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 20, 2015 at 5:30 PM
Central Administration, Boardroom, 201 E. Main St. Ste. 600, El Paso, Texas 79901

PRESENT: STOUT, BARTLETT, PEYTON, AGUIRRE, and HOWARD

ABSENT: CINTRON, ESCAMILLA

1. INTRODUCTORY ITEMS
   a. Call to Order and Certification of a Quorum
      Quorum was certified.
   b. Public Comment
      There was no one signed up to speak.

2. CONSENT AGENDA
   A. Approval of the Minutes from April 6 and June 25, 2015.
   B. Approve and authorize Board Chair to execute an engagement letter with White, Samaniego
      and Campbell to conduct the FY 2015 Financial and Compliance Audit.
   C. Approve and authorize CEO to execute the START Agreement for Consulting Services with
      the University of New Hampshire.

   EHNBOT Action: Bartlett moved/Peyton seconded to approve items a through c.
   Motion Carried (5/0)

3. REPORTS
   A. Planning and Network Advisory Committee (PNAC)
      Mr. Hurtado noted that Ms. Gilda Lopez was unable to attend and he provided the following
      points:
      • Strategic Plan/Training Session for PNAC members is being planned for October 13, 2015
        for a half day orientation and setting definite goals towards a strategic plan
        developed at that time.
      • PNAC working to develop a tool for parents to enroll children in the interest list so as to
        increase awareness within the public school districts on the wait times for many of those
        services available to special needs children.
      Mr. Puentes responded to Mr. Bartlett’s question stating that the IDD Waiver Programs
      offer bundles of service coordination etc. and have a wait time of about 10 years. It is
      recommended that people act early in their child’s education.
      Ms. Howard shared that this list should be presented to the Director/Superintendent of
      Special Education and/or General Counsel of EPISD. The list cannot be disseminated at
      school meetings prior to going through the districts’ approval processes.

   B. Chief Financial Officer’s Report regarding EHN Financials.
      Ms. Motts reported the following points:
Variance for single month of July was about $6k favorable to the budget and YTD basis that was about $787k. This is due to higher Medicaid Waiver revenue, higher capital expenditures and lower medication costs.

YTD basis it is the higher MAC Revenue due to the number of participants doing time studies and lower medication costs and lower UPLICF Program revenues.

Comparing July 2015 to 2014 there was a $185k favorable variance; however there was a $506k unfavorable variance on an YTD comparison due to lower medication cost. The new pharmacy was established and there has been a need to set up procedures to address cost issues. YTD there were unfavorable variances due to lower fee for service revenue, however it is getting lower due to productivity initiatives. This is offset by the UPL for ICF’s and lower capital expenditures.

Health fund had a loss of $135k; however overall that fund is still at $50k net revenue over expenses and this is a trend due to increased doctor visits during the summer months for children that are on vacation.

Sun City made $10k compared to $6k budgeted last month for a $4k variance and YTD that entity is at $43k versus a $63k budgeted amount for a $20k variance.

Clinic continues to do better and there were higher psych evaluations. EAP is helping offset the commercial clinic under budget.

Hospital visits were lower.

Balance Sheet is strong with a $10.5 in cash and cash investments due to the 1115 Waiver Project.

C. Chief Executive Officer’s Report regarding EHN Operations.

Ms. Daugherty provided the following points:

- Due to legislative cuts of 30% funding for the ECI Program and lower Medicaid rates, EHN has taken steps to address expenses and inefficiencies within that department. Seven administrative positions were affected. Two positions were moved into other department, two positions were reclassified and three positions were offered severance packages. No patient care positions were affected.

These cuts are of great concern statewide and some agencies will be shutting down their ECI services. Billing and collection practices are being reviewed for improved operations.

Com. Stout stressed that there was no reduction in patient care. Mr. Bartlett added that at some point whereas these cuts may continue the program is sustainable. Com. Stout shared that discussion at the state level on the Texas Council Board will be making an effort as to why this is happening as there was no idea on the level of negative impact this has been to ECI. He added that perhaps there should be a study on the impact of the change at the state level.

Ms. Howard noted that all efforts should be made to restore the program and funding as this is a very essential program in the community. Mr. Bartlett inquired if the Texas Council lobbies for these types of initiatives and Mr. Hurtado so noted. Ms. Daugherty added that Bexar County has a very good system in place for processing reimbursements for those services and Ms. Aponte-Pacheco will be working with them.
A selection was made of the Chief Operations Officer for Addiction Services and he will begin on September 9, 2015. Mr. David Baqueria, is coming from the Tenet System with a lot of experience in start-ups, which is something that will be an asset to the organization.

There was distribution of a handout outlining what is happening within the organization and services that are coming on board. A brochure of services will be distributed at the next meeting which will identify the organization for a cohesive unified look.

A video was presented to the Board that will be the organization’s presentation at an 1115Waiver Symposium at the state level. Ms. Motts and Ms. Cindy Hernandez will be attending to meet and discuss the next steps of the waiver. It was requested that organizations submit videos of success stories. Ms. Noreen Jaramillo and her team produced the video. Mr. Bartlett commended the video and encouraged further distribution of stories.

D. Receive a Legislative Session Update.
Mr. Hurtado provided the Board with a document outlining the legislative agenda approved by the board at the onset of the session. The document includes bills passed that address the various items on our agenda and other bills that would impact the organization moving forward.

There was discussion on SB133 which targets mental health training for school district personnel and the cost incurred by the district to pay for substitute teachers that would cover the time a teacher is in training. It was noted that efforts will continue to acquire the resources perhaps through foundations. (Document appears in the backup.)

4. REGULAR AGENDA

A. Discuss and take appropriate action on Interlocal Agreement with County of El Paso for HR Services.
Ms. Daugherty noted that the document before the board today is a second amendment to the original interlocal agreement with the County of El Paso for HR Services. This will assure the appropriate staffing ratio to meet the organization’s current needs as well as any anticipated FTE growth moving further. It will cover an additional generalist and an administrative support person for an amount of $100k to the budget for salaries and benefits.

**ACTION:** Motion to approve and authorize the CEO to execute the agreement was made by Peyton/Howard seconded. Motion carried (5/0)

B. Discuss and take appropriate action regarding the FY 2016 budgets for EHN, Sun City Behavioral Healthcare, and Sunnyside Apartments, Inc.
Ms. Motts explained that individual meetings were held with members of the board. The FY16 budget is built to not wait list anyone for services and no reduction in benefits or any increases to benefits. The organization has not provided Cost of Living Adjustment (COLA) in their budget in the past and will not do so this year. The organization provides merit increases to employees based on their job performance every other year. There is a merit average of about 3% and they can put in up to 6% and these must be approved by Ms. Daugherty. Ms. Daugherty explained that if they give a 6% increase it would come out of their department budget and as such someone else would get less.

Total revenue numbers for the budget are $58m and expenses are at $54.4m with net revenue over expenses of $3.8m and capital expenses are at $500k.
The budget does have growth built in for additional services such as therapy services and addiction services. Also, included is the jail contract with the county and 102 new positions were built into the budget. The holiday schedule is also included in the budget for approval and the cost has been included in the salaries and benefits budget of the organization.

Changes were made as a result of a recommendation from Mr. Bartlett on the inclusion of a rate increase for electricity, gas and water.

Mr. Aguirre inquired if Cesar Chavez Day was included and Ms. Motts noted that it had been cut from previous years.

**ACTION:** Motion to table the Sun City Behavioral Healthcare budget was made by Howard/Bartlett seconded. Motion carried (5/0)

Ms. Motts explained that the Sunnyside Apartments are showing a $25k loss for the housing of mental health patients.

**ACTION:** Motion to approve the FY2016 EHN and Sunnyside Apartments, Inc. budget was made by Bartlett/Stout seconded. Motion carried (5/0)

5. **ADJOURNMENT**

THE MEETING ADJOURNED AT 7:05 P.M. after a motion by Howard/Bartlett seconded.

Approval Date: 9/28/15

By: [Signature]

Martin Bartlett, Board Secretary