

Highland Rivers Health

Meeting Minutes

Governing Board of Directors

06/23/2021 10:30 AM

Reaching Our Community (ROC) Clubhouse

1 Goodyear Avenue

Cartersville, GA 30120

Attendees

Voting Members

Ms. Chantel Adams, Chair

Mr. Leland Johnson, Vice Chair

Mr. Chris Mosley, Treasurer

Mr. Sherman Ross, Secretary

Mr. Larry Maxey, Board Member

Ms. Karen Sparks, Board Member

Ms. Christina Howell, Board Member

Mr. Steve Grimsley, Board Member

Mr. Scotty Tillery, Board Member

Others Present:

Mr. James Catanzaro, Jr., Legal Counsel

Ms. Melanie Dallas, Chief Executive Officer

Ms. Stephanie Bishop, Chief Compliance Officer

Mr. Jerry Koester, Chief Financial Officer

Ms. Melissa Stone, Executive Secretary

I. Call to Order

Chair Chantel Adams called the meeting to order at 10:42 a.m.

II. Approval of Agenda

Chair Chantel Adams asked that the agenda be amended to move the approval of the FY22 Preliminary Budget to item #3 and the Finance Committee Report to item #4.

Action: The agenda was approved with the proposed revisions upon unanimous vote of motion by Ms. Karen Sparks and second by Mr. Larry Maxey.

III. Executive Session

Action: Upon unanimous vote of motion by Secretary Sherman Ross and second by Ms. Karen Sparks, the Governing Board moved into Executive Session to authorize negotiations to purchase, dispose of, or lease property and to consult with legal counsel regarding pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions.

IV. Reconvention of Regular Session

Action: Upon unanimous vote of motion by Ms. Karen Sparks and second by Mr. Steve Grimsley, the consolidation of Haralson Behavioral Health into Highland Rivers Community Service Board was approved subject to agreeable terms and conditions returned to the board to review for final approval. The members requested that the terms and conditions include management of potential liabilities, continued county contributions, and continued use of the current locations for provision of services.

Action: Upon unanimous vote of motion by Secretary Sherman Ross and second by Treasurer Chris Mosley, it was approved for Highland Rivers Community Service Board to work with Cobb County Community Service Board on a consolidation document that included agreeable terms and conditions. The document would be brought back before the members for final approval. The members requested that the terms and conditions include management of potential liabilities, continued county contributions, and continued use of the current locations for provision of services.

Action: The Cobb County Community Service Board Management Services Agreements for Chief Executive Officer, Chief Financial Officer, Information Technology, and Revenue Cycle Management services were extended until December 31, 2021, upon unanimous vote of motion by Ms. Karen Sparks and second by Ms. Christina Howell.

Action: Upon unanimous vote of motion by Secretary Sherman Ross and second by Ms. Christina Howell, a three-person committee was authorized to negotiate terms and conditions for the Highland Rivers Community Service Board and Cobb County Community Service Board consolidation subject to final approval from the full Board. Chair Chantel Adams, Vice Chair Leland Johnson, and Treasurer Chris Mosley volunteered to sit on the committee.

V. Appointment of FY22 Officers

Chair Chantel Adams thanked the committee for their work on the new slate of nominees. Ms. Karen Sparks stated that she, Mr. Michael McElveen, and Secretary Sherman Ross had worked on the new slate. The slate of nominees was as follows:

Chair - Mr. Leland Johnson

Vice Chair - Mr. Chris Mosley

Treasurer - Mr. Sherman Ross

Secretary - Mr. Steve Grimsley

Ms. Adams asked if there were any nominations from the floor. Hearing none, she asked for a vote on the slate.

Action: The slate of nominees was approved upon unanimous vote of motion by Mr. Larry Maxey and second by Ms. Christina Howell.

VI. Approval of FY22 Board Meeting Schedule

Chair Chantel Adams directed the members to the proposed FY22 Board Meeting Schedule in the packet. Meetings would continue to be held on the fourth Wednesday of the month. The exception was the December meeting which, as in past years, was scheduled for the second Wednesday (December 8, 2021) to give some space around the Christmas holiday. The location would remain at the Reaching Our Community (ROC) Clubhouse.

Action: The schedule was approved upon unanimous vote of motion by Vice Chair Leland Johnson and second by Ms. Karen Sparks.

VII. Consent Agenda Items

Action: The following consent agenda items were approved as presented upon unanimous vote of motion by Ms. Karen Sparks and second by Mr. Larry Maxey.

- Governing Board Meeting Minutes for April 28, 2021
- FY21 GA APEX Expansion Contract #44100-026-0000130687 - Renewal #2
- FY22 GA APEX Project 1.0 Contract #44100-026-0000166275
- FY22 Behavioral Health Initial Contract #44100-261-0262022103
- FY22 WTRS Contract #44100-261-0262022113
- Community Relations Report
- FY21 Agency Scorecard

Action: The following consent agenda item was approved with additional revision to the language in Article VII, Item #8.1, upon unanimous vote of motion by Ms. Karen Sparks and second by Mr. Larry Maxey.

- Highland Rivers Foundation Bylaw Revision

Foundation Director Kathleen Varda directed the members to the bylaws in the packet. She informed the members that the Highland Rivers Foundation bylaws required that any amendments to the bylaws be approved by the Highland Rivers Health Governing Board. The Foundation had put together a small workgroup led by Ms. Laurel Johnson. The workgroup had reviewed the bylaws and requested that page 6, Article IX, Item 9.1, be revised to include language regarding malfeasance.

She stated that she had reviewed the bylaw revisions with Chief Executive Officer Melanie Dallas. During the review, it was noted that a revision was needed to page 5, Article VIII, Item 8.1. The Foundation Board only met on a quarterly basis. There could be an instance where an expenditure over \$5,000 was needed due to specified and/or time limited distributions for grants or other funding sources. She asked for approval for the bylaws to be changed to include language that a distribution could be made with approval from the Foundation Director, Chief Executive Officer, and Foundation Board Chair. The distribution

would be presented for full ratification at the next scheduled Foundation meeting.

VIII. FY22 DBHDD Contracts - Board Resolution

Chief Executive Officer Melanie Dallas informed the members that the Department of Behavioral Health and Developmental Disabilities required a resolution that gave her the authority to sign contracts on behalf of Highland Rivers Health. It was a new process that required a new resolution each year.

Action: The resolution was approved as presented upon unanimous vote of motion by Mr. Larry Maxey and second by Ms. Karen Sparks.

IX. Approval of FY22 Preliminary Budget

Treasurer Chris Mosley informed the members that the Finance Committee had reviewed and approved the presentation of the FY22 preliminary budget to the full Board. He asked Chief Financial Officer Jerry Koester to review the budget with the members. Mr. Koester directed the members to the budget in the packet. He stated that it included a comparison of the forecast for FY21 and the projected budget for FY22. He reminded the members that the fixed payments from the Department of Behavioral Health and Developmental Disabilities (DBHDD) would end on June 30th. Highland Rivers Health would have to earn revenue in FY22. The change accounted for the projected decrease of \$871,623 in grant in aid/fee for service revenue. There would be an increase for emergency room crisis diversion that would offset some revenue loss. The increase of \$310,557 in Medicaid Waiver was driven by an expected increase in the census for the intellectual/developmental disability (IDD) day programs. Traditional Medicaid, CMOs, and commercial insurance revenue was anticipated to increase. This was attributed to an expected increase in the census in the Peer, Intensive Case Management, Substance Abuse Intensive Outpatient, and Assertive Community Treatment programs and the hiring of more billable staff. Transportation contracts were projected to increase by \$39,679 as the IDD day programs increased their census. Co-pays were expected to increase due to an increase in revenue from services provided. All other miscellaneous revenue was projected to decrease by \$1,023,250. The CARES Act funds were projected to end. Total revenue was projected to increase by \$1,025,030 over FY21.

Mr. Koester directed the members to the expense portion of the budget. The expense projections included an increase of \$2,313,611 in salaries and an increase of \$1,001,537 in benefits to account for filling vacant positions in the crisis units, outpatient services, and APEX programs. A small decrease was expected in contract and overtime expenses. Independent contract expenses were projected to decrease by \$298,533 due to a contractor moving to employee status. The losses in the IDD support services were offset by increased revenue from the waiver supplemental program. Food costs were projected to increase by \$14,478 as the Peer programs continued to increase their census. The increase in facility costs could be attributed to a new lease on a property in Gordon County and the transition from the old property. There was a projected increase in vehicle expenses to account for the move to pre-COVID-19 travel levels. There was a projected increase in supplies. There was a projected increase of \$12,012 in other operating expenses for System of Care events and activities that would be offset by increased revenue. The projected increase of \$8,338 in insurance expenses was for cybersecurity insurance. The projected increase of \$18,933 in workshop costs were

related to System of Care events and activities and would be offset by increased revenue. Write-offs were expected to increase as more services were provided. Total expenses were projected to increase by \$3,253,742.

Mr. Koester informed the members there was no projected margin. This was driven by the end of the CARES Act funds and the fee for service fixed payments. Chief Executive Officer Melanie Dallas stated that her team would be keeping a close eye on finances and the factors that influenced the bottom line.

Action: The FY22 Preliminary Budget was approved upon unanimous vote of motion by Vice Chair Leland Johnson and second by Mr. Larry Maxey.

X. Finance Report

Treasurer Chris Mosley informed the members that the committee had walked through the FY22 preliminary budget and talked about it in depth. Mr. Jerry Koester, Chief Financial Officer, had walked through the finances and Ms. Dena Payne, Chief Operating Officer, had walked through the agency scorecard with the committee members. Mr. Mosley encouraged the members to look over the information in the packets.

Mr. Mosley asked Mr. Koester to give an overview of the finance report. Mr. Koester directed the members to the balance sheet as of April 2021 in the packet. The balance sheet showed an increase of \$1,537,946 in total current assets that was driven by an increase in cash, receipt of CARES Act funds, and a profit. The total current liabilities showed an increase of \$815,986. A portion of the liabilities was CARES Act funding that was received but was sitting on the books until it was used by the agency. Days cash on hand was 16.9 and was trending up each month.

Mr. Koester directed the members to the statement of profit and loss year to date through April 2021. Total revenue was \$684,280 lower than budget. The loss was driven by lower billable revenue. The agency had not fully recovered from the effects of the public health state of emergency. The total expenses were \$1,279,943 lower than budget. This was driven by the high amount of vacant positions and lower travel costs. There was a net profit of \$826,719. The profit was \$595,663 ahead of budget. He expected a profit for the months of May and June.

XI. CEO Report

Chief Executive Officer Melanie Dallas directed the members to the CEO report in the packet. She gave the following highlights from the report.

- Governor Kemp had extended the public health state of emergency to July 1, 2021. Indications were that he did not intend to extend it beyond that period. It allowed the agency to start to ramp back up the programs.
- The Department of Behavioral Health and Developmental Disabilities (DBHDD) was looking at the substance use and mental health block grants. The increases in funding that might come from the grants was not accounted for in the preliminary budget that had been presented to the members.
- She had been elected to serve a second term as the Georgia Association of Community Service Boards (GACSB) Secretary.

- The agency had a successful Commission on Accreditation of Rehabilitation Facilities (CARF) survey. The results would be shared with the Compliance Committee upon receipt from CARF.
- The 9-8-8 coalition was still in the beginning stages. The number would be a national suicide and mental health line that each state was required to stand up. The State of Georgia was ahead on the game. The new number would be stood up in cooperation with the existing Behavioral Health Link (BHL) number.
- Her team would be looking at co-responder programs for the counties served by Highland Rivers Health. She was learning a lot about the program from the existing one at Cobb County Community Service Board. The program allowed engagement with people earlier in the process.

XII. Compliance Committee Report

Compliance Committee Chair Larry Maxey Compliance informed the members that the committee had a good meeting. The committee members had reviewed the Policy Tech report, work plans, and the seven steps of compliance plan that was in place. He asked Chief Compliance Officer Stephanie Bishop if she had any further information to report. Ms. Bishop stated that there were no major deficiencies or issues. The Commission on Accreditation of Rehabilitation Facilities (CARF) survey had gone well and plans would be put into place for any deficiencies identified by CARF in their final report. The plans would be shared with the committee.

XIII. Recognition of Visitors

There were no visitors.

XIV. Public Comment

There was no public comment.

XV. Adjournment

Action: The meeting was adjourned upon unanimous vote of motion by Secretary Sherman Ross and second by Ms. Christina Howell.

DocuSigned by:

Leland Johnson

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8/25/2021

Chairperson

Date