

BOARD OF TRUSTEES:

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Rick Myer
Trustee



Emergence Health Network

El Paso Center for Mental Health/Intellectual Disabilities

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, January 28, 2016 at 5:31 PM

Central Administration, Boardroom, 201 E. Main St. Ste. 600, El Paso, Texas 79901

PRESENT: CINTRON, STOUT, PEYTON, HOWARD, ESCAMILLA, and MYER

ABSENT: BARTLETT

1. INTRODUCTORY ITEMS

- a. **Call to Order and Certification of a Quorum**
Quorum was certified.
- b. **Public Comment**
None.

2. CONSENT AGENDA

- A. Approval of the minutes of Board of Trustees meeting held December 17, 2015.
- B. Approval of the EHN Investment Policy.
- C. Adopt resolution recognizing CEO Kristen Daugherty as authorized to negotiate, execute, implement, maintain, amend, renew or request closure of contracts with the Texas Department of Aging and Disability Services (DADS), pursuant to a request by DADS.
- D. Approval of the Vacation Pay Policy.
- E. Approve CEO to execute amendment to Letter Agreement with University Medical Center for Outreach, Screening, Assessment and Referral (OSAR).
EHNBOT Action: Peyton moved/Escamilla seconded to approve Consent Agenda. Motion Carried (6/0)

3. Regular Agenda

- A. Discuss and take appropriate action regarding FY 2015 Financial Audit.
Ms. Roxie Samaniego, RPC, Partner, apologized for the lack of the audit to present to management and the Board. She provided the attendees with an overview of the presentation as presented to the Finance/Executive Committee. EHN received an unqualified opinion as well as an unqualified opinion on the compliance audit conducted of federal funds and grants. (Presentation is in the backup.)

Ms. Samaniego indicated that EHN’s financial position is at \$13.4 million in governmental funds and is 3-1 in working capital. There was an increase in Net Assets of \$2.3 million from prior year. General fund increase was \$1.1 million. Net position is unrestricted which means the board can authorize utilization of funds for other expenditures.

Mr. Cintron indicated that they could not approve the audit since it was not available. It is required by the state for January 31; however the date has been extended to February 3, 2016.

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Mr. Villa indicated that the Board can recess and reconvene tomorrow to review and approve the documents. This would not warrant reposting of the meeting.

After an inquiry of the Board it was agreed to have the meeting at 3:30 p.m. the following day in order to have a quorum present. Mr. Cintron requested that the audit be sent to the Board in a PDF file by 10:00 a.m. January 29, 2016.

EHNBOT Action: Motion to recess until 3:30 p.m. January 29, 2016 was made Howard /Stout seconded. Motion Carried (6/0)

*****Meeting reconvened on January 29, 2016 at 3:30 p.m. Present were Mr. Jacob Cintron-Chair, Com. David Stout-Vice-Chair, Ms. Kathleen Peyton-Trustee, and Dr. Rick Myer, PhD.*****

Ms. Roxie Samaniego provided the Board with a detailed review of the attached presentation noting the following points:

- EHN was given an Unqualified Opinion which is a clean opinion of the FY 2015 audit.
- Net Position was \$13.4 million and unrestricted fund balance is at \$9.6 million
- Total general fund expenses were \$45.5 million or \$124,748 per day.
- General Fund unassigned balance of \$8.6 million (60-90 days of annual expenses is recommended and the agency is within those requirements)
- Current Working Capital Ratio Assets at \$16.5 million and liabilities at \$6.4 million
- Revenues by source at \$50 million of which Charges for Services were at \$25 million and grants were at \$25 million.
- Administrative expense was at 19%, which is good.
- Governmental Statement of Activities was a very good increase of \$2.6 million for an ending amount of \$13.4 million.
- Major federal programs tested TANF and DSHS, with no findings in any of the programs.

Mr. Cintron stated that he would be reviewing the information in detail and any questions will be forwarded to Ms. Motts' office.

Ms. Peyton inquired on why some non-profit organizations are required to not make profit and Ms. Samaniego explained that in some cases the organizations are state or federally funded and are required that the funds allotted be utilized. In EHN's case there are funds to continue operations if something were to happen. There is a requirement from DSHS that EHN has between 90 to 120 days cash on hand.

EHNBOT Action: Myer moved/Peyton seconded to accept the audit. Motion Carried (4/0) Reconvened meeting proceeded to adjournment.

4. REPORTS

A. Planning and Network Advisory Committee (PNAC)

Ms. Gilda Lopez provided the Board with recently developed Strategic Goals for the Committee. (Presentation is in backup.)

Mr. Cintron commended Ms. Lopez on the efforts underway to encourage new membership to the Committee and on the initiative of spreading the word in the community of services available.

B. Chief Financial Officer's Report regarding EHN Financials.

Ms. Motts reported the following points:

- For the single month there was a \$17k favorable variance to budget; however on an YTD basis that number was a negative \$42k.

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- Variances are due to lower medication costs, lower occupancy costs, and additional client expenses in the IDD Division. The YTD variance is due to higher capital expenses a result of new computer software purchases; however still within the budget. There were lower IDD revenues in a result of not getting clients into the program. Higher MAC revenues, a result of increased number of employees that participate in the program. When comparing current month to prior year there was a \$239k unfavorable variance for the single month and \$395k year to date unfavorable variance due to lower MAC revenue, lower net clinic revenues last year, higher software fees, etc.
- Health fund remains in the positive, however there were some high dollar claims received. The stop loss was utilized which will help.
- Sun City noted a \$14k loss for the month a \$10k unfavorable variance to the budget due to the clinic which has now moved to the Westside.
- HOPWA program is still at EHN but it will only be for one more month. It should begin to breakeven as of February financials.
- Hospital visits are up and medical management visits are lower due to two providers going on vacation.

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

Ms. Daugherty provided the Board with the December "WINS" and the following points:

- Ms. Sandoval, COO of Mental Health conducted a statewide presentation with HHSC targeting children in foster care with mental health needs
- Primary care services have been co-located to the Westside Clinic. Dr. Thornburg was introduced to the Board. Dr. Thornburg will be the Chief Medical Officer of Primary Care and Addiction Services.
- An update on SB 58 Phase II was provided to State Rep. Zerwas and Senator Nelson in Austin. SB 58 was the legislation that carved in psycho social rehab and target case management into managed care.
- A DADS audit indicated one of the lowest billing error rates in the state for EHN Home/Community Based Services.
- Centro San Vicente opened primary care clinic at 1600 Montana. The clinic is providing primary care services to clients receiving mental health services from EHN's homeless program.
- ACT Program showed a 30% collections increase when compared to prior month.
- Challenges for the Center noted recruitment for physicians and clinicians in particular for correctional psychiatrist. Another challenge is existing bureaucratic issues from the El Paso Judiciary.
- Dr. Escamilla inquired on the move of Sun City to the Westside clinic. Ashley Sandoval, COO of MH services explained that the overhead will be reduced and provide the clients access to the same providers on more days of the week.
- A change is being made to provide members of the board individual support personnel to address their needs for information and support with respect to their specific committee assignments. An administrative team member has been assigned to each member who can respond to questions and provide a timely response to their questions. Ms. Gonzalez – Mr. Cintron, Ms. Franco-Com. Stout, Ms. Beltran-Mr. Bartlett, Mr. Del Rio-Mr. Myer, Ms. Escobar-Ms. Howard, Ms. Nuñez-Dr. Escamilla, and Mr. Acuña-Ms. Peyton. Ms. Peyton inquired on the need to inform the Board of media blasts and television interviews

related to EHN. Mr. Cintron inquired on questions he might have regarding a specific division. Ms. Daugherty indicated that their questions could be directed to the Division Chief or to the CEO office.

D. DADS Billing & Payment Review of EHN's Home and Community based Services (HCS) Program and/or Texas home living (TxHmL) Program Update.

Mr. Navarro explained that EHN went through an audit to comply with state requirements in December and there were very favorable outcomes. Documentation was readily available in the charts for their review.

E. DSHS Funds released to EHN for achievement of outcome targets for 2nd half of FY 15 Update.

Mr. Navarro explained that past reports have indicated repayment of funds to the state for non-compliance of performance standards. Also, he reminded the board of the 10% withhold of funding on a number of strategies per contractual requirements which occur at the onset of a funding cycle. Per official notice from DSHS dated January 5th, the state released \$640,644 out of a potential of \$652,474 which is indicative of a 98% achievement of 15 total metrics, resulting in an unfavorable variance of \$12,103.

5. REGULAR AGENDA

A. Discuss and take appropriate action regarding election of Chairperson, Vice Chairperson and Secretary of the Emergence Health Network Board of Trustees.
EHNBOT Action: Motion to maintain the current slate of officers (Jacob Cintron-Chair, Com. David Stout-Vice-Chair, and Martin Bartlett-Secretary) was made by Peyton/Escamilla seconded. Motion carried (6/0).

B. Board committee assignments by Board of Trustees Chairperson.
Committee assignments as follow:
Human Resources-Pamela Howard-Chair, Kathleen Peyton, Rick Myer
Public Relations- Martin Bartlett-Chair, Com. David Stout, Kathleen Peyton
Finance – Com. David Stout-Chair, Jacob Cintron, Pamela Howard
Executive- Jacob Cintron-Chair, Com. David Stout, Martin Bartlett
Texas Council – Com. David Stout
Facilities Ad Hoc – Martin Bartlett
PNAC – Gilda Lopez-Chair, Kathleen Peyton, Dr. Michael Escamilla
P&D- Dr. Escamilla, Rick Myer
ACTION: There was no action taken, as committee assignments are made by Chair pursuant to EHNBOT Bylaws.

C. Discuss and take appropriate action regarding closure of EHN facilities during Papal visit.

Ms. Daugherty requested Board approval to exchange the President's Day Holiday on February 15 for February 17 for the upcoming papal visit. EHN will be working with the City to maintain Crisis Unit Response Team/Intake will be ready from 3 a.m. until the Pope leaves.

There was additional discussion on what the various school districts have opted for that day and it was noted that there is one school district that will not close and will not switch out President's Day.

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Mr. Villa noted that the agency's Holiday Schedule was approved by the Board and there is no restriction on making that exchange and if Board approves the swap there is no legal issue with doing so.

EHNBOT Action: Motion to amend the established Holiday Schedule and exchange February 15 (President's Day) for February 17 (Papal Visit) was made by Howard/Stout seconded. Motion carried (6/0).

D. Receive presentation regarding EHN Annual Report and discuss and take appropriate action regarding approval of Annual Report.

Mr. Hurtado presented the Board with the electronic rendition of the Annual Report. The report was well received by the Board.

EHNBOT Action: Motion to accept and approve the Annual Report was made by Howard/Myer seconded. Motion carried (6/0).

E. ADJOURNMENT

THE MEETING RECESSED AT 7:15 P.M. JANUARY 28, 2016 TO RECONVENE AT 3:30 P.M. ON JANUARY 29, 2016.

MEETING RECONVENED AT 3:30 P.M., JANUARY 29, 2016 TO DISCUSS AND TAKE ACTION ON ITEM 3(A) AND ADJOURNED AT 3:45 P.M.

Approval Date: 2/25/16
By: Martin W. Bartlett
Martin Bartlett, Board Secretary

