4. **Board Public Relations committee report**
   Commissioner David Stout reported the following points for the meeting held August 29, 2017:
   - Communications wrap-up was presented to include media request from KTSM regarding meth use.
   - Women Veterans Symposium will be held Sept. 9th at the Chase Tower.
   - Legislative wrap-up overview provided in collaboration with Paso Del Norte Health foundation. Senator Rodriguez also addressed the EHN staff.
   - EHN continues to track key pieces of legislation tied to potential grant opportunities.
   - Review of EHN Foundation Business Plan
   - Junior League awarded gift to EHN, purchasing one hour of air time to highlight EHN services and IDD prom to air in May.
   - A demonstration of Datis internal communication was provided.

5. **Board Finance and Executive Committee report**
   Mr. Jacob Cintron reported the following points for the meeting held August 24, 2017:
   - The cash flow analysis for FY18 was presented
   - Received presentation on the FY18 Budget
   - An agreement has been entered with PHIX to begin the Health Information Exchange.
   - Chief of Staff presented the proposed EHN Foundation Business Plan for review.

E. **CEO report of EHN operations and collaborations with other community stakeholders**, including recent discussions and developments with the City of El Paso Police Department for Crisis Intervention Team (CIT) rollout, and August 23, 2017 presentations at the El Paso Behavioral Health Consortium Community Progress Summit.

Ms. Kristi Daugherty reported the following:
- Center Win cards for July were provided to each board member.
- The El Paso Behavioral Health Consortium Community Progress Summit was a very successful event. Ms. Daugherty congratulated the EHN staff for the work that was done.
- Ms. Daugherty is impressed with the CIT progress. Several meetings have been conducted with the El Paso Police Department for a positive outcome. Ms. Daugherty also met with the City Mayor, Tommy Gonzalez and Dionne Mack to regroup; funding
has been approved for 14 cadet officers. Dr. Myer’s and Commissioner Stout’s commitment and support to the CIT Program was recognized. The Paso Del Norte Foundation was informed that this success is not ready to be announced publicly.

- Harris County was affected by Hurricane Harvey. Their Crisis System was kept operational throughout the devastation. Several residential facilities flooded and they were forced to vacate to include Harris County staff. The executive team decided to conduct a monetary drive within the organization to assist the employees of Harris County.

F. EHN departmental recognition.
The Datis e3 lead team received recognition this month for completing the implementation of the human resources management system. Project was achieved on schedule and under budget. Project implementation lead, Mr. Rene Navarro, Chief Compliance Officer, introduced the lead team individually describing their role in the project. Approximately 168 items had to be addressed to complete the implementation. This would not have been successful without the support of this team.

3. REGULAR AGENDA
A. Discuss and take appropriate action regarding the minutes of the July 2017 Board of Trustees meeting.
EHNBOT Action: Motion to approve the July 2017 Board of Trustees meeting minutes. Driscoll moved/Wilson seconded. Motion Carried (6/0)

B. Discuss and take appropriate action regarding ratification of contract for participation in the Paso Del Norte Health Information Exchange d/b/a PHIX.
Mr. Juan Gonzalez reported the following:
• The essential servers are located at PHIX and this information comes from the partners that collaborated for this service. EHN will have access to labs, primary care, hospitals, specialists, long term care, public health, pharmacies and insurance information.
• This is intended to improve healthcare outcomes.
• If approved EHN will go live by mid-September.
EHNBOT Action: Motion to approve ratification of contract for participation in the El Paso Del Norte Health Information Exchange d/b/a PHIX. Driscoll moved/Myer seconded. Motion Carried (6/0)

C. Discuss and take appropriate action regarding award of contract for insurance broker services (RFP 17-016) to HUB International and approve and authorize CEO to execute contract with HUB International for insurance broker services.
Ms. Roxie Samaniego reported the following:
• This bid covers casualty and property services; 3 RFP responses were received.
• A committee of 7 members reviewed the responses and the recommendation is to award bid to HUB International for Broker Services; recommending a 5-year contract.
• Scoring key areas consists of past performance and local staff availability
• The RFP had 3 responses
EHNBOT Action: Motion to approve and authorize CEO to execute contract with HUB International for insurance broker services. Wilson moved/Driscoll seconded. Motion Carried (6/0)

D. Discuss and take appropriate action regarding cash flow projection analysis for FY 2017.
EHNBOT Action: Item tabled.
E. Discuss and take appropriate action regarding proposed EHN Foundation business plan.
Mr. Rene Hurtado reported the following:
- A business plan was presented to include an overview of the expenses, mission, structure, board structure and staffing of the foundation.
- Provided a projected timeline of grant activity and projected expenses/revenue for FY18.
- Ms. Wilsons concerned is the hiring of new staff when in-house staff can perform this duty. Recommendation to have the Paso Del Norte attend EHN meetings when discussing the foundation. No major expenses with hiring staff until a fully develop business plan is conducted to include specific goals and brought back to the board for approval.
- Dr. Thompson had a concern with the goals set for the new director.
- EHN is receiving support from the Paso Del Norte Health Foundation on the investment of funds and a successful foundation setup.
- Monthly progress updates will be presented at the board committee level.

**EHNBOT Action: Motion to approve and more forward with the creation of the EHN Foundation business plan. Thompson moved/Myer seconded. Motion Carried (6/0)**

F. Discuss and take appropriate action regarding FY 2018 EHN budget.
Ms. Roxie Samaniego reported the following:
- Net revenue over expenses after capital expenditures with a deficit of 1.7 million; unrestricted funds will be used to fund the deficit.
- Budget highlights include overseeing a population by 38%; EHN performed an Intake Process Redesign which implemented a triage tool to navigate individuals to the appropriate care; minimum wage increase to $10 per hour; rightsizing the center and its programs in an uncertain future of the 1115 Waiver; integration of the Alternatives Centre.
- Major highlights include interlocal revenue, fee for service revenue and 1115 Waiver. Salaries and benefits expenses due to the caseworker market adjustment; center wide expenses that include the EHR, 1551 move, sale of Ankerson and North Loop properties and center wide compensation study.
- Interlocal revenues received from UMC and County for Crisis services
- MAC revenue projection for FY 2018 of 1.9 million; 1115 Waiver revenue of 10.7 million for FY 2018; Grant revenue received in the Opioid treatment area supported employment and JPD Youth.
- Expenses detail include 17 new positions, Alternatives, $10 minimum wage/compression merits and caseworker step increase, benefits based on salary increases, incentive pool, TCDRS for a full year and increase on benefit percentage for current employees. Out of town travel for FY 2018 of $361k, local mileage and occupancy cost.
- Capital Expenditures – EHR medical record software fee of $1.829 million, furniture purchases of $7k, equipment purchase of $316k and leasehold improvements of $73k.
- Questions asked by the board members over the FY 2018 Budget:
  - Q: How will the organization be able to fund the negative bottom line?
    - A: Cash reserves will be used to supplement the bottom line, there is currently $14 million in reserves. The board will need designate the amount needed to cover the net revenue over expenses after capital expenditures.
  - Q: How was the consumer price index (CPI) increase factored into the jail department?
    - A: As part of the contract with the county, there is a CPI escalator adjustment allowed annually.
  - Q: What is the $100,000 from UMC and the County for?
A: The $100,000 received from UMC and the County for the interlocal agreement is their contribution as community stakeholders. The total $200,000 is allocated to crisis services.

Q: What is the census stabilization?
A: Currently EHN serves 3,680 adults, which is 38% over the state mandated target. Census stabilization will implement a triage tool to align the census to the mandated target and create a waiting list for the population being overserved.

Q: Where are the physicians being budgeted?
A: Physicians are budgeted and allocated to the programs they serve.

Q: How much have the properties that are for sale been on the market?
A: Ankerson has been on the market for 6 months. Property was vandalized and insurance proceeds are to be received soon to repair property. Potential buyer waiting for repairs to be completed.

Q: North loop has been on the market for 1 month.
A: Yes, it’s been included in each division section of the budget binder.

Q: Is it possible to see year to year comparisons for FY17 and FY18 by division?
A: Yes, it’s been included in each division section of the budget binder.

Q: Is it possible to see year to year comparisons for travel by division?
A: Yes, it’s been included in each division section of the budget binder.

Q: What will be the new starting pay for caseworkers and what level of education?
A: Caseworkers are divided into three classifications, Caseworker, Caseworker II and Sr. Caseworker. The entry level pays for these classifications are $32,943, $36,082, and $40,019 respectively. Following the same order, the education levels needed for these positions are require a Bachelor’s degree, Master’s preferred, and Masters required.

Q: Do you currently have a grant writer and where does EHN search for grant opportunities?
A: Yes, we have a grant coordinator on staff whose duties include grant writing, and EHN does a search over multiple platforms including ECIVIS, grants.gov, individual agency websites, and other opportunities locally.

Q: What account does EHN’s website expense fall under?
A: Information and Education, which is in the “Other Expense” category.

Q: What is included in “Other Miscellaneous Expense” and why such a large variance from FY17 Projected?
A: Amount received for the Local IDD Authority (LIDDA) to assist other HUBs in training regarding IDD programs. Money is sub-contracted to other HUBs, per the contract, to provide training for IDD in their communities.

Q: How much out of town travel, if any, is reimbursed by another agency?
A: $16,000

Q: Information on any employee who flew “Business Select” in FY17. Who?
A: Chief Executive Officer; Associate Chief Executive Officer; Chief of Staff Officer; Chief Clinical Officer; Chief Compliance Officer; Chief Information Officer; Chief Nursing Officer; Chief Medical Officer, Primary Care and Substance Abuse; Chief Medical Officer, Mental Health; and Board Vice-Chair.

Q: When? Why?
A: Travel vouchers for the employees above are available for any Board member to review at the EHN offices. Due to the number of
vouchers, this information has not been submitted with this response. Please let us know if you would like to schedule time for review.

- Q: And how many/who are you projecting to fly Business Select in FY18?
  - A: The CEO is the only employee projected to fly “Business Select” in FY18, as outlined in the draft of the updated travel policy on Attachment 2. The Business Select option is projected to be used only when there is a probability of a required schedule change.

- Q: How many times were any of these “Business Select” flights changed?
  - A: Seven flights were changed in FY17.

- Q: A copy of your travel policy.
  - A: See Attachment 1 - Current Travel Policy
  - A: See Attachment 2 – Draft of updated Travel Policy, which updates procedures and processes

- Q: A more detailed breakdown of travel expenses that includes hotel cost and flight cost per trip, per department.
  - A: Estimations are used for all travel expenses. The following is a breakout of the budget estimations we use: Flight $450
    - Hotel $150/ night, including taxes and fees;
    - Car $60/day, including fees and fuel
    - Registration based on need of travel
    - Per diem use this website based on location https://www.gsa.gov/portal/content/104877, as outlined in the draft of the updated travel policy at Attachment 2. Also, reviewing state and federal rates to review options prior to finalizing the updated policy.
    - When large groups travel, EHN uses vans, uber, and public transportation to reduce costs.
    - Discounted conference rates for hotel and registration are used, when available.
    - Government rates are requested at the time of all reservations.
    - Individual estimates by department are being compiled and will be sent when available. This information may not be ready before the budget approved required date of August 31, 2017.

- Q: Capital expenditures budget, broken down by line items on projected expenses are as follows:
  - A: Equipment Purchase: $316,386
    - Laptops, desktops, scanners $180,777
    - Servers $112,508
    - Double robotics (2) $10,000
    - Lobby Displays (5) $600
    - Port Tester $3,500
    - Microfilm viewer $7,201
    - Table mount with TV/DVD player $1,800
    - Furniture Purchase: $7,320
    - Furniture Lease for Alternatives as per acquirement contract $4,320
• Furniture purchases for our Dayhab facility $3,000
• Software Purchase: $1,828,814
• Electronic health record $1,575,000
• Electronic health record implementation $230,000
• Electronic health record application $15,000
• Power BI licenses $8,814
• Leasehold improvements: $72,800
• Medical Records Centralization $25,000
• Crisis expansion into 1601 Yandell $31,000
• Alternatives improvements $1,400
• Repainting of New Hire Room $1,300
• Other leasehold improvements of $14,100

Q: There were several trips that were “Not Taken,” listed in the FY17 budget. Why weren’t these trips taken?
   ➢ A: There were other work commitments that did not permit travel to be taken.

Q: What is your policy on merit increases?
   ➢ A: See Attachment 3- Merit increases
   • Employees are eligible for a 2-4% merit increase every other year based on their annual performance evaluation.
   • Based on a recommendation from the HR Committee, EHN will have a compensation study performed in FY18 and postpone issuing merit increases until the study has been completed. This will be presented with the budget at the Board meeting.

Q: What market adjustments are included in this budget?
   ➢ A: The market adjustment included in the budget is for the caseworkers. There is a 2-year rollout plan of a minimum 10% increase to the 75th percentile. For fiscal year 2018, 6% of the 10% increase will be rolled out. The market adjustment is necessary to recruit and retain caseworkers. The total adjustment budgeted in FY18 is $420,000.

Q: Does the CEO get a per diem allowance for travel or is it taken out of an expense account?
   ➢ A: The CEO has a p-card that is used for meals while out of town for travel.
   • The CFO and Board Chair review and approve all CEO travel expenses.

Q: In your organization, who has company cell phones? How many have been distributed? For what purpose? What are the costs associated with monthly cell phone usage and capital expenses for those phones?
   ➢ A: The flip phones listed below are provided to EHN caseworkers and the smart phones are provided to EHN administrative positions in both clinical and support divisions, as necessary to conduct business on behalf of EHN.
   • Phones are provided to protect personal health information (PHI) from being on employee personal phones.
   • See Attachment 5 for Cell Phone Policy.

Flip Phone Total 245 $6,428.80
Smart Phone Total 138 $6,633.66
Grand Monthly Total $13,062.46
Q: What steps have you taken to receive bulk discounts for either hotel or airfare? Do you have any contracts or agreements with any particular company? May we please have copies of those agreements?

A: Whenever possible, EHN will actively seek discounts available. For hotels, EHN will do it’s best to get group rates that have been offered by the conference or search for a cheaper hotel near the conference/meeting.

- When booking airfare, the cheapest rates are looked at. Historically, the cheapest rates have been through Southwest Airlines “Wanna Get A Way” rates, as they are booked 28 days in advance. In the event of a flight cancellation, the credit is utilized the next time of travel within the next year.
- The CFO and Board Chair review and approve all CEO travel expenses.
- EHN utilizes state contracts or agreements with Hertz and Enterprise Rent A Car, see Attachment 4.

Q: What formula or metrics do you use to calculate your forecasts for any given line item in FY18?

A: EHN prepares the annual budget on a Bottom Up Budget Method. This is where the budget starts at the lower levels of the organization. Department managers create budgets for their department and then send them up the chain of command, so that all of the individual budgets come together to form the entire EHN budget. Center wide budget is approved by the Director of Budget, Chief Financial Officer, Chief Executive Officer, and ultimately the Board of Trustees.

- During this process, costs are estimated based on actuals, incremental increases for those accounts that fluctuate regularly, and historical data, as well as new information regarding contracts, programs and/or state or federal guidance.
- Revenue templates were used for the clinical departments based on census, contract award amounts from our agencies, and historical data are some of the methods used to forecast budget.

- Policies were provided along with the questions
- Commissioner Stouts recommendation is to reduce the out of town travel cost; Finance Committee to review the travel policy; no one travels business select unless it is absolutely needed, employee is responsible for the fee if flight is changed. Conduct extra meetings with the board of trustees to review budget processing for next fiscal year.
- Mr. Thompson expressed the importance of traveling to continue program growth
- Ms. Wilson offered to share the adopted travel policies implemented at her organization. Suggestion to conduct extra budget work sessions with the board in July.
- Mr. Cintron’s recommendation is to implement video conferencing and or hire speakers to save on out of town travel cost. Send only one EHN representative instead of a large group of employees. HR and Finance Committee working closely to analyze travel policies.
- EHN allocations from the state are received mid to late July.

EHNBOT Action: Motion to approve the FY 2018 EHN budget. Driscoll moved/Wilson seconded. Motion Carried (6/0)
The Board of Trustees went into executive session at 5:39 PM on August 31, 2017 to discuss items 4A, 4B and 4C. Present at executive session was Jacob Cintron, Commissioner David Stout, Dr. Rick Myer, David Driscoll, Joyce Wilson, Dr. Peter Thompson, Attorney Omar Villa, Attorney Fred Green, Attorney Holly Lytle, Kristen Daugherty and Jessika Franco. The board concluded executive session at 5:59 PM.

A. Discuss CEO performance evaluation pursuant to Texas Government Code Section 551.074.
B. Consultation with attorney pursuant to Texas Government Code section 551.071 regarding legal claim of Melissa Hernandez.
C. Consultation with attorney pursuant to Texas Government Code section 551.071 regarding legal claim of Ariana Drobet.

5. **Open Session**
The Board of Trustees returned to Open Session at 6:00 PM.

A. **Discuss and take appropriate action regarding CEO performance evaluation.**
The CEO’s evaluation tool and timeline were reviewed. The evaluation tool will be provided to the board of trustees on September 1, 2017 and due September 29, 2017.

**EHNBOT Action:** No Action taken.

6. **ADJOURNMENT**
THE MEETING ADJOURNED AT 6:01 PM.

Approval Date: 9/28/2017

By: [Signature]

David Driscoll, Board Secretary