



BOARD MINUTES

December 5, 2019

METROCARE SERVICES

Board Meeting Minutes for December 5, 2019

A Regular Meeting of the Board of Trustees of Metrocare Services convened on Thursday, December 5, 2019 at 1345 River Bend Drive/Dallas, TX 75247.

CALL TO ORDER:

Mr. James called the meeting to order at 1:37 pm. A quorum of board members was present.

Board of Trustees present:

Terry A. James, Chairman	Jill L. Martinez	David S. Hogan
Leslie H. Secrest, M.D.; Vice Chair	Kenneth R. Bernstein	Noel O. Santini, M.D.
Dee Salinas Gutierrez, Secretary	Peter A. Schulte	Anthony M. Farmer

Staff present

John Burruss, M.D., Linda Thompson, Judith Hunter, M.D., Kelli Laos, Tate Ringer, Ratana K. DeLuca and other staff.

Others present:

Joel Geary, Elizabeth Goodwin, Jessica Martinez, Brooks Love, Shay Cathey, Aaron, Ceder, Tzegabrhan Kidane.

CITIZEN COMMENTS: No public comment was received.

Mr. James said he would be going out of order during the course of the meeting and would skip the Chairman Updates for the time being.

Mr. James called on Ms. Laos to present the Mental Health Advisory committee report.

Board Liaison Reports:

- ❖ **MH Advisory Committee:** Ms. Laos said the committee convened on Monday, November 4th at 6 pm and there was a quorum present. Ms. Laos provided a brief report on the MH meeting. The committee recommended Mr. John W. Gerwig, Jr., for board appointment. Ms. Laos quoted something that Mr. Gerwig said, "It has become my opinion that Metrocare's housing program and behavioral mental health services are the best run and most effective programs in their category in this area. I would love to give my time and effort to make them even better." For the Board Training Recommendation Mr. Hogan recommended training on the Homeless PATH grant.

In reply to Ms. Martinez questions, Ms. Laos said this will be member number six and they need nine in total. She said she is actively looking at Child and Adolescent services to add some members from this division. There were no other questions posed for this item.

CONSENT AGENDA ITEMS:

Mr. James said that all consent agenda items are considered to be routine by the Board and will be enacted with one motion. There will be no separate discussion of items unless a Board Member so requests, in which event, the item will be removed from consideration as an item of consent business and considered in its normal sequence with the other action items listed below in which case full discussion of the item may occur as necessary.

Mr. James removed items 10, 11 and 12 from the Action Agenda to be added the Consent Agenda. He asked if any of the board members had any other changes?

- ❖ Consideration of Acceptance of Resolution Ratifying the October 2019 Loan Advancement from UMB Bank, N.A.
- ❖ Consideration of Acceptance of Resolution Ratifying the November 2019 Loan Advancement from UMB Bank, N.A.
- ❖ Consideration of Acceptance of Engagement Letter with the External Firm of BKD, LLP for FY2019.
- ❖ Acceptance of the October 24, 2019 regular board meeting minutes.
- ❖ Acceptance of the Human Resources Report for October 2019.
- ❖ Acceptance of Revision to Board Policies:
 - 4.03 Policy on Unreserved Net Assets
 - 4.04 Policy on Travel Expense
 - 4.05 Policy on write-offs
 - 4.06 Policy on Service contracts
 - 4.07 Policy on Property Facility Acquisition & Disposition
 - 4.08 Policy on Lease Property
- ❖ Acceptance of Appointment to the MH Advisory Committee
 - Mr. John W. Gerwig, Jr.
- ❖ Acceptance of the Quality and Authority Report for October 2019
- ❖ Acceptance of the Strategic Initiatives Report for October 2019.

Motion: Mr. James moved acceptance of the Consent Agenda Items as a whole. Hearing no objections, the motion carried by unanimous consent.

CHIEF EXECUTIVE OFFICER REPORT:

Service Presentation: Dr. Burruss referred to Dr. Hunter for the introductions. Dr. Hunter welcomed Ms. Karla Williams, Speech Language Pathologist from our Early Childhood Intervention Program (ECI). Dr. Hunter said she is one of our rare and sometimes difficult to find Speech Language Pathologist.

Ms. Williams said that many people know that Speech Pathologists work with children and adults to help them communicate and talk, but one of the unknown aspects of their jobs is also to find ways to help families find feeding strategies for their children. This is the focus of today's story.

Ms. Williams presented the success story of Johnny, a 13-month old child from the ECI program.

Dr. Burruss said that ECI is a program for children ages 0 – 36 months and we presently have just under 500 kids/babies per month that we have some intervention with each month. Some are more intensive, and some are less so. This is a very extraordinary service that we do.

Mr. James asked if Johnny was trending towards the appropriate weight for his age or how he stands as it relates to this.

Ms. Williams said that the dietician was kept in his plan and she continues to meet with the family month to month. She makes sure that he continues this trend and he is weight appropriate for his age.

Ms. Salinas Gutierrez asked if he was receiving any other services from public schooling.

Dr. Burruss said that the school district takes on that responsibility after the first month of their third year.

The Board and Dr. Burruss thanked Ms. Williams for sharing this story.

Chief Executive Officer Report/Continuation:

Dr. Burruss introduced Ms. Karen Waller and said she is helping us to formulate a plan around the potential Capital Campaign to address the Hillside Campus project. He reminded the board that this was presented to them approximately a year ago at the Hillside Campus.

Ms. Waller said she's been working with non-profit institutions here in Dallas County for most of her adult life helping non-profits achieve their aspirations.

Ms. Waller provided information on the different foundations that she and Dr. Burruss have visited within the Dallas Philanthropic mainstream. She said most of them did not know much about Metrocare and this was an opportunity to reinforce the aspects of our Mission. Dr. Burruss provided presentations and they were interested to find out more about public health and mental health services. Ms. Waller referred to the different phases of a campaign and what to expect on each of these phases in order to have a successful campaign. She said that the single most important issue that was repeated is that they are mystified that we don't receive any financial support from the county.

Mr. James asked what specifically is the issue as it relates to county support? What specifically are the philanthropic community talking about? What is their concern?

Ms. Waller said she does not understand why a county organization does not receive financial support and that there are other non-profits that receive the support from the county. This is her understanding and she was confused by this. They had no idea and considered that of significance.

In reply to Mr. Bernstein's question Ms. Waller said this was the County of Dallas and not the City of Dallas.

There were no other questions posed for Ms. Waller.

Dr. Burruss thanked Ms. Waller for her presentation and said they will keep the board apprised of their work in progress as they move forward-full speed ahead.

Introduction of new staff member: Dr. Burruss introduced our new Chief Strategy Officer, Ms. Tate Ringer.

Ms. Ringer provided a background information about herself and said she feels like she's done a lot of things, but she feels like she's come full circle here. She has a daughter with disabilities and she's 25-year-old. Both of her parents were Psychologists and the dinner table conversations were a lot about the challenges that they face. She said she feels like she's found a home and she's been able to integrate a lot of her crazy winding career in the right place.

The board welcomed Ms. Ringer to Metrocare.

ACTION ITEMS:

CHIEF EXECUTIVE OFFICER REPORT:

Consideration of Acceptance the Chief Executive Officer Report through October 2019

Dr. Burruss said the remainder of his report includes the KPIs and he asked if anyone had any questions. There were no questions posed for this item.

Motion: Made by Dr. Secrest and seconded by Ms. Martinez for Acceptance of the Chief Executive Officer Report for October 2019. The motion carried by unanimous consent.

FINANCE AND ADMINISTRATION REPORT:

Mr. James referred to Dr. Burruss for this report.

Consideration of Acceptance of the Financial Reports for October 2019 (unaudited):

Dr. Burruss said that revenue is down compare to budget, but expenses are also down for the primary reason that we have purchased fewer long-acting, injectable, antipsychotic-medications. This is most relevant in the San Antonio/Bexar pharmacy. The clients at Bexar are continuing to get their medications, but we are working with associate pharmacies to deliver the medicine. The margin on these medicines is relatively small compared to their overall cost. In managing our cashflow, we have been slower to rebuild this book of business. To date, we are ahead of budget and we anticipate that this will continue for the remainder of the fiscal year.

Motion: Made by Dr. Secrest and seconded by Mr. Schulte for Acceptance of the Financial Report for October 2019. The motion carried by unanimous consent.

Consideration to Accept the Clinical Services Report for October 2019:

Dr. Hunter said the report stands for itself, but she wanted to bring attention to the CCBHC section. At the last board meeting it was asked if this was a good time to have the task force and work groups take a part at looking at our Mission Statement. The task force is agreeable to

doing this, but they have requested written input to start them in a direction. They would like to find out what the board's vision is and what it is that the board is looking for in a Mission statement.

Dr. Burruss added that there have been many discussions at the Board level about "maybe it is time to rethink the Mission," but we don't know what it is specifically that this means. He said more specific information would help us.

Discussion ensued:

Mr. James said he would contemplate the idea of a sub-committee of the board to be able to serve this function, or maybe just have a board representative who could spear head this for the board. He said the board would work on the written guidance to the task force.

Dr. Hunter added that the CCBHC application became available on November 22nd. We have completed and submitted the application and should be receiving a reply from HHSC within the next couple of weeks.

In reply to Mr. Hogan's question she said that the application itself was very general. The next 3-4 months will be very active.

Motion: Made by Dr. Secrest and second by Ms. Martinez for Acceptance of the Clinical Services Report for October 2019. The motion carried by unanimous consent.

INFORMATION ONLY:

Ms. DeLuca provided information on the Estate of Clara J. Miller, decedent, designating Metrocare as one of the beneficiaries of her personal and real property interests as bequeath in her Will.

Mr. Schulte asked if we could recognize this gift and designate a Conference Room in her memory. Discussion ensued.

Mr. Joel Geary, Counsel for Metrocare, said Ms. Miller thought very highly of Metrocare and particularly staff member Jonathan McNorton that she named him Executive of her Will, and not a family member. We relinquish the right for being the Executor to avoid any conflict with the rest of the beneficiaries.

Mr. James said he agrees with Mr. Schulte and we will look at how we can recognize and remember those people that have been so generous to us.

Consideration to Accept the Mental Health Services Report for October 2019:

Ms. Laos said her report stands as presented and asked if anyone had any questions. There were no questions posed for this item.

Motion: Made by Mr. Schulte and second by Dr. Secrest for Acceptance of the Mental Health Services Report for October 2019. The motion carried by unanimous consent.

Consideration of the Board's support for Metrocare's range of possible actions regarding the proposed NTBHA FY20-21 contract:

Mr. James said Ms. Laos had previously presented the circumstances of the contract to the board and asked Ms. Laos to present an update since our last board meeting. Ms. Laos said we have attempted to clarify the reporting to make sure we understand our data correctly.

We asked questions that our Board members had posed on how they determine the case mix, how did they decided the Level of Care (LOC), and how was the flat rate taken into consideration if we serve higher levels of care. Ms. Laos said that the answers received did not satisfy her. She said that the hope is that they are going to sit down with NTBHA and be able to have a conversation to further understand how this contract was created and what we can do about it.

Some providers see a lot of LOC 1, and one of the things that NTBHA confirmed for us is that Metrocare sees the highest number of LOC 3s. Given this, how is that taken into account when they determine the flat rate? When we posed the question in writing, the answer received was "because NTBHA is paying for open authorizations versus direct services. This is considered into the differences in levels of care.

Mr. Bernstein said his belief is that they are indifferent to this in their response and we are going to get whatever we get. Ms. Laos confirmed that this seemed so.

Mr. Schulte said that what he is feeling is that they are saying "Here it is, you guys figure it out."

Ms. Laos said that they were very clear that the rate is not negotiable. Perhaps there are other things that they could talk about, but the rate is what it is. One of the reasons why the strongest reactions come from Lakes Regional and Metrocare is because we are serving the largest number. Again, their total Open Auth's numbers are around 29K and ours are around 22K.

Mr. Schulte asked if NTBHA was getting any additional money from the State for last year and again for fiscal year 2020.

Ms. Laos confirmed this and said she asked about the additional \$2MM and the original answer she was given was that the \$2MM wasn't accounted for in the original contract and that the State had made it very clear that this was based on new people and that we would see the impact of this dollars later.

Mr. Schulte said, just for arguments sake, we tell them to "take a hike." Where do they go? Is there going to be another organization out there that's going to accept to be less than what it cost to provide the service?

Ms. Laos said that her assumption is that it would be very difficult for the existing Network to be able to absorb the people that we see, just because we see such a large percentage of them. Her concern would be that we would see a flood into the emergency rooms and into the hospital systems.

Mr. Schulte said we don't want to do this, but this is a business decision. We still have staff and expenses. He is very frustrated and wants to know our options. This Board is not happy.

Mr. Bernstein - The Commissioners are telling us to get our financial house in order. NTBHA - who has the Authority status - is telling us to take a haircut and expressing great concerns about our financials at the same time. They are giving out a lot of inconsistent, conflicting messages. Mr. Bernstein referred to page 145838 and NTBHA's request to come and do a review. He said there are a lot of concerns out there. From his perspective, it tells him that NTBHA is not acting in our interest. It's not really a trusted business partner at the moment. He said he is quite perturbed, as well.

Mr. Schulte asked if the contract had been extended through the end of January. Dr. Burruss confirmed this. Mr. Schulte said that now NTBHA has come to us with a request to review our receivables and our billing practices?

Ms. Laos asked, "to what end?" and Mr. Bernstein agreed with Ms. Laos and asked, "what is the purpose of this?" If there is anything out there that is of benefit to us, bring it to us, but today is not the day to do it. We have a Financial Audit going on, we have the CFO/Chief Administrative Officer out on medical leave. HHSC has just come in. They are taking up resources and time and now NTBHA wants this internal review to happen as well? To be realistic about it, this is probably not feasible to do it before the contract lapses at the end of January.

His thought is that we have to do something to even the playing field. They are the Mental Health Authority and they control those funds and the Board needs to do something and send out a message - today - about how we feel about this. He does not know if its going to do anything or accomplish anything, but at least its going to put the line in the sand. This is where we are and if you don't want to play ball we are going to have to make some tough decisions come next meeting.

Mr. James referred to Ms. Laos and referred to her earlier statement where she said that she was looking for the opportunity to sit down and talk with NTBHA about this. He asked if there was a meeting set up at this particular point and time.

Ms. Laos replied that there was not. She said she was under the impression that NTBHA would be reaching out to us after the extension was signed. Mr. James said he wanted to be clear on this, that we have not heard from NTBHA since October 31st. Dr. Burruss said we have heard from NTBHA with regard to item 17, but we have not heard from NTBHA with regard to item 16. Mr. James said he even received a call from Commissioner Garcia the Saturday after Thanksgiving to talk about item 17. But as far as their business-people to talk contract, we have not heard from NTBHA?

Mr. Schulte said he believes that NTBHA thinks that this is a done deal. They are telling us that this is it, that this is the number. Metrocare and Lakes Regional may not be happy, but here it is, and that is not acceptable.

Mr. James asked members of the Board who have been with the Commissioners, to correct him if he is wrong, but it seems to him that NTBHA Leadership have been talking with the Commissioners Court. Mr. Bernstein confirmed this, as did Mr. Schulte.

Mr. James said that their business-people are not talking to us, but their Leadership is talking with the County Commissioners. He asked if this was an accurate summarization. Mr. Bernstein confirmed that this has come out at three of the meetings that he has attended. Mr. Schulte said he spoke with Commissioner Koch the previous day and this is a big issue that we are talking about. Ms. Martinez said she had a conversation with Dr. Garcia and one of the things she said is essentially to show them what it actually cost.

Dr. Burruss said that as part of the process, Ms. Laos and her team put together a fairly exhaustive response to NTBHA's initial Request for Proposal (RFP) that included that exact data.

Mr. Bernstein said he has a couple of thoughts. He has seen Dr. Garcia's request, and part of it, it's unclear to him, they talk about coding. The concern expressed by Dr. Garcia deals with financial and billing management that's a whole lot broader than NTBHA. The concerns have been around liquidity and the like. We are talking about all payors and coding for all billings potentially. His thoughts are two or three-fold.

1. We have a contract that's going to expire on January 31st. This could expire earlier than that because it includes a thirty day out and he thinks we ought to do something about this. Not to exercise the out, but to have a process which we can exercise the out.
2. Consider how we can work with NTBHA for them to do this review that Commissioner Garcia and some of the other Commissioners would like to see happen. How we facilitate this, especially given the lack of communication with NTBHA. Mr. Bernstein offered to volunteer his time to help interact with NTBHA to try to figure out what this is, but he thinks that it has to be real well define.
 - a. What is their objective?
 - b. How do we benefit?

In theory, if they found things, we would like to know what they are. Manage the timing so that we can continue to focus on the financial audit and get this done.

3. That there is no "scope creep." As an example, they asked for salary data. He said he does not know what the coding issue is on this.
4. If we need to spend money to help respond to them, it is on their nickel.
5. He thinks it would require another extension of our contract.

Dr. Santini asked of those who have met with the Commissioners, if they were clear with their expectations? What do they expect from us? Are they expecting that we are approving this

contract, and just figure out how to balance the budget later? Was there any conclusion with our conversations with them?

Mr. Schulte said that as a Board they need to send a direction to NTBHA of what we expect. Whether that is through a resolution or whatever it is. He agrees with Mr. Bernstein, and that we are going to have to do another extension to the contract that there's nothing that is going to get done by the time we meet again. At the bottom line, we don't want to do this, but we have to tell them that we will walk away. We as a Board need to talk about this and at some point we cannot accept these terms that they are giving us. If we don't tell them that today, he thinks that they are just going to stringing us along with these extensions.

Dr. Santini said that we are talking about 22K indigent patients. We have to make sure not to lose focus on this.

Mr. Hogan said that Commissioner Daniel is very concerned about this and she seemed to have a very good understanding of the problem. She was looking for some type of mediation.

Mr. James referred to Ms. Salinas Gutierrez to find out what her expression was of the meeting with Commissioner Garcia. Ms. Salinas Gutierrez said that it was very black and white. You have to agree and allow the review. What are you hiding, there is nothing to hide. If we don't do this, she cannot support us. She cannot go backwards because the Commissioners Court and NTBHA are not going to support us. They are not going to support her.

Mr. James said he agrees with the sentiments of the Board members. We won't meet again until the end of January and we do need to send some very clear messages about what our stances are.

- 1) The first thing he would like to do is make a motion that the contract terms that have been proposed to us, thus far for the NTBHA 20-21, we reject. We cannot deliver those services on the terms in which they have proposed to us.

Mr. Schulte referred to Mr. James and said that we need to send out a message today saying that the current terms of the contract are not acceptable to the Board, but we are not giving up. We don't want to give up on the 22K people yet, but he wants to send out a message.

Mr. Bernstein said he does not want to pull the plug either, that this is the worst of the worst options. These people are indigent people, and if they come to our Metocare locations and there is a sign on the door that we are not serving NTBHA patients anymore, what do they do? This is a group of people that is very hard for them to take care of themselves and it is clearly our Mission to do this.

Our mission is also to stay viable to serve the other 38K or so people that are out there and taking a \$1.6MM haircut over two years to do this seems inconsistent. If we can do this a little while and then it is game over. Everybody has to figure out a new place to go. Mr. Bernstein said he is probably a little further along than Peter is, in terms of trying to wield the hammer. He would like to authorize Mr. James, as Chairman of the Board, to authorize management to be able to exercise the 30 day out if things really fall apart in the discussions with NTBHA. But before this commences, spend time with them to try to figure out what it is they want, what is viable, what is

there objective, what are the ground rules and get this done and then let them do their work and then the results of the work. And not have NTBHA go behind our back and go to the Commissioners directly but let us hear those results first.

Ms. Martinez – First of all, there are certainly egos on both sides and many of the Board have not been on the Board before NorthSTAR went away. Our history with NTBHA has never been warm. Dr. Garcia has been in the NTBHA Board for a long time. She sits in the middle of the Commissioners and Metrocare and the NTBHA board. This has to be a part of that. Ms. Martinez said she believes that we all have the same goal. We don't want 22K people to go without services. She likes the idea of an intermediary and she does not know how that would happen, but it does not seem to her that NTBHA is accountable for anything. They don't feel responsible to get back to Ms. Laos. It's almost as if they are calling all the shots and perhaps an intermediary that is not with Metrocare nor NTBHA could help with some conversations?

Ms. Martinez asked how many clients NTBHA sends to us? Dr. Burruss said that NTBHA does not send us patients. Patients come to us voluntarily. They have choice and they choose to come to us.

Mr. Schulte said that it is clear to him. "Let's call their bluff. If they didn't have the money, they wouldn't be extending the previous contract." Mr. Schulte asked Ms. Laos if any of the other providers has said "No" to this contract or is there someone that's signed this contract.

Dr. Burruss said that some providers have agreed and moved forward on this same rate, and there are some who have not.

Dr. Santini said he would like to hear from Dr. Hunter what will the negative impact be for us if we don't have this contract.

Dr. Hunter said that there is a reason why they work in this arena. We now have a very stable medical work force, including our psychiatrists. If you want to see one today, we will make that happen. She knows of no other place in this provider network with a multi-county area where that is possible. Nowhere. It could be as much as six weeks before you can see a prescriber at another NTBHA/network provider? That is not ok.

Mr. James addressed Dr. Santini and said that all of the trustees share his concerns about serving these people. Whenever he meets with the County Commissioners, he talks about ways that they can support his center. The prevailing response I get from them is that there is not an appetite to support us at this point and time. Mr. Bernstein said that they are doing the minimum required by the state and that money goes to NTBHA.

Dr. Santini said that the reason for his questions is that we have to make sure that we are considering everything here. He knows we have a fiscal responsibility and he completely understands this, but at the same time we just need to make sure we are thinking of those patients. We are talking about a huge number of patients and where are they going to go? But also, he is concerned about the staff and the providers. As a provider he understands how hard it is to retain providers and to hire providers that will be providing this service, if in the future we need to expand again.

Mr. James said that Dr. Santini is one-hundred percent right, but we have a very difficult situation right now. When Metrocare was created 50 years ago, it was created for this purpose. To be able to serve these people, and now we are in a situation where we are being told that we have to operate in a business-like manner. Any troubles or issues we have we are going to have to figure it out and get through it on our own. We are now having someone who at one-point we believed was trying to be a trusted partner of us who presented us with a contract that we would at a minimum lose \$1.6MM over the course of two years. These two things are at "loggerheads" with each other. He believes that we will be condemned for our failure to see a financial issue and not take appropriate actions if this doesn't work out. This is an extremely difficult position that we are in right now.

Ms. Salinas-Gutierrez said that in addition to this it is not like the door is being closed. We want to come to the table, we are wanting to negotiate, we are wanting to be upfront with NTBHA and the ball is on their court. They either accept this or suffer the consequences. If they suffer the consequences, we are going to suffer. One of the things that she remembers, before Metrocare was called Metrocare Services that we had a bad reputation. Nobody wanted to be associated with Metrocare and neither did clients. This has evolved into something so positive and the services, we have obviously done a very good job through the years, and now to have this happen? This is sinful, it is a horrible place to be, not just financially, but the services that we are not going to provide. Our reputation is on the line here and to build this reputation again. She said our reputation is like silver and asked if we are going to tarnish this. She said we have a lot to loose and we have to do everything in our power, even if this means kissing up to them and putting our pride aside, as long as we get what we need for our clients, do it.

Dr. Secrest said that one of the things that we have to think about is that NTBHA has not come to the table to negotiate. NTBHA has moved us to a political fight. Setting this has put us all on the defensive and that's the strategy, in his opinion. Dr. Secrest said he did not appreciate this, if you are going to work with us and work with our community to find a solution, come to the table, don't come up with lies.

Mr. Bernstein said that he thinks a 30-day hammer is important to have out there to continue to maintain pressure. He is supportive of continuing if they extend it past January 31, and to satisfy Dr. Garcia's request for them to come and do whatever they want to do, as-long as, we understand what it is that they want to do. And that their timetable does not interrupt our own operations and create other problems.

Motion 1: Notify NTBHA that we reject the proposed FY20-21 contract terms as they stand today, December 5th, 2019. The proposed contract terms, the ones that she presented to us at our October 24, 2019 meeting. These are the only new terms that are on the table.

Motion: Made by Mr. James and seconded by Mr. Schulte. The motion carried by unanimous consent.

Motion 2: Mr. Bernstein moved that we work with NTBHA to meet the selected Commissioners request as it relates to their review..... Mr. James said this is a separate item and we will come back to this.

Mr. James said we can deal within the extension. He said that there are two things on the extension that we have discussed as a board, 1) a 60-day extension 2) Maintaining the Authority to be able to trigger a 30-day out. Mr. Schulte said that this depends on the negotiation process.

Motion: Mr. Bernstein moved to Authorize Mr. James, as Chairman to Authorize Management to Exercise the 30-day out if there is no progress in negotiations from the contract, at his discretion.

Mr. Farmer said his question would be, what are we going to do to negotiate, are we going to make any affirmative actions to have the decision maker sit down before we decide to fully negotiate or to walk away. He said he has not heard this.

Dr. Burruss said that he thinks that today's meeting is going to generate something that tries to push that issue. He would like the Board to give some guidance. He said if we don't make a statement, on support or otherwise, it is in his hands.

Ms. Martinez said that there have been a number of NTBHA contracts. The only reason why the Board is talking about this one is because it has elevated to this level and because of the serious financial impact this has on us.

Mr. Farmer addressed Mr. James and said the decision making is not his issue, he has trust in Dr. Burruss. His question is what are we going to do to trigger a response? They have not come to the table, do we have a plan to sit down with the decision makers, are we going to e-mail them, say we can sit down this time on this day. What are we going to do to start this process?

Mr. Schulte said that we are requiring our management to reach out to NTBHA. We voted down the terms that they had proposed. We don't have to do anything else. Dr. Burruss will take it from here and try to negotiate with them. I'm asking for a public motion today saying we are directing Dr. Burruss to contact NTBHA within 5 business days to begin negotiation processes on this contract, we are sending a notice, he believes, when we vote on this motion, that we are in good faith trying to work out a solution to this problem. We don't do anything else. If we just go talk with our Commissioners. He said that he does not think that it's clear on the record that this is what we want. But we are rejecting what they told us, now is back to the drawing board, but if NTBHA says that's it, then what we just talked about is going to happen.

Mr. James said that there is a motion on the table that we began, that we direct Dr. Burruss to reach out to begin negotiations with NTBHA in the next three business days. This has been moved and asked for a second. **Mr. Hogan second this motion.**

The motion carried unanimously.

Mr. James, next order of Business. Are we going to authorize the ability to either affirmatively seek a 60-day extension or to be able to trigger a 30-day out?

Mr. Bernstein - I don't think we need to. His thought is that is why we amended the motion we just past or we just voted on.

Dr. Santini – Why don't we just keep it very simple. We as the Board believe that this is not fiscally responsible for Metrocare and we are letting Dr. Burruss know that within the next five days to start conversation to begin to negotiate with them /NTBHA and to make it happen.

Mr. Schulte – the motion on the floor is to have Dr. Burruss make sure he conferences with Mr. James before making any decisions.

Dee, but one of those decisions is that we can walk.

Mr. Schulte – correct

Dee, I don't want that – I just want that on the minutes

Mr. Schulte – That's why Mr. James will be involved. If you hear that things have just gone south, we're all going to be able to contact Mr. James and say this is what we want, this is what we want you to tell Dr. Burruss. I have enough trust in Mr. James and specially I would trust Dr. Burruss that they are not going to do that, unless it is the absolute right decision. But they have to leave all options on the table. Keep in mind that we may not get the 60 days, the worst-case scenario is that Dr. Burruss contacts NTBHA and they say we're done. We already said we are not going to agree to what they proposed.

Dr. Santini – That will come from them. The county Commissioners will hear that they were not willing to negotiate, not us. At the same time Dr. Burruss is asking for our input. His input is that they should just continue negotiating as long as we can. Let them make the decision if they don't want to negotiate with us it's going to be up to them. Their going to be the one looking bad in front of everyone, not us. We wanted to negotiate, and they didn't want to negotiate with us.

The motion on the floor is:

Prior to making any decision, to exercise the 30-day termination or 2) a contract that is favorable to us that includes different terms, Dr. Burruss will inform our Chairman, Mr. James.

Mr. James – It has been moved and second. The motion carried unanimously.

Consideration of the Board's support for NTBHA's proposal for an internal review of Metrocare's financial and billing management:

Mr. James started by saying that when he spoke to Commissioner Garcia about this, the Saturday after Thanksgiving. He expressed many of the concerns that we have heard here at the table. He also believes that NTBHA is not acting as a trusted partner. However, transparency with the Commissioner's Court is extremely important to him, and so he is open to allowing this, provided there are parameters around this. He said he asked Mr. Bernstein, who is the Chair of

the Finance and Audit Committee to think about what would be appropriate, as far as parameters for something like this.

Mr. Bernstein said he thinks that understanding what their objectives are, we talked about coding and is coding relative to their contract with us or is coding amongst a broader basis for our receivables and billing conversion issues and things like this. Objectives – timing of the work, certainly managing the timing of the work would require that we get to that 60-day extension period because the work probably can't take place until February.

What the data request is, is this is something that is manageable or reasonable. How will the results come to be presented? Do we hear it before the Commissioners hear it? If this is to be a positive activity, we party to it. Any incurrence of cost will not be our responsibility, this is NTBHA's request. These are only a handful, and there could potentially some others that pop up. He said he is willing, in his role of the Board on the finance side to meet with NTBHA and hear from them what it is they want, as well. This is concurrent with the negotiation request that we have made a motion and passed as well. But the request is very confusing.

Dr. Secrest said that from his point of view, and he is not a person that is in the business world. This seems rather irregular. It would be like him going to NTBHA and saying, "I want to look at all of your books, you must not be operating very well that you're going to have to cut our payments". If the County Commissioners want us to do a more thorough audit, that should be something that comes from the County Commissioners and specificity to us to respond.

Mr. Schulte – Why don't we send back something to NTBHA saying "We are all about being transparent, but the request you sent over does not make any sense to us. Can you please provide us some other request?" Mr. Schulte went on to say that this is common with governmental entities. They will request to look at finances from quasi government. This is not generally normal in the business world, but it is with quasi-governmental entities due to tax dollars.

Dr. Burruss said that we have been the Authority in Intellectual Disability world for 52 years. He referred to Ms. Thompson and asked how many times have we requested this type of audit? Ms. Thompson said "zero." Dr. Burruss said "never." He went on record to say this is decidedly irregular. Even in the world of governmental entities.

Mr. Farmer – Whether they use a third party or whatever they foot the bill.

Mr. James - They are not going to use a third party. When he spoke to Commissioner Garcia about this, "He said that if this is something that the Commissioner Court wants, designate a third party that is not NTBHA to come in and do this review. She turned this down immediately. Her reasoning was that, why pay a party to do when NTBHA is willing to come in and do it for free. In which the conversation between Dr. Garcia and Mr. James pursued after that as it relates to this statement and kind of what his views are on that. He has already said that if these are questions that the commissioners have, let them designate a third party to come in and do this. Once we get pass our outside auditors, because he is with Mr. Bernstein. Let's get our audit done as quickly as possible, because this is going to help us in our banking relationship, and we need to get this out to HHSC.

Dr. Santini – Does NTBHA have the authority to come to Metrocare and do an audit?

Mr. James said NTBHA has authority under our contract to come in and do an audit, that is not exactly what they are asking to do.

Ms. Laos said they've conducted financial audits and clinical audits.

Dee, they are asking for a review, but what that review is we don't know. Clarify what the review is.

Mr. Bernstein – That is what he is offering, to meet with NTBHA and try to figure this out. Based on what that is, determine if that is acceptable or not. In essence, this is part of the negotiation process.

Mr. Schulte made a motion that, in an effort to be as transparent as possible, there are already provisions in our existing contract to allow certain audits for NTBHA to come in to Metrocare. Other things that they want, we would like to meet and confer with the NTBHA board to decide what that is.

Mr. James asked for an amendment to Mr. Schulte's motion. That this occur after our outside audit has been completed.

RESOLUTION: Our goal is to be transparent, there is already an audit in the existing contract. We are more than willing to meet with NTBHA, to meet and confer to see what they are asking for and to go from there.

Motion: Made by Mr. Bernstein 2nd by Mr. Schulte.

Motion carried unanimously.

Chairman's Report:

Mr. James said that when he was before the board at the August retreat. He gave them a review of the FY18 and the F19 ask for support to the Commissioners Court. As they have seen in the packets, our board policies and as you have heard today. Chapter 534 of the Health and Safety Code gives the perimeters for how we as a community of the board of trustees of a community center are expected to conduct our business.

There is one particular revision within the Health and Safety Code that is important. 534.014b states, and I quote. "The Board of Trustees shall annually submit each local agency that appoints the members a request for funds, or in-kind assistance to support the center.

We have a statutory obligation to every year ask those who appoint us, our County Commissioners for cash or in-kind assistance to support us. For the last two years we've done this and we've given specific dollars amounts to go to specific things. We have asked for

financial support to be able to do a child diversion program. We have asked for financial support as capital money at the outset of our campaign. We asked for financial support to be able to help us in some of the things needed to get our CCBHC certification. We've asked for cash to go towards a cash reserve. The message we have received in the last two years is that there is no appetite to support us. Now, the legislature just passed caps on property tax values and what the counties are going to be able to bring into their coffers. In line of this, he said this at the August retreat. I am thinking about, what is an appropriate ask. I don't want to be tone deaf that the county is going to be more mindful of these funds and how it spends its money. The request for cash, regardless of how we may tie it to, could be downward right. Everything you heard here today, going back to Ms. Waller and talking about our Capital Campaign and our biggest issue is support from the county. Going back to the new requirements that were proposed to us by NTBHA, to the people to be served, the rates and everything like that. So many issues that we are dealing with right now is because Metrocare is no longer the Local Mental Health Authority (LMHA).

We were the LMHA for the first 30 years of our existence. That authority was removed from us at the beginning of the NorthSTAR managed care pilot in preference of Value Options. The State studied the pilot after 16 years and found it did not work. That ultimately Texas citizens were not going to receive the care they should under that type of system. They discontinue the pilot, and Dallas County chose to keep its infrastructure. So, since January 1, 2017 they made a policy decision to allow NTBHA to continue to be the Local Mental Health Authority. So many issues we face is because of this decision.

I believe that the next ask for the Commissioners is that we are returned the Local Mental Health Authority. It is a request that is revenue neutral for the county. The County is obligated under the State contract to be able to give a local match to the designated LMHA, regardless of who that designation goes to. They are not going to spend an extra penny if they decide to do this. I think that is something they should do, because they fully control this organization. They appoint all of us. They created us in the late 60's. They can dissolve us if they wanted to. They could remove all of us as board members and they could appoint themselves to make decisions for this organization.

Mr. James asked the board to be contemplating this. He said that they could call him if they want to talk about it and why he thinks that this should be the case. But we are at a point that the issues we are facing, your concerned about being able to serve this 22K people? We are taken out of the equation because we are not the LMHA. The state does not come and talk to us about what the service levels should be in Dallas County.

Mr. Schulte asked when Mr. James would like to do the ask.

Mr. James said he essentially already started to do the ask. He just wants to make sure that the Commissioners that we should be talking to, the once that appointed us to oversee this organization. That we are having that conversation with them, and they don't have to give us that authority, but at a minimum shouldn't they at least be telling us what the policy reasons for it, why not?

Meeting Adjournment: There being no further business to come before the Board, Mr. James adjourned the meeting at 4:28 p.m.

Minutes approved by:


Ms. Dee Salinas-Gutierrez, Secretary

Minutes distributed by:

Martha L. Toscano

Executive Assistant to the CEO/Board Liaison