metrocare.
Find yourself here

REGULAR BOARD MEETING MINUTES

February 26, 2026

A Regular meeting of the Board of Trustees of Metrocare Services was conducted on Thursday, February 26, 2026. The meeting took place at 3242 Remond Dr., Dallas, TX 75211.

Call to Order:
Ms. Cantu, Chair, called the meeting to order at 1:46 pm. A quorum was confirmed with eight (8) board members present.

Trustees Present:
Stacy G. Cantu, Jaime Walkowiak, Kenneth Bernstein, Sonnia R. Ortega, Ivette Marquez, Crystal Garland, Dr. Jennifer Farmer and Ryan J. Garcia who participated via Teams.

Public Comment:
The procedure for public comment was available at the meeting. There was no public comment received.

Staff present:
John W. Burruss, M.D., Kelli Laos, Lucas Wilson, Judith Hunter, M.D., Jennifer Wadsworth, Carolina Lasso, Tate Ringer and other Metrocare staff.

Guest present:
Joel Geary, Legal Counsel, Tzeggabrhan Kidane and Noemi Gonzalez from Dallas County.

Chair Updates:
Welcome New Board member:
Ms. Cantu welcomed new trustee Dr. Jennifer Farmer. Dr. Farmer provided details of her background, specifically her work in the Special Education field for over 15 years and her hobbies and special interests. The board members and staff gave a warm welcome to Dr. Farmer.

Board Acknowledgement and Recognition for their Service:
Mr. Kenneth Bernstein, the immediate past board chairman, received a plaque from the staff and trustees thanking him for his time and dedication to the Agency and the community that we serve.

Ms. Cantu then referred to a crystal award that she and Mr. Boyd received from the Oak Cliff Chamber of Commerce. Metrocare's Hillside Campus was awarded the "New Development of the Year" by the Chamber at its Annual *Spotlighting the Cliff* Awards. This recognition honors exemplary projects, individuals, and businesses that demonstrate meaningful community impact and contribute to the continued growth and vitality of Oak Cliff.

Ms. Cantu reported the results of the poll taken for a possible board meeting in either March or June with March working for the majority. Ms. Cantu confirmed the attendance of all the board members for March 26, 2026, saying that the meeting would start at 1:00 pm and there would be no board training.

Board Liaison Reports:

Mental Health Advisory Committee:

Ms. Wadsworth said the MH Advisory Council met with two (2) of the three (3) new members present. The council reviewed the architectural designs for the new family housing project and provided detailed feedback on several key elements, including preferences for tubs versus showers, the suitability of single sinks versus double sinks in bathrooms, and the layout and accessibility of common areas. Additional discussion focused on the overall design and usability of the grounds, ensuring the outdoor spaces would support the needs of families. The design team will incorporate the council's recommendations and present updates at the next scheduled meeting. The council meets again April 6 with a planned agenda to share the results of our Community Health Needs Assessment.

Ad Hoc CEO Search Committee Update:

Ms. Cantu said the committee met twice and formulated a plan to employ a new CEO by May 1st. She said a search firm is not recommended at this time but may choose to select one depending on the first few months of the search. The CEO Search Committee Charter was then presented for consideration.

Approval of the CEO Search Committee Charter The charter was provided in the meeting materials.

Motion: Ms. Walkowiak moved to approve the CEO Search Committee Charter as presented and Mr. Bernstein seconded the motion. The motion was unanimously approved.

Consent Agenda: January 2026 Reports

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.

1. Acceptance of the January 22, 2026, Regular Board Meeting Minutes
2. Ratification of all board actions taken at the January 22, 2026, board meeting.
3. Acceptance of the Facilities Division Report
4. Acceptance of the Information Technology Report
5. Acceptance of the Clinical Services Division Report
6. Acceptance of the Mental Health Services Division Report

7. Acceptance of the Housing Division Report
8. Acceptance of the Strategic Initiatives Report

Motion: Mr. Bernstein moved Acceptance of the Consent agenda for January 2026, and Ms. Walkowiak seconded the motion. The motion carried unanimously.

Chief Executive Officer:

Staff Tenure Recognition: Dr. Burruss recognized the following staff for their 20 plus years of service and their commitment to the population that Metrocare serves.
Clarissa Morales – 20 years, Lou Virginia Shaw Mosley – 20 years, Jennifer Torres - 25 years, Natasha Simmons – 25 years, Sharon Cooper – 20 years, Chandra Nelson – 20 years.

Service Presentation from the Housing Program: Ms. Gather from the Safe Haven program – one of Metrocare's intensive programs for those most impaired by their behavioral health - presented the story of a client who had not seen his family in a long time since the family resided in another state. With the skills he learned he was able to plan the trip and had the opportunity to attend and see them at the family reunion.

ACTION AGENDA:

Acceptance of the Chief Executive Officer Report for the FY26 Key Performance Indicator Results through January 2026:
Dr. Burruss reported on the Metrocare team's notable achievement of opening all main sites on time during the major ice storm in late January. Dedicated personnel volunteer each winter to travel to the clinics so that people who arrive for help are not stuck out in the weather. He also reported on the introductory "ribbon cutting" for the first Narcan vending machine at Lancaster Kiest clinic in partnership with the Dallas County Health and Human Services Department. This crucial piece of equipment helps distribute Narcan and other necessary hygiene and personal products to Metrocare clients and the public for free. The trustees then reviewed the KPIs.

Motion: Ms. Marquez moved Acceptance of the Chief Executive Officer Report for January 2026, and Ms. Ortega seconded the motion. The motion was unanimously approved.

Finance and Administration Division:

Acceptance of the Financial Report for January 2026:
Mr. Wilson reviewed the January 31 Statement of Activities, key variances, and corrective actions.

- Pharmacy: Revenue ~6.5% under budget; costs ~4% under. Timing of long-acting injectable rebates (e.g., Invega) expected to normalize results beginning April.
- Salaries: Variance driven by

(1) full early-year accrual of the agency incentive plan,
(2) budget module limitations that effectively double-counted turnover adjustments, and
(3) payroll timing/seasonality (weekly payroll vs. flat 12-month budget, including extra-payroll months).

- Budgeting: Metrocare will transition to a Workday-integrated budget module with real-time position control, targeted to go live in April, to improve FY27 accuracy and transparency.
- Health Plan: Claims are significantly over budget, but the monthly run rate should decrease and move closer to budget due to seasonality not reflected in the current budgeting model (calendar-year deductibles vs. Sept–Aug fiscal year). Finance is working to restate the budget to better reflect seasonality.

2) Health Plan Cost Containment Actions

- Health Advocacy Solutions + rewards (effective March 1): Voluntary program to steer employees to lower-cost facilities for elective services, with cash rewards (~$75–$500) administered through Blue Cross/vendor support.
- Required call for select services (effective June 1): For certain elective/non-urgent services, employees must contact Health Advocacy Solutions (facility choice remains theirs); failure may trigger additional cost share.
- Board feedback: Board raised concerns about complexity and employee impact; CFO is developing clearer ROI/impact analysis with broker support. Preliminary savings estimate discussed as up to ~$1M annually (partial-year will be lower).

3) GLP-1 / Weight Loss Medication Strategy

- GLP-1 strategy remains on track with estimated savings ~$1.1M–$1.3M (previously cited up to ~$1.7M).
- Effective Nov 1, 2025, Metrocare shifted from brand GLP-1 purchasing to a compounding pharmacy approach, materially lowering per-member costs (brand ~$1,250/month vs. substantially lower compounded rates).
- Plano-based pharmacy partner referenced (Texas Star/Thesis Pharmacy).

4) Financial Outlook and Corrective Actions

- Forecast: Current outlook remains negative to budget; management's stated objective is moving toward break-even net with positive cashflow by fiscal year end.
- Employee health insurance contributions reinstated: Premiums will no longer be $0. New contributions: $100 employee-only + $100 additional for spouse/family tiers. Open enrollment begins Monday (2 weeks; assistance available up to 30 days). Contributions begin April 3 paycheck. Estimated FY26 impact is $800K, subject to enrollment changes and follow-on modeling.

- Hiring controls: Hiring slowed with elevated approval required on a case-by-case basis; grant-funded positions may continue where they directly support funding/revenue.
- RCM transition: In-house revenue cycle team starts March 1; expected ~$900K annualized net savings (partial-year benefit this FY). CFO noted substantial deficiencies in prior vendor performance and estimated avoidable write-offs of ~$1.5M–$2.0M annually, with improved cash cycle and transparency expected.

5) Cash Position and Texas Medicaid / Claims Processing Issues

- Cash: End-of-January cash/investments referenced at ~$50K, characterized as concerning. Discussion ensued as to the point-in-time nature of this measure with further reference to the usual flow of Metrocare's revenue throughout each year; February being the lowest, April the highest.
- Texas Medicaid disruptions (~$2M+):
  (1) Rehab NPI claim rejections: 60,000 claims ($1.5M) rejected due to incorrect legacy identifier/address have been resubmitted after retroactive approval; Ombudsman complaint accelerated activity; There are additional claims that will need a waiver for the 365-day timely filing requirement.
  (2) Direct deposit cancellation: The USPS address change from Riverbend to Remond triggered paper checks which were sent to multiple wrong addresses; Once returned as undeliverable the payments were suspended as "potential fraud." ~$550K still held up by HHSC pending restoration of direct deposit.
  (3) Long Term Care EDI loop issue: Submission loop problem on January LTC file (~$430K). Workarounds included manual entry and a Citrix-enabled batch option in progress.
- RevConnect clearinghouse issue ~$500K: Claims transmission disruption mid-Jan to Feb 13; patch deployed.
- Total impact: Management cited ~$2.5M–$3.0M of cash that should already have been received. Board emphasized oversight and continued close monitoring.

6) Employee Culture

- Management acknowledged staff concern, especially among long-tenured employees, while emphasizing transparency and reassurance through town halls/management forums.
- Finance/operations have resumed more frequent, line-by-line budget reviews to address issues in real time.
- Ms. Garland raised concern about reputational risk and stakeholder perception given the current financial position.

Motion: Mr. Ortega moved Acceptance of the Financial Report for January 2026, and Ms. Walkowiak seconded the motion. The motion was unanimously Accepted.

Approval of the Updated Resolution from Texas Capital Bank:
Dr. Burruss explained the need for ratifying the Texas Capital Bank Resolution approved at our November board meeting for an increase of $2.7MM.

Motion: Mr. Bernstein moved Approval of the Ratification to the Texas Capital Bank Resolution and Ms. Walkowiak seconded the motion. The motion was unanimously approved.

Acceptance of the Human Resources Report for January 2026:
Mrs. Laos presented the Human Resources report, reviewing the related KPI and departmental metrics. She fielded questions from board members regarding ongoing implementation of Workday, the HRIS, which has been very favorably received.

Motion: Ms. Walkowiak moved Acceptance of the Human Resources Report for January 2026, and Ms. Garland seconded the motion. The motion was unanimously Approved.

QUALITY MANAGEMENT AND COMPLIANCE REPORTS:

Acceptance of the Quality Management and Compliance Services Division Report for January 2026:
Ms. Laos continued with the Quality Management/Compliance report, reviewing the departmental metrics. She communicated that the Chief Compliance Officer position has not been filled and the search continues.

Motion: Ms. Marquez moved Acceptance of the Quality Management and Compliance Division reports for January 2026, and Ms. Ortega seconded the motion. The motion was unanimously approved.

LOCAL INTELLECTUAL AND DEVELOPMENTAL DISABILITIES DIVISION:

Acceptance of the Local Intellectual and Developmental Disabilities Reports for January 2026:
Ms. Lasso, Chief Authority Officer, provided an update highlighting several key activities and operational priorities. The report covered the successful execution of the 2nd Annual IDD Seminar, which focused on aging in individuals with IDD and Dementia. Despite pivoting from in-person to virtual due to severe weather, the seminar still achieved a strong turnout and high engagement. The Board was also updated on the LIDDA KPI performance, specifically data verification scores, where continued improvement has brought the team closer to the 90% goal; however, January performance fell behind target, and corrective actions are underway. Additionally, the team is actively preparing for the March HHSC Audit, with the objective of achieving scores in the 90s across all programs. Finally, the report highlighted ongoing efforts to enhance Fee-for-Service

collections in EDU, including improvements in scheduling and process flow intended to increase FFS volumes and overall efficiency.

Motion: Ms. Marquez moved Acceptance of the Local Intellectual and Developmental Disability Report for January 2026, and Ms. Walkowiak seconded the motion. The motion was unanimously approved.

STRATEGIC INITIATIVES DIVISION:

Approval of Authorized Official and Resolution by Applicant's Governing Body:
Ms. Tameka Cass, Chief Philanthropy and Diversity Officer, presented a resolution authorizing the submission of an application with designation of an "authorized official" for a multi-year grant from the Texas Opioid Abatement Fund Council to fund substance use services. The resolution is required for submission of this grant, and the authorized official is Dr. Burruss. The funds would support medication assisted treatment (MAT) and intensive outpatient services (IOP) for up to $750,000 over three years.

Motion: Ms. Ortega moved Approval of Authorized Official and Resolution by Applicant's Governing Body and Ms. Walkowiak seconded the motion. The motion was unanimously approved.

Executive Session:
Announcement of Closed Session in Accordance with Texas Government Codes:

§ 551.071 – Consultation with Attorney
§ 551.074 – Discuss Personnel Matters

- Approval of Retention Program

The meeting closed at 3:28 pm
Return to Open Session at 3:55 pm

Action taken as a result of Executive Session:
No action was taken as a result of executive session.

Meeting Adjournment: There being no further business to come before the Board, Ms. Cantu adjourned the meeting at 3:58 pm.

Minutes approved by:

Ryan Garcia

Ryan J. Garcia, Secretary