

NKHS Board meeting
1/22/2024
MINUTES

Board Present: Denise Niemira, Chair; Amy Morley, Treasurer; Jane Kitchel, Secretary; Linda Rhodes, Stacy Thrall, Patrick Shattuck, Neila Anderson-Decelles, LisaBoskind, Rowan Potvain, Christine Milne-O’Grady, Kari White

Board Absent: James Hemond

Staff present: Kelsey Stavseth, Executive Director; Denis Houle, CFO; Laura Nelson, Chief of __, Brooke Bury, Director of HR; , Sharon Ryan, Chief of IDDS, Tom Gould, Chief if IT, Erica Perkins, Director of Communications, Carol Hemenway, Executive Office Administrator

Guest: Shireen Hart, Esq.

Prior to the meeting, the Board and Senior Leadership Team enjoyed a coffee hour.

Meeting is called to order at 10:03am

Board Education:

Attorney Shireen Hart from Primmer Piper Eggleston & Cramer PC presented her Annual Board Governance presentation to the Board via Zoom (see attached slides).

Some of the touchpoints of her presentation were:

“Nose in, fingers out” – A simple phrase meant to clarify the Board’s responsibility to ask insightful questions, follow-up demonstrating good judgement, but to stay out of the management of the business.

The Board has a responsibility to review all salaries over 100k every year.

The Compliance reports should be brought to and reviewed by the Senior Leadership Team (SLT) at least monthly. The Executive Director or a compliance team representative should then report to the Board in executive session any compliance related matters.

Jane asked about the balance/potential conflict of state representatives serving on Boards. Attorney Hart noted that non-profit boards strive to have legal and financial representation within designated agencies governance and that having those folks on the Board should not be a problem.

The question of Board members liability when traveling asked. The response from Attorney Hart is as follows: “This is in follow up to the question as to why a board member is exempt from immunity if involved in a car accident when related to NKHS services. Because we are required to have liability insurance in order to drive a vehicle in Vermont, the theory is that the board member would have liability coverage under Vermont law and therefore protections. I would not be surprised in plaintiffs’ attorneys lobbied for this when the law went into effect in 1987.”

The Board thanked Attorney Hart for her thorough and thoughtful presentation.

Motion to approve the December 2023 minutes as presented was made by Neila. This was seconded by Linda and carried by unanimous vote of the Board present.

There was a brief roundtable introduction of the Staff and Board members present.

Finance Committee update:

Finance Committee met last week and approved the November financial reports and recommended them for approval by the Board.

Kelsey noted that with the timing of the budget work is important to how we track the budget. With the new direct service waiver it takes a while for that income to be reflected in the finance reports and with those timing issues we will see spikes and valleys in the finance reports.

November revenues are ahead of budget by 455k month to date and there are no pay backs expected as we hit our service level targets. The year to date revenues are 266k over budget.

November expenses are over budget by 359k with salary & wages being 143k over budget, and fringe benefits being over budget by 15k.

Agency margin: November gain is 113k and the year to date gain is 349k – 1.5% margin. Leadership continues to address productivity expectations and standards across multiple programs.

Children’s Program for November had a gain of 15k with no payback. There is a loss of 33k year to date. Staff are working to fill vacant positions to help this program get into a better fiscal condition. The program will be able to see more kids and groups with the move to the new facility (McGoff Hill), but that move will not affect the School based programs.

There is discussion regarding quality over quantity and what that looks like in a quality review. The State of VT looks for quantity and we get credit for number of clients seen. Kelsey stated that there will be a review of the data/reports for the programs with the Board at the scheduled staff presentations at the monthly Board meetings.

Kari asked about telehealth services for clinicians in the schools. Kelsey will confirm the method of engagement and get back to the Board.

Home and community based services (includes behavioral interventionist, home therapy, psych nurse practitioners) had a gain of 29k for November with no payback. Year to date gain is 167k. Revenue year to date is under budget by 41k and expenses are under by 42k.

Schools: November had a loss of 13k. The program now has 16 working contracts with several others in negotiation. This program has a year to date loss of 200k and revenue is under budget by 258k for the year. School based programs include the “Success by 6” program and fee for service contracts.

There is general discussion regarding school based services. Most NEK schools have private contracts with providers. There are some pending laws for private providers and they may have issues with billing in the coming year(s).

Adult program: 138 loss for November. Lower contract revenue from vacant Reach Up position. 11.6k over on salary & wages. YTD loss of 606k and revenue under budget by 179k.

Senior Leadership is actively planning around this program and reviewing data to address this concern. Kelsey has met with all local hospital executives to have discussions regarding cost sharing for psych services. He noted that locums are very expensive (\$170/hour plus other related expenses), we have limited resources, and there is great need in a large geographic area. On a positive note, there is no longer a wait list for med providers.

NVRH will contract with NKHS for a case manager/care coordination in their pediatric office. More information will be available in the coming months.

Mental Health Programs (all): there was a loss of 120k for November and the year to date revenue is below budget by 417k. Expenses over budget by 103k leaving a year to date loss of 597k with locums being a large factor in the expenses.

IDDS: November gain of 268k and a year to date gain of just over one million dollars. December will be more telling with the suspension rule going into place.

Substance Use Disorder program: there was a loss of 32k for November and revenue was under budget for the month by 42%. Year to date loss of 130k. The Senior Leadership Team and program director are working on this issue and working on an improved budget.

Administrative allocations: \$560 below budget for the month of November and is under budget by 159k for the year to date.

Assets decreased by 78k (this includes capital improvements at McGoff Hill and the purchase of 2 new generators for the homes)

Accounts payable decreased 256k

Still strong at 12.5 mil in the bank

84 days Cash on hand

Days in accounts receivable are currently at 36.25

Audit update: the auditors are working on the audit for FY 22 will finish that up within the next 2 weeks. They will come back in May to complete the FY 23 audit and once that is complete we will be back to a timelier audit process. Kelsey noted that there are grants for specific programs that require those completed audits before they release grant funds.

Employee tax credit submission is 1/31/2024. That has been finalized and submitted.

Motion to approve the November financials as presented was made by Kari. This was seconded by Patrick and carried by unanimous vote of the Board present.

Standing Committee reports: There were no meetings/quorum in December so there are no reports to review. Lisa asked about being a facilitator in those meetings vs. being an active participant. We will confirm who should be participating in those meetings and respond to the Board via email.

Kelsey noted that the committees provide information back to the Board and influence how we develop our system of care. The Executive Committee will discuss and make a determination as to what the standing committee groups should be doing as a group.

Staff presentation:

Brooke presents on the HR employee turnover reports. We have 513 employee overall and the goal is 580. Our vacancy rate dropped to 13% and there are 76 open positions currently. In summary, we are in good shape, with IDDS being an area for improved funding to allow for better wages (which equals more new hires). NKHS staff recently met with our insurance brokers. Renewals will see a 20% increase next year, and this is a concern due to the financial impact on staff.

Housing continues to be a barrier for employment and specialty positions are impacted by that as well. Patrick mentioned that Rural Edge is constructing a 24-unit condo development in Newport with a hopeful completion by the end of 2025. Jane stated that child care support from the State of VT is receiving more State funding.

Executive Director updates:

NKHS closed on the Lakemont Drive site for the Front Porch initiative and the official move-in date is 2/12/2024. This will be a phased move in process, and the property is close to being turn-key. There will be minimal investment in renovations. We are currently finalizing contracts, and job descriptions. The intent is to start with the urgent care/stabilization bed program (up to 10 beds) and staff will be doing some cross training to better support clients.

The employee banquet took place this past Friday. There was a good turnout of both staff and Board. Awards were given to employees for tenure and other special recognition awards, as well as a raffle.

Director report discussion: Neila noted that the Compliance report from Nick showed IDDS had “29 critical level issues” and asked what that entailed. Kelsey noted that it includes a very wide swath of issues – we will send out what constitutes an incident to the Board.

Elm Street site: there will be a Development Review Board meeting on 2/1/2024 in Lyndon. The intent is to use that building as office space. We are working with the zoning administrator and are hopeful for a positive outcome. Kelsey again stated that NKHS is very thankful to Rural Edge for their patience.

There is no space at 1111 Main Street for there to be clinical visits. Emergency Services will temporarily move some staff into that space.

Other business:

none

Executive session: not resolved into

Motion to adjourn was made by Jane. This was seconded by Neila and carried by unanimous vote of the Board present

Meeting adjourned at 12:00pm.

DocuSigned by:

Denise Memira

1/30/2024

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