



**BOARD MINUTES**  
**January 24, 2019**

## **METROCARE SERVICES**

### **Board Meeting Minutes**

A Regular Meeting of the Board of Trustees of Metrocare Services convened on Thursday, January 24, 2019 at 1345 River Bend Drive/Dallas, TX 75247.

#### **CALL TO ORDER:**

Mr. James called the meeting to order at 1:29 pm. A quorum of board members was present.

#### **Board members present:**

Terry James, Chairman  
Corey Golomb, Vice Chair  
Jill Martinez, Trustee  
Jasmine Crockett, Trustee  
Lane Conner, Trustee  
Ken Bernstein, Trustee

#### **Members absent:**

Dee Salinas Gutierrez, Secretary  
Leslie H. Secrest, M.D., Trustee

#### **Staff present**

John Burruss, M.D.  
Linda Thompson  
Judith Hunter, M.D.  
Richard Buckley  
Ken Medlock  
Ratana DeLuca

#### **Others present:**

Joel Geary  
Aaron Ceder  
Jeni McGarry  
Michael Carr  
Tameka Cass

**CITIZEN COMMENTS:** No public comment was received.

**CHAIRMAN UPDATES:** Mr. James said he would have to leave early this afternoon and moved two reports from the Action agenda to the Consent agenda in order to take an early vote on the Resolution with UMB Bank. There were no objections.

#### **FINANCE AND ADMINISTRATION REPORT:**

Mr. James referred to Mr. Buckley for this report.

- ❖ Consideration of Acceptance of Resolution Ratifying the loan transaction with UMB Bank, N.A.:

Mr. Buckley said this resolution is an acknowledgment required in the loan agreement with UMB Bank to show that we consummated this transaction in our prior resolution of December 6, 2018 (page 145122 on the board packet).

**Motion:** Made by Mr. Bernstein and seconded by Ms. Golomb for Acceptance of the Resolution Ratifying the loan transaction with UMB Bank, N.A. The motion carried by unanimous consent.

**CONSENT AGENDA ITEMS:**

Mr. James said that the consent agenda items are those that are considered routine. He moved to accept as passed, provided the board did not have an objection or a desire for one of these items to be taken up in the regular course of the meeting. There were no objections.

- ❖ Acceptance of the December 6, 2018 regular board meeting minutes.
- ❖ Acceptance of the Human Resources Report for December 2018.
- ❖ Acceptance of the Mental Health division report for December 2018.
- ❖ Acceptance of the Clinical Services Division Reports for December 2018.
- ❖ Acceptance of the Marketing and Development Report for December 2018.
- ❖ Acceptance of the Legislative Action Report for December 2018.

**Motion:** Mr. James moved acceptance of the consent agenda items to pass unanimously.

**Chairman's Report:** Mr. James said he and Dr. Secrest recently talked about the Ad hoc committee on the CEO Evaluation and they would like to begin to meet again and possibly reach out to professionals to help us get a tool together that can properly evaluate our CEO. More information will be presented in the coming months.

**Board Liaison Reports:**

- Texas Council of Community Centers: Mr. James said he attended the Council's quarterly meeting last week and on Friday morning he and Dr. Burruss did some legislative visits with multiple staff, Senators and their representatives. At the Texas Council board meeting there was discussion on the initial senate budget bill and funds that are there as it relates to things important to us. We are now waiting to hear what the House Bill is going to look like as it relates to the budget. The Delivery System Reform Incentive Payment program (DSRIP) and the trajectory that we are on with this ending in the next two or three years was discussed as it relates to possibly seeing it extended and then preparing for what may come next, specifically the Certified Community Behavioral Health Clinic (CCBHC).

Mr. James said he has suggested to Dr. Burruss that during 2019 we educate the board on this as this looks like what we will be moving towards to fill in the gap with the end of the DSRIP program.

Dr. Burruss said Ms. Danette Castle from the Texas Council will be here at our February board meeting to do a training specifically on this topic.

- Intellectual and Developmental Disability Planning Network Advisory Committee (IDD/PNAC): Ms. Golomb referred to Ms. Thompson for this report. Ms. Thompson said the committee met on December 18, 2018 and we had a quorum. A presentation on the YES Waiver was provided by Ms. Marlene Buchanan, Director of our Specialty Programs. Many of the members of this committee are

family members and they were very happy to hear that the YES Waiver has been made available to individuals with intellectual and developmental disabilities. She said Dr. Miles is our chief psychologist for EDU and she is in the process of hiring an additional psychologist to address the level of requests we are receiving for the autism center. The next meeting is scheduled for March 19, 2019.

**Upcoming meetings and events:**

Board meeting – Thursday, February 28, 2019 – Board training begins at 1:00 p.m., with the board meeting following at approximately 1:30 p.m. Same site.

**CHIEF EXECUTIVE OFFICER REPORT:**

**Services Presentation:** Dr. Burruss introduced Dr. Florencezell Whitfield Miles, Chief Psychologist for the Eligibility Determination Unit (EDU).

Dr. Miles said EDU is considered the gate or front door for the local intellectual and developmental population. This is where evaluations are conducted to determine if an individual meets the criteria set forth by the Department of Health and Human Services to receive intellectual and developmental disability services. We receive referrals from schools and hospitals, In-patient services such as Terrell State Hospital, nursing facilities, as well as internal referrals.

Dr. Miles said this is a success story, but also sad. Dallas Behavioral sent us a referral to evaluate a 26-year-old male to establish intellectual disability. Dallas Behavioral became involved when after his discharge from the hospital the family refused to take him back home. When Dr. Miles first met him, he was emaciated, weighing approximately 115 pounds, had a stature of approximately 6'5" and was almost non-verbal. Trying to establish a diagnosis was difficult because there were no school or medical records. His mother had home-schooled him and he had not visited a doctor since the age of eight when his mother had him evaluated due to seizures he was having. This helped us obtain a diagnosis of seizure disorder in lieu of an autism spectrum disorder.

He is now receiving respite behavioral services and is in the process of receiving assistance through service coordination to obtain Medicaid. Many agencies were involved in this case to help get this young man a diagnosis to help him obtain the services he needed.

In reply to Ms. Golomb's question, Dr. Miles said the consumer has moved back home with his mother. Ms. Crockett expressed her concerns on him being returned to the mother and asked if there was a Plan put in place with the mother after he was returned to her. Dr. Miles said that luckily, since he is receiving some Behavioral Support Services there is someone from Metrocare that goes out to meet with the family. We also get to see them when they come to see the Service Coordination staff that are trying to help them obtain his Medicaid. Ms. Thompson said that placement options are very limited when a person has severe disabilities. The diagnosis helps the staff to coordinate the necessary resources so that this person is being supported with appropriate services.



The board and Dr. Burruss thanked Dr. Miles for her presentation and dedication.

#### **ACTION AGENDA ITEMS:**

**Consideration of Acceptance of the Chief Executive Officer Report for FY19 Key Performance Indicators Progress through December 2018:** Dr. Burruss presented a summary of his report and said the “Go-Live Command Center” was decommissioned early which was a good thing. We are still battling daily, if not hourly challenges and making sure that this all works properly in any number of ways. The agency will eventually be fully up and running on MyAvatar and we will thrive, and it will be our definite replacement for PsychConsult, but there are still any number of important issues to resolve with regards to things as wide ranging as billing and clinical documentation and stability of the program. Dr. Burruss said he did not want anyone to think that everything went perfect like software implementation often doesn’t. None the less, we are up and live and we are still going and hopefully will be ready to do some secondary double training of higher-level skills by April, May or June.

Ms. Martinez asked if the clinical volumes were reduced and if this was planned? Dr. Burruss said we knew for a year that this was coming so we prepared and planned for this. We built the reduced income into the budget, we reduced the clinic’s schedule capacity during this time to allow the providers time to get comfortable with the product and up to speed. We intend to be fully live by March but may be able to achieve that earlier. Dr. Hunter said the medical staff is at about 80 percent there. Ms. Thompson said her group are at 75 percent and still breaking ground.

Dr. Burruss said the second bullet in his report refers to the UMB Bank transaction and we are up to speed on this. Dr. Burruss asked if anyone had any questions.

Ms. Golomb asked about the billing and the clinical documentation and how this was still a little bit of a challenge. She asked if we had backup systems or if we are manually documenting.

Ms. Thompson said we have had total outages, we do not have backups because all the forms that are needed are not ready. We are working around the first outage and the physicians used the whole system to track information and then transfer this.

Ms. Martinez referred to KPI number two and said that at the last board meeting the minutes indicated that this gap is getting smaller, but it seems that now it might be getting bigger or not changing at all.

Dr. Burruss said that there is no question that right now we have had a lengthening of our days as a receivable because of what we just talked about and making sure that the different types of billing are going as best possible. Ms. Martinez asked if we are getting the money that we are owed. Dr. Burruss said we are not, yet. We are working on this every day and we intend to get every penny that there is to get.

**Motion:** Made by Ms. Martinez and seconded by Mr. Bernstein to Accept the Chief Executive Officer Report for FY19 Key Performance Indicator Progress through December 2018. The motion carried by unanimous consent.

At 1:55 pm Mr. James excused himself from the meeting and turned the meeting over to the Vice-chair, Ms. Golomb.

**FINANCE AND ADMINISTRATION REPORT:**

Ms. Golomb referred to Mr. Buckley for this report.

**Consideration of Acceptance of the Financial Reports for November 2018 (unaudited):**

This report was provided in the December board packet.

**Consideration of Acceptance of the Financial Reports for December 2018 (unaudited):**

Mr. Buckley referred to page 145101 and reviewed the December Financials in depth noting that for the Key Performance Indicators year to date we are running positive to plan. On the change in Net Position which is equivalent to Net Income we are ahead of plan in the income statement. The issue that we are dealing with now, as has been the case for almost two years, is cash flow. He then went into detail of almost \$6MM in cash receipts that have been pushed into the future causing continued strain on Metrocare's liquidity.

The bank's Hillside appraisal came in substantially lower than anticipated at roughly 65% of the appraisal from only one year prior. Therefore, instead of receiving \$5MM for the operating capital loan from UMB Bank we were approved for only \$4MM. There being little time to meet the funding requirement for the January 2019 DSRIP/IGT, we did not have an opportunity to obtain another appraisal. This is \$1MM of cash we expected to have, and we don't have. Additionally, \$2.3MM of the proceeds of the loan went immediately to the IRS to satisfy the outstanding balance and almost \$2MM in penalties in interest. Our attorneys on this matter, who are very seasoned in IRS dealings, believe that the Agency will be able to appeal the penalties and interest given the great difficulty we had with the treasury agents. This should lead to most or all the payment being returned to Metrocare, but at present represents another approximately \$2MM in delayed liquidity.

Netsmart is working on debugging the billing problems we have. Since this all worked when it was being tested and it stopped working when we went Live there is confidence that it will be repaired soon. This is a technical/computer matter and not a staff performance issue. This is at least \$500K in less than three weeks that we expected to have, that we don't have. The transactions have been captured in the system, it's just not making it all the way through to process the billing so that we can collect the money. We have an additional \$400K in claims that we have corrected, but there is a 30-day delay before we can collect on this.

Mr. Buckley referred to the adjustment made to a DSRIP metric leading to a delay in funding from this January to the July timeframe. There was a necessary reformulation to submit the full metric for \$1.8MM rather than only 90 percent. This preserved around \$300K of additional net income to the Agency for this funding period and ensured full funding for the remaining payments over the rest of the Waiver's lifespan.

So, in approximately 90 days we had up to \$6MM not available for use at present. We will eventually get all the cash, but it has to do with timing.



Ms. Crockett asked Mr. Buckley to get her "out of panic mode" since we have a lot of money that we had anticipated to receive, and we did not. She asked what if anything can be done to speed this process. She said when we do budget, they anticipate certain things at certain times and timing matters, especially when it comes to their responsibility as trustees.

Mr. Buckley said that all hands are on deck and Netsmart is looking into the billing issue so that it can get resolved quickly. There is not much we can do with DSRIP, but in July we can do the IGT and collect the funds then.

Dr. Burruss said if we had not done this, we would have to forego approximately \$300K of the DSRIP payments and all future payments would have been reduced.

Ms. Crockett asked if there was any way possible for us to still process payments or at least 50 percent of our payments through the old system in a way that we know works until we get the new system ready.

Mr. Buckley said some of the issues we are dealing with had been fully tested. We really could not do a collection testing because we could not send a test file. Everything was fully tested and approved, whatever happened between the testing and the go Live he could not speak to. Everyone is now working to get these issues fixed and working. We hope to have everything up and running in 2-3 months. Mr. Buckley said with technology he did not see this as a crisis, but a problem we are working through and we will work through it. We are in a much stronger financial position then we were 12 months ago.

Dr. Burruss said for one, we made a conscious decision not to do what was just described. We had the opportunity to roll out parts of the agency and then slowly go forth with PsychConsult. In evaluating the best way to do it, the decision was that the pros outweigh the cons to go live on one day with all things all at once. Richard captured it that we can't now go back to PsychConsult, unless something utterly imperative like "We can't move forward" happened. It is not all or nothing. There has never been a moment when we had all billings stopped, or anything stop, except for the time when they had to turn it off to do the upgrade during the middle of the day for a couple of hours. This is not a switch that you can turn on or off. It has been progressively getting more robust with how well it works because of us finding each one of these things as they came along.

Dr. Burruss said that we are going a little bit back and forth sometimes between budget and cash. As to budget, we are fine year to date. Last year we had a positive margin and this year we are doing fine with another anticipated positive margin. We are ahead of budget year to date. The challenge is getting people that owe us money to pay us and we work on this every day. This is not just billing, but the state of Texas has slowed down our payments for the Senate Bill 55 program. They built up to a certain level so now they can't just pay us, they must get approval from someone higher in HHSC because they let the outstanding balances grow too big.

Traditional Medicaid stopped payments over the holidays because of the holiday. They owe us money, we just don't have it, yet.

The Texas Council on Offenders with Medical and Mental Impairments (TCOOMMI) sent money over to the North Texas Behavioral Health Authority (NTBHA), but NTBHA has not paid us yet.

What we need to do is to stay on top of this every day, which we are doing. Our most difficult moments lately were about a week or two ago. We are very stable at the moment. We are ok for the time being, but we will have trouble between April and July which is right before our next IGT. We are going to do everything to be ready for this. We are not at crisis, it's just difficult right now.

Mr. Conner thanked Dr. Burruss for clarifying cash versus budget. He referred to last year when we had a cash on hand issue, and we closed a pharmacy because we could not buy drugs. He asked if this was going to delay the payments going out because of our inability for us to get payments in. He asked if we would still be able to pay attorneys and buy drugs.

Dr. Burruss said we are balancing now on how to use the available cash to get all the services and products that we need. We could see this coming in some degree and do some preparation. He said that Mr. Buckley is on the phone everyday with pharmacy folks and McKesson to figure out how we keep moving forward as best we can. There may be days when we must send things over to another pharmacy, but it will be as short lived as we possibly can do it.

Mr. Conner asked if we would miss any payrolls. Dr. Burruss said if this was going to happen it was probably a couple of weeks ago and we did not. Again, everything possible will be done to avoid that.

Mr. Conner asked in terms of the appraiser that came in, if we pay any property tax. Mr. Buckley said we do not. Dr. Burruss said that this is a third party and they hired CBRE, a national firm who came in with a very different appraisal than what we had solicited a year ago. We could have tried to pursue different appraisals and pushed this out, but we would have had even greater trouble financially if we were not able to close on the \$4MM first payment and the IGT support.

Ms. Martinez referred to the implementation of NetSuite and asked if the data is getting over to the financial system. Mr. Buckley said NetSuite is an Oracle company and it will be replacing Munis, the current system we are using for our accounting applications. The implementation will occur in May. Dr. Burruss said there are tens of thousands of companies that use NetSuite.

**Motion:** Made by Ms. Martinez and seconded by Ms. Crockett to Accept the Financial Reports for November and December 2018. The motion carried by unanimous consent.

#### **QUALITY AND AUTHORITY SERVICES REPORT:**

Ms. Golomb referred to Ms. Thompson for this report.

#### **Consideration of Acceptance of Quality Management Report for December 2018:**

Ms. Thompson said her report is in the packet and asked if anyone had any questions. There were no questions posed for this item.



**Motion:** Made by Mr. Bernstein and seconded by Ms. Crockett for Acceptance of the Quality Management Report for December 2018. The motion carried by unanimous consent.

**BOARD TRAINING:** Mr. Bernstein took this opportunity to present the FY18 Annual Financial Report from the Audit firm of Crowe to give the Lawyer for the Executive Session time to arrive.

**Executive Session:** Announcement of Closed Session in Accordance with Subchapter D, Section 551.071 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code) to receive advice from counsel about pending or contemplated litigation and/or settlement.

- Xenatix – Tarrant/Harris County Contract

Ms. Golomb closed the meeting at 2:33 pm.


**Reconvene from Executive Session:**

Ms. Golomb open the meeting at 2:56 pm and said there was no action taken during closed session.

**Meeting Adjournment:** There being no further business to come before the Board, Ms Golomb adjourned the meeting at 2:56 p.m.

Minutes approved by:

  
Ms. Dee Salinas-Gutierrez, Secretary

Ms. Corey Golomb, Vice chairman 

Minutes distributed by  
Martha L. Toscano  
Executive Assistant to the CEO/Board Liaison