



**FINANCE AND EXECUTIVE COMMITTEE MEETING
MINUTES**

Meeting Title: Finance and Executive Committee Meeting		Meeting Facilitator: Commissioner David Stout, Vice Chair
Date: 1/17/2019	Time: 3:35 PM	Location: Chase Tower 201 E Main – Board Room
Note Taker: Oswaldo Del Rio		
Present: Commissioner David Stout, Vice Chair, Joyce Wilson, Board Member, David Driscoll, Board Member, Kristi Daugherty, CEO, Micheal Wyatt, Legal Counsel, Matt Zabolotny, Interim CFO, Ashley Sandoval, Associate CEO, Chrystal Davis, Chief Clinical Officer, Rene Hurtado, Chief of Staff, Juan Gonzalez, Chief Information Officer, Rene Navarro, Chief Compliance Officer, Monica Estrada, Controller, Oswaldo Del Rio, Exec. Asst. to CFO, Jessika Franco, Exec. Asst. to CEO.		
Not Present:		

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
A.	Approve November 15, 2018 Finance and Executive Meeting Minutes	Minutes for the November Finance and Executive Committee meetings were reviewed and approved.	Item forwarded to the Board for approval.	Oswaldo Del Rio	
B.	Approve December 6, 2018 Board of Trustee Meeting Minutes	Minutes for the December Board of Trustees meetings were reviewed and approved	Item forwarded to the Board for approval in Consent agenda	Jessika Franco	
C.	Presentation of a CEO Report regarding EHN Operations	Ms. Daugherty did not have any items to report	No action	Kristi Daugherty	
D.	EHN FY2018 External Financial Audit	Mr. Juan Garcia with Beasley, Mitchell & Co. LLP presented the following information on EHN’s External Financial Audit for FY 2018:	Item forwarded for Board for approval	Kristi Daugherty	

Finance and Executive Committee Meeting
November 15, 2018

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
		<ul style="list-style-type: none"> • Final Audit will be presented to Board on January 24, 2019. • Mr. Garcia reviewed and provided explanation on the various areas of the audit to include the Basic Financial Statements that encompass the Government Wide Financial Statements, Fund Financials Statements and the required supplementary information. • Mr. Garcia did note the addition of EHN's pension plan with TCDRS as a liability in this year's audit due the regulation of GASB 68. <p>Findings:</p> <ul style="list-style-type: none"> • No findings were noted for FY 2018 	in Regular Agenda.		
E.	Discussion on Emergence Health Network Financials for December 2018.	<p>Mr. Matt Zabolotny provided the following information:</p> <p>November Financials were also provided as backup in to the Committee.</p> <p>December 2018:</p> <ul style="list-style-type: none"> • EHN's Balance Sheet reflects \$14.9 Million in cash which is up by 39% from previous month. • The A/R is down 27% from previous month. • For the month of December revenues are down by \$525K largely due to less Fee for Service and General Revenue and a large Bad Debt expense for the month. This was attributed to December having lower census, holidays and employee time off. • In Expenses the agency has a positive variance of \$296K largely due to savings in Salary and 	Item forwarded to the Board for approval in Consent Agenda.	Matt Zabolotny	

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
		<p>Benefits.</p> <ul style="list-style-type: none"> • Net Revenue over Expenses for the month came in at a loss of \$525K. • The Cash Flow forecast was updated and presented. Commissioner Stout asked to have this ratio reviewed for November. • Financial Ratios were updated and presented • Health Fund came in at a positive \$9K for December. <p>Mr. Zabolotny also updated the committee on the draft Proforma budget that was created in relation to the strategic plan to be used as the standard format for any potential business opportunities. Additionally he notified that a draft Reserve Fund Policy has been created as requested by the board at the start of the Fiscal Year.</p>			
F.	<p>Award RFP #18-006 for Credentialing and Provider Enrollment Services</p>	<p>Ms. Sandoval presented:</p> <ul style="list-style-type: none"> • EHN is seeking subject matter experts in the Credentialing field to perform these services. • It has become complex for EHN to manage the current credentialing department and maintaining and negotiating managed care contracts. • The recommendation is to award the bid to Netsmart Technologies as they have the experience and knowledge in the Mental Health field and they also came in as the lowest bidder. • The current department has budgeted funding for 3 FTEs from which only one is currently filled. The salary and benefits from the 2 vacant positions will be used to fund the contract with Netsmart. 	<p>Item forwarded for Board for approval in Consent Agenda.</p>	<p>Ashley Sandoval</p>	

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
		<p>Ms. Wilson recommended to freeze the two vacancies and not fill.</p> <p>The committee agreed to move this item to Board with the additional language of freezing the current vacant positions and stating the Third Party contract is in lou of staff.</p>			
G.	Advanced Direct Policy	<p>Mr. Navarro presented:</p> <ul style="list-style-type: none"> • This policy was presented and recommended to the Board by the P&D committee • This policy to comply with Joint Commission Standards and CCBHC requirements. • This policy is to comply with 42 Code of Federal Regulations (CFR) 489.102 and Chapter 166 of the Texas Health & Safety Code relating to the Patient Self Determination Act (PSDA) Advance Directive to inform patients of their right to make decisions about their medical treatment. • 	Item forwarded for Board for approval in Consent Agenda.	Rene Navarro	
H.	Governance Policy	<p>Mr. Navarro presented:</p> <ul style="list-style-type: none"> • This policy to comply with Joint Commission Standards. • This policy was formed by language outlined by the Joint Commission standards. • The purpose of this policy is to outline how EHN leadership is structured. EHN leadership is responsible for the safety and quality of care, treatment, and services EHN provides. The governance provides in writing the overall responsibility of leaders in varied roles for the safety and quality of care, treatment, or services at EHN. 	Item forwarded for Board for approval in Consent Agenda.	Rene Navarro	

Finance and Executive Committee Meeting
November 15, 2018

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
I.	Mental Health First Aid Literacy and Expansion Grant Update	<p>Mr. Rene Hurtado presented:</p> <ul style="list-style-type: none"> • This was a grant by the Paso Del Norte Health Foundation to expand community education services. • Was reviewed and recommended by the P&D and PR Committee. • The request is for a budget amendment of \$221,915.60. 	Item forwarded for Board for approval in Regular Agenda.	Rene Hurtado	
J.	Community Development Block Grant	<p>Mr. Rene Hurtado presented:</p> <ul style="list-style-type: none"> • This item was reviewed by P&D Committee and recommended for board. • In the process of applying for a large grant to remodel the 1600 Montana location. • Required EHN Board signatures, which we did receive. 	No Action	Rene Hurtado	
K.	EHN Annual Report	<p>Mr. Rene Hurtado presented:</p> <ul style="list-style-type: none"> • This is our annual report that is presented to the board and adopted. • The presentation will be provided at the board meeting. 	Item forwarded for Board for approval in Regular Agenda.	Rene Hurtado	
L.	Appointment of new EHN Board of Trustee	<p>Mr. Wyatt presented:</p> <ul style="list-style-type: none"> • Announced that UMC Board has appointed Thomas Goldfarb to the EHN Board of Trustees. 	No Action	Michael Wyatt	
M.	Board Elections and Committee Assignments	<p>The committee discussed the procedure for holding the board election of officers.</p> <p>There is no board chairman, since Mr. Cintron cycled off the board. Mr. Stout is the board vice-chair, and will open the board meeting and run the election.</p>	No Action	Michael Wyatt	

Finance and Executive Committee Meeting
 November 15, 2018

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
		<p>Mr. Stout stated that he wishes to be considered for the position of board chair. He has been vice-chair for two terms, and he feels he is ready to be chair.</p> <p>Ms. Wilson stated that she has objections to an elected official being board chair due to the potential for conflict between his interests as a representative of a governmental entity and his fiduciary duty to EHN. She also stated that she favored a rule limiting board officers to one term; Mr. Cintron and Mr. Stout served at least two terms as chair and vice-chair, and to other board members it seemed that they were left out of some important decisions. She further stated that Dr. Thompson and Dr. Myers have important contributions to make and should be considered for officer positions. Ms. Wilson proposed a slate of officers for board consideration to include: Mr. Driscoll, chair; Dr. Thompson, vice-chair; Dr. Myers, secretary. As an alternative, to account for Mr. Stout's interest in remaining on the executive committee, Ms. Wilson offered a second slate: Mr. Driscoll, chair; Mr. Stout, vice-chair; Dr. Thompson, secretary.</p> <p>Mr. Driscoll agreed with Ms. Wilson's proposed slates. He added that Mr. Stout has not had a strong working relationship with the CEO, and therefore it would be better to have another individual serve as board chair.</p> <p>Mr. Stout responded that he was not responsible for any difficulties in the working relationship, and identified strategic planning and implementation of the CIT as areas where he had been instrumental in moving the organization forward.</p>			

Finance and Executive Committee Meeting
November 15, 2018

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
		No vote was had on the slates that were proposed. The committee agreed that in the future, the executive committee should act as a nominations committee and prepare a slate of officers for the board's consideration; other nominations to officer positions could be made by other board members at the board's annual meeting.			
N.	Strategic Plan Year 2	Mr. Hurtado and Mrs. Davis presented: <ul style="list-style-type: none"> • In the backup was a report on year 2 reporting items to account for progress. 	No Action	Rene Hurtado	
O.	Discuss FY19 Strategic Plan	Mr. Hurtado and Mrs. Davis presented: <ul style="list-style-type: none"> • The updated FY19 Strategic Plan was sent to the committee to report on current state of all initiatives. • Reported on items due in the 2nd quarter. 	No Action	Kristi Daugherty	
P.	Review Board Agenda	The Committee reviewed and provided feedback on composition of the Board Agenda for January 24, 2019.	No Action		
Executive Session,					
Q.	Consultation with attorney regarding Equal Employment Opportunity Commission Charge number 453-2018-00647 pursuant to Texas Government Code Section 551.071.		No Action was taken		
R.	Consultation with attorney regarding		No action was		

Finance and Executive Committee Meeting
 November 15, 2018

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
	Equal Employment Opportunity Commission Charge number 453-2018-001217 pursuant to Texas Government Code Section 551.071.		taken		
S.	Consultation with attorney regarding litigation filed in El Paso County under cause number 2017DCV2472 pursuant to Texas Government Code Section 551.071.		No action was taken		
T.	Consultation with attorney regarding litigation filed in El Paso County under cause number 2018DCV0919 pursuant to Texas Government Code Section 551.071.		No action was taken		
U.	Consultation with attorney regarding litigation filed in El Paso County under cause number 2018DCV2668 pursuant to Texas Government Code Section 551.071.		No action was taken		

Finance and Executive Committee Meeting
 November 15, 2018

ITEM	TOPIC	DESCRIPTION/CONCLUSION	REQUIRED ACTIONS	ASSIGNMENT OF RESPONSIBILITY	DATE FOR COMPLETION
V.	Consultation with attorney regarding potential conflict of interest related to multiple representation in legal negotiations related to the inter-local agreements between Emergence Health Network and El Paso County Hospital District.		No action was taken		
W.	Adjournment				

David Stout – Board Vice Chair