

Highland Rivers Health

Meeting Minutes

Governing Board of Directors

06/24/2020 10:30 AM

Reaching Our Community (ROC) Clubhouse
1 Goodyear Avenue, Cartersville, GA, 30120

Attendees

Voting Members

Ms. Chantel Adams, Chair
Mr. Bill Fann, Vice Chair
Mr. Chris Mosley, Treasurer
Mr. Sherman Ross, Secretary
Mr. Michael McElveen, Board Member
Mr. Larry Maxey, Board Member
Ms. Jean Smilie, Board Member
Mr. Leland Johnson, Board Member
Ms. Karen Sparks, Board Member
Mr. Steve Grimsley, Board Member

Others Present:

Ms. Melanie Dallas, Chief Executive Officer
Mr. James Catanzaro Jr., Legal Counsel
Mr. Jerry Koester, Chief Financial Officer
Ms. Stephanie Collum, Chief Compliance Officer
Dr. Michelle Hamm, Chief Clinical Officer
Ms. Dena Payne, Chief Operating Officer
Ms. Cheryl Lewis, Director of Outpatient Services
Mr. Mike Mullet, Community Relations Director
Ms. Melissa Stone, Executive Secretary

I. Call to Order

Action: Chair Chantel Adams called the meeting to order at 10:34 a.m.

II. Approval of Agenda

Action: The agenda was approved as presented upon unanimous vote of motion by Vice Chair Bill Fann and second by Mr. Larry Maxey.

III. Approval of April 22, 2020, Minutes

Action: The minutes were approved as presented upon unanimous vote of motion by Mr. Steve Grimsley and second by Ms. Karen Sparks.

IV. Executive Session

Action: Upon unanimous vote of motion by Vice Chair Bill Fann and second by Mr. Larry Maxey, the Governing Board went into Executive Session to consult with legal counsel regarding pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions and to discuss or deliberate on the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of an employee.

V. Reconvention of Regular Session

Action: No action required.

VI. Appointment of FY21 Officers

Chair Chantel Adams informed the members that Vice Chair Bill Fann and Ms. Jean Smilie had participated on the FY21 Officer Nominating Committee. Mr. Fann thanked Ms. Smilie for her help with the slate of nominees. He stated that the slate of nominees was as follows:

- Chair - Ms. Chantel Adams
- Vice Chair - Mr. Leland Johnson
- Treasurer - Mr. Chris Mosley
- Secretary - Mr. Sherman Ross

He asked if there were any nominations from the floor. Hearing none, he recommended that the members approve the slate of nominees. Ms. Adams called for a vote on the slate.

Action: The slate of nominees was approved upon unanimous vote of motion by Secretary Sherman Ross and second by Mr. Larry Maxey.

VII. Approval of Appointment of Ms. Laurel Johnson to the Highland Rivers Foundation Board of Directors

Chief Executive Officer Melanie Dallas directed the members to the application and resume for Ms. Laurel Johnson. Ms. Johnson was interested in serving on the Highland Rivers Foundation Board of Directors. Ms. Johnson was an attorney with a background in finances and human services. She was employed by Suntrust Bank (now Truist). She had a heart for service. The Foundation bylaws stated that the Board of Directors members had to be approved by the Highland Rivers Health Governing Board.

Action: Mr. Leland Johnson abstained from the vote on the grounds that he was the spouse of Ms. Johnson. Upon unanimous vote by the remaining members, Ms. Johnson's appointment to the Highland Rivers Foundation Board of Directors was approved.

VIII. Approval of FY21 Board Meeting Schedule

Chair Chantel Adams directed the members to the proposed FY21 Board Meeting Schedule in the packet. Meetings would 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 9, 2020) to give some space around the Christmas holiday.

The location of future meetings had been moved to the Reaching Our Community (ROC) Clubhouse to accommodate the size of the Governing Board and to allow for physical distancing needs.

Action: The schedule was approved upon unanimous vote of motion by Mr. Leland Johnson and second by Treasurer Chris Mosley.

IX. Ratification of FY20 Crisis Respite Apartments Contract #44100-026-0000127961 - Amendment #1

Action: The FY20 Crisis Respite Apartments Contract #44100-026-0000127961 Amendment #01 was approved upon unanimous vote of motion by Ms. Karen Sparks and second by Secretary Sherman Ross.

X. Ratification of FY20 Family Support Waiver Supplemental Services Contract #44100-907-0000067203 - Amendment #07

Action: The FY20 Family Support Waiver Supplemental Services Contract #44100-907-0000067203 Amendment #07 was approved upon unanimous vote of motion by Secretary Sherman Ross and second by Mr. Michael McElveen.

XI. Ratification of FY20 Housing Outreach Coordinator Contract #44100-026-0000146624

Action: The FY20 Housing Outreach Coordinator Contract #44100-026-0000146624 was approved upon unanimous vote of motion by Mr. Larry Maxey and second by Ms. Karen Sparks.

XII. Ratification of FY21 Community Support Team Contract #44100-026-0000131167 - Amendment #01

Action: The FY21 Community Support Team Contract #44100-026-0000131167 Amendment #01 was approved upon unanimous vote of motion by Vice Chair Bill Fann and second by Mr. Leland Johnson.

XIII. Ratification of FY20 Intellectual/Developmental Disabilities COVID-19 Contract Amendment

Action: The FY20 Intellectual/Developmental Disabilities COVID-19 Contract Amendment was approved upon unanimous vote of motion by Secretary Sherman Ross and second by Mr. Larry Maxey.

XIV. Ratification of FY20 COVID-19 Contract Amendment for Multiple Contracts

Action: The FY20 COVID-19 Contract Amendment for Multiple Contracts was approved upon unanimous vote of motion by Mr. Leland Johnson and second by Mr. Steve Grimsley.

XV. Ratification of Behavioral Health Regional Contract COVID-19 Amendment

Action: The FY20 Behavioral Health Regional Contract COVID-19 Amendment was approved upon unanimous vote of motion by Mr. Larry Maxey and second by Ms. Karen Sparks.

XVI. Approval of FY21 Preliminary Budget

Chief Executive Officer Melanie Dallas stated that FY21 was an odd budget year. The Department of Behavioral Health and Developmental Disabilities (DBHDD) changed the way they provided funding during COVID-19. They took the average of service delivery and gave funds as 1/12th payments. The payments were scheduled to end on June 30, 2020. However, Ms. Dallas had been told the payments might extend until December 31, 2020. FY21 would start with a great deal of unknowns. The preliminary budget was what the agency thought might happen in the future. There would be more final numbers at the August meeting.

Chief Financial Officer Jerry Koester gave the following highlights for the revenue on the preliminary budget.

- The projected increase in grant in aid and fee for service could be attributed to the new Wellspring contract and the reopening of the Peer programs.
- The projected decrease in AP and other contracts could be attributed to the end of the waiver supplemental supports contract.
- The projected increase in Medicaid waiver was based on the reopening of the intellectual/developmental disabilities day programs.
- The projected decrease in transportation contracts could be attributed to the end of the Floyd County transportation contract. It had losses that could not be sustained by the agency.
- It was projected that revenue would be at \$48,998,239 for FY21. This was a decrease of \$2,378,390 from the prior year.

Mr. Koester gave the following highlights for the expenses on the preliminary budget.

- The projected increase for salaries could be attributed to the new staff needed for the Wellspring contract, bringing furloughed employees back to work, and filling needed positions.
- The projected decrease for DD support services of \$3,134,902 could be attributed to the ending of the waiver supplemental supports contract.
- The projected increase for facilities rent was for the rent on the new Administration building.
- The projected increase for vehicle and equipment purchases was for IT equipment needs.
- The projected decrease for vehicle repairs, maintenance, and fuel could be attributed to the ending of the Floyd County transportation contract.
- Mileage had decreased in FY20 due to COVID-19. It was projected to increase in FY21.
- The agency had to pay \$45,000 for the Commission on Accreditation of Rehabilitation Facilities (CARF) FY21 survey fee. The fee had to be paid in FY20.

Mr. Koester stated that the net income for FY21 was projected at \$520,309. This was a decrease of \$738,557 from the prior year. Ms. Dallas stated that the agency was taking a conservative approach. Chair Chantel Adams thanked Mr. Koester for making the budget format so easy to understand. Ms. Dallas stated that the agency had received a \$28,000 Medicare COVID-19 payment. There had also been submissions for CARES funds. The agency had also received a GEMA grant. Chair Chantel Adams asked for a vote on the proposed budget.

Action: The FY21 Preliminary Budget was approved upon unanimous vote of motion by Vice Chair Bill Fann and second by Mr. Leland Johnson.

XVII. FY19 Financial Audit Report

Treasurer Chris Mosley informed the members that the Finance Committee had reviewed the audit presentation. The audit looked good. There were two significant deficiencies cited in the presentation from the auditor. One deficiency was for segregation of duties which included the cash flow control for smaller clinics. The committee had discussed adding some additional level of financial control to minimize fraud. The second deficiency was for findings from a State Health Benefit Plan (SHBP) audit. Healthcare Staffing employees were brought over to Highland Rivers Health in 2018. At the same time, Highland Rivers Health was moving to a new financial system. The person who was in charge of the transition to the new system decided that SHBP employer contributions were based only on salaries and did not include overtime or on call. The agency was audited and told that the contributions are actually based on salaries, overtime, and on call. This resulted in the agency owing SHBP \$500,000. The financial system had been updated and an arrangement for repayment was being discussed with SHBP. Chief Executive Officer Melanie Dallas stated that there were many things that impacted the audit. The move of the employees did increase the SHBP costs. However, the change had increased morale and created more cohesion for the Highland Rivers Health team. The process of getting an advance every year from the Department of Behavioral Health and Developmental Disabilities (DBHDD) was a vicious cycle. Highland Rivers Health had made the decision to pay off the FY18 advance and not ask for a new one in FY19. It was not sound business practice to continue the cycle of getting an advance and repaying it each year. The transfer of the properties to the Highland Rivers Foundation also effected the audit. The auditor had met with the Chair of Highland Rivers Health Governing Board and the Chair of the Highland Rivers Foundation Board of Directors to discuss the relationship between the two entities. The discussion concerned the shift on the balance sheet for the transfer of the properties. They were able to determine that the shift did not constitute a going concern. Mr. Mosley stated that the opinions were what they needed to be for the audit. The financial statements appeared to be accurate. He stated that auditors would always try to find areas for improvement. The significant deficiencies were not something that was horrible. The committee had discussed how to address the deficiencies and the need for a plan of action. A plan of action would be developed and presented to the committee in the next committee meeting.

XVIII. Finance Committee Report

Treasurer Chris Mosley stated that the Finance Committee had reviewed the FY19 audit, FY20 Agency Scorecard, and statements of revenue and expenses. The financial picture was good. COVID-19 had limited the ability to provide services. The upside was that expenses hadn't been put out without corresponding revenue. The end of the year was projected to look pretty good. There was nothing on the balance sheet that was significant year over year. The days cash on hand was at 5 days which was good. The decrease in fixed assets was due to the transfer of the properties to the Highland Rivers Foundation. The statement of revenue and expenses for the month of May 2020 showed the change to telehealth and that the agency was getting reimbursed for the service. The statement of revenue and expenses year to date projected that FY20 would end positively. Chief Executive Officer Melanie Dallas stated that the success to through the COVID-19 challenges was due to her excellent team. They were able to marry the finances with taking care of individuals and employees. The employees had really pulled together.

XIX. FY20 Agency Scorecard

Chief Operating Officer Dena Payne directed the members to the FY20 Agency Scorecard. She gave the following highlights from the report.

- Employees were not held to the productivity standards during March and April due to COVID-19. They were paid their whole pay so they could adjust to telehealth. She would be going back and filling in the numbers for March and April. She would include an asterisk with an explanation concerning the decrease in productivity for that period.
- The internal audit score for March was 88.95%. The auditors had focused on telehealth claims to ensure employees were not making errors that would cost the agency money.
- The operating margin was positive. Revenue was down a little due to COVID-19. Group services were not being provided due to COVID-19.
- There was 5 days cash on hand.
- The collections to revenue was at 106%. The team hard worked on old claims.
- Bad debt was at 1.6%.
- Host home providers were the documentation outliers. The team was working with the providers on their documentation.
- The time to fill positions had increased. Human Resources had made a lot of offers but people were not comfortable starting to work due to the pandemic.
- The turnover rate included furloughs.

Ms. Payne stated that suggestions had been made in the Finance Committee to improve the scorecard. In the future, the reasons for anomalies would be notated. She also stated that employees had overall kept operations going strong. The employees had done an exceptional job.

XX. 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.

- The Department of Behavioral Health and Developmental Disabilities (DBHDD) had received COVID-19 funding for human trafficking services. DBHDD had asked that Highland Rivers Health partner with Wellspring to provide needed services for youth that had been victims of human trafficking. The partnership had started on June 1, 2020. Highland Rivers Health provided clinical services to the youth in the Wellspring Receiving Hope Center in Paulding County. The youth came straight from the trafficking situation to the center.
- Highland Rivers Health had composed a solidarity statement. Ms. Dallas felt it was important to support employees and the community. The agency had always advocated for those who felt marginalized in our communities. The Executive Team would be developing listening sessions to hear employee concerns. However, she was not rushing the sessions. They would happen over time in order to make sure the agency values extended to everyone. It was time to take a pause and reevaluate.
- The agency would be launching a Wellness initiative. Employees had volunteered to be on a committee. Ms. Dallas had sponsored the Executive Team to be part of the Peak Challenge system. It included exercises and nutrition information. There were videos to show you the exercises and included variations to the exercises for those who couldn't physically do the original versions. It was a tool that would be presented to the committee for review and discussion.

XXI. Community Relations Report

Community Relations Director Mike Mullet directed the members to the community relations report in the packet. He stated that it was 15 pages. There were over 200 mentions of Highland Rivers Health in the media. A COVID-19 response pop up had been placed on the Highland Rivers Health website. It included information to help individuals understand what to expect when they came to a clinic for services. A refresh had been completed on the website. The community outreach videos that had previously been presented to the members were now included on the website.

XXII. Compliance Committee Report

Vice Chair Bill Fann informed the members that the policy and procedure report was up to date. The Commission on Accreditation of Rehabilitation Facilities (CARF) was originally scheduled to survey Highland Rivers Health in July or August. However, due to COVID-19, the surveys had been moved to be digitally enabled. This was not the preferred way to have a survey as it took a lot of internal resources to support that type of survey. The survey due date had been extended to January 2021. This moved the survey date out to either November or December 2020. The hope was that surveys would be back to a face to face format by that time.

XXIII. Highland Rivers Foundation Report

Chief Executive Officer Melanie Dallas directed the members to the Highland Rivers Foundation report in the packet. She stated that the goal was to receive \$174,000 in grants for FY20. The actual grants received was \$230,711. The Foundation was off to a good start. The Foundation had sponsored giving each Highland Rivers Health employee a personal thermometer. A priority for the Foundation for the coming year was to recruit five new members. Another priority was getting both Boards to 100% giving. It didn't matter how much a member gave to the Foundation. Foundations and donors often looked to see if the Board was 100% giving before approving grants or disbursements.

XXIV. Strategic Plan Update

Chief Executive Officer Melanie Dallas directed the members to the Strategic Plan Update in the packet. She informed the members that the Executive Team had met to pull together strategies for the coming year. A follow up meeting had been scheduled and then COVID-19 hit. The team had worked on a mission and vision statement. The goal was to simplify them and make them more focused on the core beliefs of the agency. The agreed upon goal areas for the team were as follows:

- Promote Highland Rivers' Mission
- Access to Care
- Clinical Outcomes
- Stakeholder Satisfaction
- Employee Culture and Engagement
- Efficiency and Fiscal Sustainability
- Innovation and Expansion

The next strategic meeting would include work to establish more directed tasks around the goals. The team was working to schedule a time to work on establishing the tasks and finalizing the plan. It would be presented to the Board upon completion.

XXV. Recognition of Visitors

There were no visitors present.

XXVI. Public Comment

There was no public comment.

XXVII. Retirement Celebration

Chair Chantel Adams thanked Vice Chair Bill Fann and Ms. Jean Smilie for bringing their passion to the Governing Board. She stated that the Governing Board knew that these two members always had their communities and the individuals served in mind when they sat at the table. She presented a plaque to Ms. Jean Smilie in gratitude for all her work for her community and Highland Rivers Health. Chief Executive Officer Melanie Dallas stated that Ms. Smilie was the chief reason why there was a clinic in Gilmer County. It was due to her

advocacy and passion for the individuals served. Ms. Smilie stated that she had been honored to serve on the Governing Board. She had seen so many wonderful things. She would continue to be an advocate for the agency and the individuals. She extended an offer to help if it was ever needed in the future.

Ms. Dallas presented a retirement plaque to Vice Chair Bill Fann. She thanked Mr. Fann for always being supportive in a very calm way. She considered him a mentor and a friend. She informed the members that Highland Rivers Health would not be a part of One Door Polk without Mr. Fann's help. Mr. Fann stated that Cedartown had to have a reuse plan for the old hospital. Highland Rivers Health had helped to put a plan together. He was very proud of the facility. He felt proud, privileged, and honored to have been a part of the Governing Board. He had seen amazing changes in the organization. The level of respect in the community had changed dramatically due to community relations. The team members and employees on a day to day basis did an absolutely great job.

XXVIII. Adjournment

Action: The meeting was adjourned upon unanimous vote of motion by Secretary Sherman Ross and second by Mr. Larry Maxey.



Chairperson

August 28, 2020

Date