

**EASTERN SHORE COMMUNITY SERVICES BOARD**  
**Minutes**  
**June 11, 2019**

The regular monthly meeting of the Eastern Shore Community Services Board was held on Tuesday, June 11, 2019 at the Eastern Shore Behavioral Healthcare Center in Parksley, Virginia.

**Members Present:**

Mrs. Eve Belote  
Mr. Robert Bloxom  
Mr. Andre Elliott  
Mr. Richard Hubbard  
Ms. Sandy Taylor  
Ms. Gina Williams-Conference Call

**Others Present:**

Ms. Lisa Sedjat, Executive Director  
Mr. Thom Dix, III, Director of Finance and Administration  
Mrs. Molly Walker, Director of Clinical Services & Quality Improvement  
Dr. Nicholas McClean-Rice, Medical Director  
Ms. Kelly Bulin, Dir. of Program Development, Planning & Prevention Svcs.  
Ms. Kathleen O'Keefe, Developmental Services Program Director  
Mrs. Sharon Sanderson, Human Resources Coordinator  
Mr. Damien Greene, IT Director  
Ms. Barbara James, Office Services Specialist

**Absent:**

Ms. Marva Annis  
Dr. John Ogram  
Ms. Joan Wilson

Mr. Bloxom, Chairman, called the meeting to order at 9:03 am.

**Approval of Minutes –**

Mr. Elliott made a motion to approve the May 14, 2019 minutes with edits. Mrs. Belote seconded, and they were unanimously approved by a voice vote.

**Public Comment –**

There was none.

### **Items Requiring Board Action –**

Approval of ESCSB Policy HR 210-Compensation (General Salary Adjustments).

Approval of ESCSB Policy HR 300-Employee Performance Evaluation.

There was discussion.

Mrs. Belote made a motion to approve with changes noted and Mr. Hubbard seconded. They were approved unanimously with a voice vote.

Approval of ESCSB HR 800-Ethical Principles.

There was discussion.

Mr. Elliott made a motion to approve with changes noted and Mr. Hubbard seconded. It was approved unanimously with a voice vote.

Approval of ESCSB RM 004-Disclosure of Protected Health Information (PHI) (without consumer authorization).

Mr. Elliott made a motion to approve as presented and Ms. Taylor seconded. It was approved unanimously with a voice vote.

Approval of ESCSB QI 002-Conducting Research on Consumers.

Mr. Elliott made a motion to approve as presented and Mrs. Belote seconded. It was approved unanimously with a voice vote.

Approval of ESCSB Medication Assisted Treatment (MAT) for Opioid Use Disorder Clinical Policies and Procedures & Vivitrol & Naloxone/Buprenorphine Treatment Contracts.

Mrs. Belote made a motion to approve as presented and Mr. Hubbard seconded. They were approved unanimously with a voice vote.

### **Executive Director –**

Ms. Sedjat referenced the board report that is appended herewith.

Ms. Sedjat stated there will be phone calls with MCO's (Managed Care Organizations) regarding changes and updates.

Ms. Sedjat thanked Mrs. Bulin and read a list of accomplishments of the ESCSB for the past two years.

Ms. Sedjat gave a brief outline of the Opioid Medical Symposium held recently.

Ms. Sedjat stated the ESCSB and in collaboration with Eastern Shore Rural Health are working on several grants.

## **Treasurer's Report –**

### **Treasurer's Report:**

The CSB's performance in April was bolstered by the receipt of federal funding in support of our opioid treatment and efforts in addition to receipt of new CIT funding to assist with personnel expenses associated with training of local LEO's. For the month of April, revenues exceeded expenses by approximately \$146 thousand, a total which results in increasing our year-to-date performance to that of a surplus of nearly \$595 thousand. Given the multi-period nature of certain of these grants/warrants, we would expect to re-class significant revenue in June to that of a liability for expenditures and initiatives that will occur in FY20. The CSB continues to exceed its FY19 budget on a bottom line basis.

Credible billing totaled \$576 thousand for the month of April. On a year-over-year basis, April Credible billings have declined by 4%. The vast majority of this decline is contained within the Mental Health Skill Building segment. While this is a known issue to management, there is no quick fix to remediate the decline. We have experienced a reduction in staffing and additionally, MCO's have made the collection process of these reimbursement claims more difficult. Credible billing has increased 3% over March's results. An increase in Day Support services in the month led to this modest increase.

The balance sheet for the CSB remained largely stable during the month of March with no material shifts in asset or liability mix; cash balances increased modestly. We anticipate a reduction from these levels in May due to the timing of the payroll cycle.

It continues to be the case that Mendisadd is able to defray the cost of improvements to its real estate assets with cash flow from operations. We have started to see Mendisadd account balances increasing modestly. Management will discuss a target liquidity balance after which point a certain amount of excess cash flow could be captured for debt service. In the interim, we are applying an additional \$1,000/month to the principal balance of the Mendisadd term loan.

The CSB received its renewal proposal from VACORP for FY20. The proposal indicates a slight reduction in annual premium expense from \$155 thousand to \$151 thousand.

Regarding Mendisadd's real estate holdings, Andy Mason of Weichert Real Estate toured our Nassawadox properties yesterday. I would anticipate executing a listing agreement to begin the sales process imminently. We do continue to wait for a proposal from Riverside's attorneys to memorialize access to water and sewer.

We have inquired with Taylor Bank, Atlantic Union Bank and Shore United to ascertain if there are better terms to be had than our current credit arrangement with BB&T.

Lastly, as was mentioned at the last Board of Directors meeting, six CSB employees completed their one day leadership training. I have received nothing but positive feedback on the day's activities.

### **Budget Presentation:**

The budget for FY20 was presented for review and approval.

Key assumptions that were discussed include the following:

Credible billing – We have made an assumption that the CSB will ratably add seven clinicians to staff during FY20. Additionally, we anticipate bringing the Franktown house online which will result in additional revenue. 75% of annualized revenue as estimated during the room and board exercise was utilized for planning purposes.

State revenue – The CSB has received the Letter of Notification from DBHDS which outlines the sources of funding expected for FY20 and those totals have been utilized herein.

ESCSB Management Fees – The large variance in this general ledger pertains to the reversal of income of uncollectible income generated by the CSB's two HUD projects.

Logisticare Transportation – The increase in Logisticare related revenue is linked to assumed transportation of Franktown residents. The 75% of full run-rate figure was used for consistency.

Salary and benefit expenses –

- A 2.5% overall increase in base compensation has been factored into this budget
- Certain discretionary increases are included to recognize superior performance
- Compensation expense pertaining to the onboarding of seven clinicians over the course of the year has been included
- New positions (additional)
  - o Lead Mental Health Case Manager
  - o Mental Health/Substance Use Disorder Outpatient Coordinator
  - o Developmental Services staffing for Franktown
- The merit increases and new positions have a proportionate impact to benefit expense.
- In April, we increased on-call reimbursement rates to bring our practice more in line with peer. Regional money was received to assist with this initiative that should defray a percentage of this expense into FY20.

Hardware/Software expense – we anticipate moving towards Office 365 or a comparable solution in FY20. The assumed cost for this rollout approximates \$45 thousand annually. The other category increase pertains to the implementation of a DBHDS mandated software program, (Service Process Quality Management, “SPQM”).

Interest expense – We would anticipate not utilizing the line of credit in FY20 and thus not incurring interest expense.

Equipment lease expense – The budget assumes modernizing its fleet throughout the course of the year with delivery of fourteen vehicles to include two mid-high top vans, seven minivans and five sedans.

Vehicle repair and maintenance – In conjunction with the aforementioned leases, we would expect an overall reduction in vehicle repair and maintenance expense. The assumption totaled \$1,500 of repair expense avoided per replaced vehicle.

Vehicle fuel expense – While minor, a \$2,500 assumption pertaining to fuel costs associated with the mobile unit was incorporated into the budget. Separately, incremental revenue associated with the mobile unit is not contemplated in the budget.

Depreciation expense – Significant IT related investment is required for FY20. The largest price tag item includes the purchase and installation of two Nutanix servers. Total project cost could equal \$225 thousand. In addition to this investment, a refresh of a significant percentage of the entity's peripheral equipment is in needed. Lastly, Windows server and exchange software will need to be purchased to replace versions that will no longer be supported. We assume that depreciation of the mobile unit will commence in July.

The themes discussed in this document do not represent a departure from the CSB's current lines of practice but rather the implementation and execution thereof. To the extent that targets are not achieved. The timing of planned investment could be altered.

The budget was then discussed in the context of a SWOT analysis:

#### Strengths

- The presented budget does not contemplate any initiatives not currently under consideration making execution more certain.
- State funding appears to be established and Kelly Bulin feels confident in current levels of Federal funding
- There are sufficient levers in the budget to navigate potential fluctuations in performance

#### Weaknesses

- The CSB is in need of clinicians to assist in offsetting the fixed cost demands of the organization
- Revenue increases in the form of improving reimbursement rates appears unlikely
- We do not anticipate reimbursement practices of MCO's to assist our efforts in FY20.
- The regulatory burden of satisfying Department demands continues to increase.

#### Opportunities

- Medicaid expansion may create additional demand for billable services
- Consolidation of the privates may positively impact our ability to recruit
- Additional services may be identified which create a niche for the CSB
- Obtaining final approval with MTM may result in additional transportation revenue.
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## Threats

- Medicaid expansion may drive our consumers into the private sector for treatment
- MCO's may make collection efforts increasingly difficult which would strain our working capital
- Our ability to recruit may be impaired
- Implementation of STEP-VA may further complicate our processes and tie up resources

Management's conclusion was that the FY20 proposed budget represents a reasonable and achievable set of financials for the CSB. There are sufficient levers to defer expense to accommodate a potential, and temporary, revenue miss. Expenses will need to be closely monitored to ensure continued financial discipline. We will make needed IT investment to protect our technology infrastructure. We will continue to invest in our workforce with the ability to increase one's compensation through merit increases. Recruitment of talented personnel remains our number one strategic priority and will be mandatory for the CSB to achieve success.

Mr. Elliott made a motion to approve FY 20 Budget Proposal and Mrs. Belote seconded. It was approved unanimously with a voice vote.

## **Disability Program Reports-**

### **Clinical Services and Quality Improvement –**

Mrs. Walker referenced the board report that is appended herewith.

Mrs. Walker stated Charlie Evans passed his CSAC exam and applied for the certified Substance Abuse Clinician position.

Mrs. Walker stated she will be reviewing MHOP assessments through July 5, 2019 for clinical content and to expedite the process of transitioning these into billable services with a completion date of July 9, 2019.

Mrs. Walker stated the SDA clients are being seen and everything is running smoothly.

Mrs. Walker stated there is a census of 283 MH/SA Case Management clients with a target of 300.

Mrs. Walker stated the Psych-Rehab Services program is running smoothly.

Mrs. Walker stated there is a caseload of three clients in Mental Health Skill Building.

Mrs. Walker stated the next 40 hour CORE class is scheduled for September 23-27, 2019.

Mrs. Walker stated transportation by the drivers to our clinics as well as clients at Rural Health Centers was going well.

Mrs. Walker stated they are working on getting a Veterans program at the ESCSB.

There was discussion.

### **Prevention-**

Mrs. Bulin referenced her board report that is appended herewith.

Mrs. Bulin thanked the Prevention staff as they have been helping the Achiever's Clubhouse with transportation four days a week. The Clubhouse staff is very grateful.

Mrs. Bulin stated Dr. Steven Lloyd was a great presenter at the Opioid Medical Symposium on June 3 and June 4, 2019 and it was very successful.

Mrs. Bulin stated the collaborative application with the Virginia Rural Health Association to create a Peer Recovery Support Network will not be funded. She will continue to explore options for this activity in the future.

There was discussion.

### **Medical Director-**

Dr. McClean-Rice stated Dr. Henderson's waiting times for client appointments is 3 to 4 months, Dr. Snead's is 2 to 3 months, and his is one month.

Dr. McClean-Rice stated there are 40 MAT patients.

Dr. McClean-Rice stated the Opioid Medical Symposium with Dr. Steven Lloyd, from Tennessee, was very good.

Dr. McClean-Rice stated he went to an APA Conference last month where a new anti-depressant nose spray was introduced.

### **Developmental Services –**

Ms. O'Keefe referenced the board report that is appended herewith.

Ms. O'Keefe stated the Spring Fling will be at Franktown United Methodist Church, June 14, 2019, 6-8 pm.

### **Human Resources –**

Mrs. Sanderson referenced the board report that is appended herewith.

Mrs. Sanderson presented the revised Wage & Compensation Summary Chart FY 19-20.

Mr. Hubbard made a motion to approve and Mr. Elliott seconded. It was approved unanimously with a voice vote.

**Finance Director –**

Mr. Dix referenced the financial report for the month ended April 30, 2019.

Mr. Dix stated auditors, Robinson, Farmer, & Cox will be here in early July.

**IT Director –**

Mr. Greene referenced the board report that is appended herewith.

**Old Business –**

Mr. Bloxom stated there will be an Executive Session July 9, 2019 at 8:30 am to get Ms. Sedjat's evaluation done. Everyone else will come at 9:15 am.

**New Business –**

It was suggested to look into getting an engineer consultant for the Mendisadd properties in Northampton and Accomack counties. To check construction and building aspect, maintenance, permits, inspection. This will be discussed in the Strategic Planning Meeting in October.

Mr. Elliott made a motion to adjourn the meeting, and Mrs. Belote seconded. The motion was passed unanimously and the meeting adjourned at 10.35 am into Executive Session.

The next board meeting will be Tuesday, July 9, 2019 at 8:30 am.

At 10:39am Eve Belote made a motion to convene a closed session for the purpose of holding a discussion of a personnel matter pursuant to Section 2.2-3711(A)(1) of the Code of Virginia of 1950 as amended. The motion was seconded by Rick Hubbard and conversation followed. At 11:21am Eve Belote made a motion that the board reconvene in open session and that a roll call vote be taken and recorded on the motion so that each member voting in favor would thereby certify compliance with all of the matters identified in Section 2.2-3712(D) of the Code of Virginia of 1950 as amended. That motion was seconded by Andre Elliott. Chairman Bloxom called for a roll call vote as provided within the motion. Those voting in favor were board members Hubbard, Elliott, Belote, Williams and Bloxom (all those in attendance for the closed session). The board meeting was adjourned at 11:23am.

Barbara James, Recording Secretary/Ms. Joan Wilson, Secretary  
**These minutes are subject to full Board Approval.**