**NORTHEAST DELTA HUMAN SERVICES AUTHORITY (NEDHSA)**

**Minutes September 8, 2015**

**Ouachita Parish Health Unit – Community Room**

**Desiard Street, Monroe, LA 71202**

**5:50PM –** *Meeting delayed and relocated upstairs in Health Unit to accommodate schedule conflicts.*

**Call to Order**Meeting was called to order and a quorum was met. Prayer was led by Joyce Brazzel.

**Adopt Agenda***:* AMotion was made by Kathy Waxman and seconded by Terri Spence to approve /accept the Agenda. Motion was passed unanimously.

**Adopt Minutes of August 11, 2015 as amended:**AMotion was made by Michael Shipp and seconded by Joyce Brazzel to adopt August Minutes as amended. Motion was passed unanimously.

**Board Members present:**

Dr. E. H. Baker, Lenard Chuck Haley, Mike Shipp, Lekeisha Powell, Melba Sandifer,  Terri Spence, Alisa Lear, Joyce Brazzel and Kathy Waxman.

**Absent Board Members:** Thelma Merrells and Lorraine Reed.

**Resigned as a board member:** James Mobley

**Ownership Linkage-Recognition of Guests**: Laura Nettles from Families Helping Families and Rebecca Walker from Early Steps Easter Seals.

**Northeast Delta HSA staff members**: Dr. Monteic Sizer, Delores Harris, Carlton Holmes, Jennifer Purvis, Martha Phillips and Avius Zimmerman.

**BOARD EDUCATION/ ENDS Items for DISCUSSION-**

**Upcoming Events/Community Action:** Rebecca Walker reported that Easter Seals (Youth Division) was growing and receiving a lot of referrals coming into their facility. ***Note:*** *This is not and has never been a funded NEDHSA program.*

***Changes in Programming/ Resources due to Consumer Need/ Financial Restrictions:***

See proposed changes in ED section. These are required to meet 2015-2016 allocated Budget.

**GOVERNANCE PROCESS/EXECUTIVE LIMITATIONS for DECISIONS –**

**ED – ED Report -** Submitted 09/01/15 - A Motion was made by E H Baker and seconded by Kathy Waxman to accept the ED report as submitted by Dr. Sizer

The board has requested Dr. Sizer to reduce the repetitiveness of the monthly ED report during its August meeting. The board also requested that Dr. Sizer start providing his original and more detailed board income expenditures report monthly. Dr. Sizer indicated he would and would also have the CFO present at all future board meetings for additional questions and answers.

NEDHSA’s FY 15 and FY16 financial activities and conditions were discussed in depth prior to tonight’s meeting. DHH Secretary Kliebert and Monique Cross were in Monroe and expressed concerns to Board Members about the 2016 Budget changes required to remain within the budget allocated.

NEDHSA’s $13.5 million budget does not include the possibility of self-generating the full $2,664,300 as determined by DHH. No LGE self-generated its total. DHH did not like several presented plans even though they would allow us to function under the $13.5 million figure they provided. Impact statements were provided on LCS and legacy social services contracts. The prevention and professional services contracts were reduced and contracts signed in July 2015. In order to meet the $13.5 million dollar expenditure cap, the LCS contracts needed to be reduced, moved to another funding source, and/or eliminated. Dr. Sizer also stated that he and his team would continue to respond to any questions DHH had about the region’s reductions plan. It was also mentioned that NEDHSA has proposed eliminating or not funding a couple of staff positions and closing two part-time clinics to help with meeting the 13.5 million dollar budget reduction plan. The clinics are in Jonesboro and Winnsboro. Jonesboro clients could be seen at our Ruston Clinic and our Winnsboro clients could be seen at our Columbia Clinic.

Dr. Sizer stated that there was a FY15 cash flow challenge due to high historical legacy contract dollar amounts established by DHH-OBH and problems associated with not getting reimbursed timely or at all from Magellan. An unbudgeted FY15 mid-year budget cut of nearly $1million dollars also negatively impacted NEDHSA’s FY15 budget. The millions associated with legacy contracts plus the hundreds of thousands that were not collected from Magellan contributed to the cash flow issues. Dr. Sizer verbally and in writing expressed his concerns to DHH officials about Magellan’s software problems. He also met with DHH’s leadership about the situation and help was provided. Additionally, NEDHSA staff worked tirelessly to get Magellan and DHH to help fix the challenges and barriers relative to our collections limitations to little or no avail. For FY 16, Dr. Sizer stated the importance again of being allowed to eliminate or move several of the DHH legacy LCS contracts in order to stay within the $13.5 million dollar budget expenditure cap requested by DHH. And even though we project our FY16 self-generated funds number around the same as FY15, we believe we will self-generate significantly more than that. NEDHSA is reorganizing and seeking other cost savings and efficiency measures.

Carlton Holmes provided and presented the monthly Revenues and Expenditures Report to the board for August 2015. He also provided the board a monthly fiscal report that included three budget attachments. Additionally, Carlton discussed the proposed reductions plan sent to DHH. He reiterated NEDHSA’s desire to move several contracts out of LCS so that both the B and B of Marion contracts could be moved into it due to it being our within our core business and regional inpatient addiction needs. Other current LCS contracts were moved to other funding streams and three LCS contracts are being proposed to be eliminated due to mandated FY16 budget reductions. The proposed reductions plan allows NEDHSA to meet the board’s stated ENDS established for the region while at the same time reducing NEDHSA’s expenditure budget down to $13.5 million dollars. It also allows NEDHSA to afford the required LCS match payments of $703,000.00 for developmental disability services. To keep the current LCS behavioral health contracts and add only one B and B of Marion contracts would have cost NEDHSA another $555,000 that it did not have. Those former DHH-OBH behavioral health funded LCS programs were and are still fully funded using Medicaid dollars that’s controlled by DHH. For NEDHSA to have to pay $555,000 to add another behavioral health program at the same time it was required to reduce its budget by 2 million dollars was not reasonable. That would put the total match NEDHSA would have to pay towards its LCS match around $1.2 million dollars. NEDHSA would still need to find more than $800,000 for the remaining B and B of Marion contract. This proposed approach would be cost prohibitive and not in keeping with our ENDS or doing what is in the best interest of our staff and clients. NEDHSA did not know it had to pay more than $700,000 plus thousand for LCS match money until May 2015. Thus, no revenue was budgeted because no LGE knew it had that payment, including NEDHSA. NEDHSA’s FY 16 proposed budget reductions plan does account for its share of the match payments. Dr. Sizer mentioned it was important for NEDHSA to be allowed to move its priority contracts into LCS and remove historical others from LCS quickly in order to stay with the requested 13.5 million dollar budget number. Our reductions plan stays at the same level of maintenance of effort required by DHH. The only difference being proposed would be that new contracts would be valued/added and the old ones would be moved out, slightly reduced or eliminated.

**Financial Condition and Activities** – NEDHSA submitted several iterations of its reduction plans to DHH that included the reduction and elimination of DHH regional legacy contracts and some possible staff positions. NEDHSA has not filled 16 vacant positions to date to help offset budget cuts. Dr. Sizer mentioned it was critically important to have sufficient NEDHSA staff to help meet regional client needs. The majority of our regional clients are served in one of our eight clinics. NEDHSA’s contracted services act as a supplement to our regional staff, clinics, and board’s ENDS.

DHH’s budget team was consulted several times prior to each plans submission. DHH proposed scenarios would force NEDHSA to further and drastically reduce staff rather than reducing or eliminating regional legacy contracts, including several LCS ones.

Board members were given copies of Monthly Fiscal Reports ending August 2015 showing actual Revenues/Expenditures year to date. The board asked Dr. Sizer to inform them if or when a contract was eliminated in their respective areas. Dr. Sizer indicated he would. The board further wanted to be made aware of what was happening in their areas so they would not be caught off guard during tight budget times.

A Motion was made by Kathy Waxman and seconded by Mike Shipp to accept the ED report as submitted w*ith respect to actual, ongoing financial condition and activities, the ED has not caused or allowed the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in ENDS policies.*  Motion passed unanimously.

**External Agency – Current review by DHH meets external review needs at this time.**

**Treatment of Consumers –** Dates for Governance manual were requested and received. Governance manual will be updated to reflect dates of review with dates data is available from consumer feedback.

**BOARD**

**Global Governance Commitment -** will discuss at a later meeting

**Global Style Inspection (DVD) -** Alisa reminded Board members of the available DVD provided by Dr. Sizer.

**Board Job Description -**

*Handout-Board of Directors Position Description & Responsibilities for Recruitment*

**BOARD MANAGEMENT**

**Board Members Terms/Renewal of Appointments –** Alisa Lear will be mailing out requests for renewals and reappointments. Due to Joyce Brazzel’s retirement, we will require a quorum of six, beginning October 2015. This will remain until new members are appointed by the parish governing bodies. Lorraine Reed stated that Morehouse Parish Police Jury has updated her appointment letter and it has been mailed to Alisa Lear.

**Performance** **evaluation format – ED & Board** – updates ongoing

**Board Development**– *thoughts/suggestions for 2015-20116 fiscal years*

**Parish Outreach**

***MONITORING –***

*Travel forms for 2015-2016 due MONTHLY*

*Changes in format for ED monthly report.*

***Information Requested by Board***

*Letters to appointing bodies re Board Members*

***Adjourn –*** A motion was made by Lekeisha Powell, and seconded by Kathy Waxman to adjourn. Motion passed unanimously.

*Next Meeting – October 20, 2015 - Ouachita Parish Health Unit – Community Room*

***ATTACHMENT***

**Executive Director’s Report**

**Submitted 9/1/2015**

**Financial Conditions & Activities:**

Accordingly, the ED shall not:

1. Use any Non-Appropriated Funds in a manner that does not comply with Non-Appropriate Funds Policy.

a. Funds are handled according to policy. See last month’s report for additional details.

2. Fail to maintain integrity in expenditures of categorical funding services.

a. The Executive Directors maintains integrity in categorical funding services. See previous reports for detail.

3. Acquire, encumber, or dispose of real property in violation of state and federal law.

a. All property is handled according to state, federal law, and agency policy.

4. Fail to aggressively pursue receivables after a reasonable grace period.

a. All receivables are actively pursued within allowable time periods.

b. We submitted a RFP to DOA for approval to secure a new electronic health records system. The DOA RFP committee will be meeting this week and will make its announcement relative to our request to procure an electronic health record system. This new systems will replace Magellan’s Clinical Advisor and will allow for better accounts receivables processes.

**Executive Limits: Financial Planning and Budgeting:**

Accordingly, the ED shall not allow budgeting which:

1. Contains too little information to enable credible projection or revenues, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

a. The state has recently gone to a new procurement system and expenditures are still being added. Additionally, monthly expenditures are not available via business objects till after the fifth of each month. Once the report has been made available, income vs. expenditures will be made available to the Board. As a reminder, our current Means of Financing (MOF) as appropriated for FY 16 is $15,557,202. Of that, $3,285,507 is IAT from state/federal sources. Also, approximately $48,289 is federal and the remaining $2,664,300 is to be self-generated.

2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

a. All budget expenditures are projected based on revenue projections. At no time are expenditures projected to exceed expected funding.

b. We have been in discussion with DHH leadership about the potentially negative impacts of reduced funding and budget cuts. Additionally, several scenarios have been provided that shows which cuts would be implemented to stay within our MOF should DHH not restore money to our budget or should they impose additional budget cuts. Current LCS contracts, two part-time clinics, and two-three staff positions could be lost in order to stay within our MOF. As of this writing, it is highly likely that there will be mid-year budget cuts imposed on all state agencies due to the declining oil prices and due to the fact DHH could be running a $300 million Medicaid shortfall. As before, every state agency will be forced to cut and reduce programs and services.

3. Provides less for board development, training and monitoring during the year than is annually set forth by the Board and is in compliance with the Cost of Governance policy and the operational plan.

a. All applicable governance policies/plans are followed to ensure compliance. $2000 has been budgeted for Board professional development.

**Legislative Audit:** The Legislative Auditor’s Office has completed its review. The review dates back to July 1, 2013 to current. The exit interview is scheduled for September 10, 2015. Afterwards, the formal report will be issued to the Board and general public alike. I am happy to report that there were no material accounting issues observed.

**Escrow Report by Disability Correlated to Strategic Plan:** NE Delta HSA does not have escrow accounts.

**Other Relevant Information:** We successfully completed both our state DD and OBH AIP (state/NE Delta HSA contract deliverables agreement) reviews this past August. Teams of subject matter experts from Baton Rouge conducted the assessments. Formal reports will be issued later this month. Reports will be made available to the Board upon receipt of them.