

NKHS Board of Directors
Minutes
6/3/2024

Board Present: Denise Niemira, Board Chair; Amy Morley, Treasurer; Jane Kitchel, Secretary; Lisa Boskind, Linda Rhodes, Stacy Thrall, Neila Anderson-Decelles, Diana Gibbs

Staff Present: Kelsey Stavseth, Executive Director; Denis Houle, CFO, Brooke Bury, Director of HR; Carol Hemenway, Ex. Office Administrator; Keri Riley-Pickford, Director of Operations

Note taker: Carol Hemenway

Called to order at 10:03am

Motion to approve the consent agenda as presented was made by Linda. This was seconded by Lisa and carried by unanimous approval of the Board present.

Compliance update: Keri Riley-Pickford, NKHS Director of Operations & Compliance Officer, gave the Board an update on the restructuring of the compliance committee. This restructuring involves adding new members from each department of NKHS and creating a new agenda format. The first meeting under this new structure is scheduled for 6/27/2024. The Committee is creating a team charter and a compliance manual.

Currently there are four open grievances. During the months of March through May there were 6 grievances (1 medication error, 1 medication requests, 4 staff & service related). Currently, there are no compliance issues that the Board needs to be made of aware of.

April finance reports: Denis presented the April reports to the Board present. The finance reports were previously approved by the Finance Committee.

April was another strong month with a positive margin. Revenue for the month is ahead by \$400k and case rate revenue is at budget with no payback. Mobil crisis is a bit low at 40% utilization and is being addressed. Year-to -date revenue is \$1.2 million ahead of budget.

Expenses for April are over budget by \$121k with 4.6% of that attributed to salary and wages. The health plan is \$180k over budget. Margin for April is a gain of 1.1% and the year-to- date gain is 2.8 %.

Program updates for April:

Children's had a loss of \$71k with no payback

Adult programs had a loss of \$49K

CRT showed a gain of \$5k with no payback expected

Emergency Services had a loss of \$63k

Mental Health programs showed a loss of \$179k and revenue is below budget by \$103k for April

IDDS had a gain for the month of \$125k and April Revenue ahead by \$202k

SUD had a loss of \$17k for April – is challenged by cancellation of services, working to minimize loss of clinical time. The goal is to break even in this program.

Admin is under by \$38k

Cash up for month by \$1.1million – received payback for Lakemont

Cash on hand of 88 days

Days in AR at 42.9 – working on collections

Denis stated that we should expect a loss in children's services over the summer months and for this to balance out over the school year.

There is \$750k left on the initial grant from Lakemont to be used for redesign. Derek continues to put work out to bid as often possible. Most construction firms are booking out over a year so not all jobs are going out to bid and we are using readily available contractors in an effort to open the Lakemont site.

Neila asked about match rates: it was noted that local contracts are billed out – we bill full rate and then back it out to the Medical allowable rate and the schools gets a break of \$0.42 on the dollar due to the federal Medicaid Match. There was discussion regarding school Medicaid billing and clinicians in the school. Jane noted that the advantage of schools working with agencies include having the whole family receive services through our children's and adult programs and the continuity of treatment throughout the summer and other school breaks. As NKHS stabilizes and is staffed with clinicians, it may help schools want to reestablish partnerships with NKHS for clinical mental health services.

Kelsey noted that he and Noreen have been meeting with superintendents to promote our services. Recently, they met with all the North Country principals to discuss the acute needs of children and our specialty services. He noted that schools are a high priority for us in the upcoming year.

Motion to approve April financial reports as presented was made by Neila. This was seconded by Lisa and carried by unanimous vote of the Board present.

FY 25 budget (Denis):

Highlights of the proposed budget include: 3% Medicaid increase, 2% COLA, \$4.75million health insurance renewal, 1.2 million miles added to total mileage (no increase to rate), professional liability insurance (D&O) decrease of 5%, and \$250k is being allotted for cell phone cost. There will also be market adjustments to certain positions totaling \$.5 million. There are 137 vacant positions included in this budget and we expect vacancy savings with this budget. This \$63 million is a 9% growth from last FY.

There was discussion regarding the cost of insurance rates and the potential rate increase/decrease. Denis will look into the possibility of those cost savings and confirm that information with our agent.

Jane informed the Board of an initiative of parents of adult IDDS clients to develop other housing alternatives, such as intentional communities like Heartbeet, to SLPs. There is funding in the FY 2025 budget for these projects. Kelsey noted that do not currently have anything in the pipeline but we do have it in our sights.

Additional budget notes:

Children's - \$6.4 M (million) budget with an expected \$130k gain
Adult - \$2.7M budget with expected gain of \$1.4M
CRT - \$4.9 M with an expected loss of \$1.1M
ES - \$4.3 M with an expected gain of \$83k
DS- \$42.8 M with an expected gain of \$172k
Mental Health- \$18.3M with an expected gain of \$461k

DS- \$42M with an expected gain of \$172k
SUD- \$ 927k with an expected loss of \$358k*

*Working on scheduling issues to negate the revenue loss from no-shows. The projection reflects where we have been, but we are strongly focusing on where we are going. Mental health will subsidize this program.

Budget notes continued:

Administration - 13.51% increase over FY 24 and expect a \$1.1M gain

Anticipated Capital Expenses:

\$900k includes HVAC installation at the Care Bed facility, a van for the children's program, HVAC upgrades at the Derby office, siding improvements at Portland Street facility, a van for the maintenance staff in St. Johnsbury, landscaping and parking improvements at McGoff, building improvements at both Barry Hill and Cedar, cloud migration project (IT), and laptops for staff.

Will ask for a vote of approval of the budget at the June 24th Board meeting. Approval for salaries that will be over the 100k threshold will also come to the Board for review and approval.

HR Updates: Brook stated that we are at 515 staff and that hiring has picked up. We recently hired a CMO – Dr. Patricia Daly. Dr. Andrea Seek is also now on board, part-time in IDDS. The NKSH recruiter has left the HR department, we have interviewed a great candidate and an offer has been made.

There was some discussion of approval for the hiring of staff. Denise reminded those present that the hiring of a Medical Director needs to have Board involvement.

Executive Director Updates:

The staff Advisory Board is having regular meetings, they are going well, staff are involved in decision making and are a conduit for advocacy

Organizational values committee meets again this Thursday to review High Point interview outcomes

Front porch open house this week and working to finalize internal architectural plans

McGoff Hill opened – open house for board is pending

Culture & Climate survey is ongoing (staff survey)

360 evaluations ongoing for SLT & directors

Results based accountability training ongoing with 5 staff

Office 365 upgrade ongoing

Discussion: Kelsey noted that there are 3 parcels that abut the Lakemont property that are up for sale this week that are under foreclosure. There is an outstanding mortgage with CNB for \$.5 for all lots. Zoned for public health and may include wetlands. Denis and Kelsey will monitor the pending sale and keep the Board up to date with any relevant information.

Executive session: not resolved into

Executive Committee meeting is next Monday and will complete the annual Executive Director evaluation.

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

Meeting adjourned at 12:03 pm.

DocuSigned by:
Jane Kitchey 2/2024
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