



# Board of Directors Meeting July 17, 2019



# Welcome & Introductions

# Consent Agenda

- Approval of July 17, 2019 Agenda
- Adoption of May 15, 2019 Board Minutes

*Proposed Board Resolution:  
The Board accepts the items on the Consent Agenda.*



# Mission Report

## Research Engagement at Rocky Mountain Human Services

Jodi Litfin, Ph.D., Briana Rigau, OTD, Lindsay Kuznicki, BA

# The Need for Research Engagement at RMHS



Research literacy is necessary to provide evidence-based practice to our children and families and improve outcomes.



There is a business case for research engagement: value proposition in a competitive world, staff development and retention, improving operational processes.



Research engagement can help us gain a comprehensive understanding of what Early Intervention (EI) services work for whom, and what components are necessary for quality and access.



# Our EI Program's Research Engagement

- Partnered with the University of Illinois at Chicago and the University of Colorado Denver
- Publications and presentations to date
  - 3 journal articles published
  - 3 journal articles under review
  - 5 presentations done
  - 3 presentations upcoming
- What we've learned so far:
  - Lessons about piloting an electronic assessment to promote family-centered care in EI
  - The YC-PEM as an option for engaging families in planning children's EI care
  - How children's diagnostic, functional and social characteristics are linked to EI service use intensity
  - The impact of child and family characteristics and EI service use on changes in children's activity competence by EI discharge



# Our EI Program's Recent Quality Improvement Initiative

## Part 1: Learning modules

- 3 online modules
- Completed individually
- During paid time

## Part 2: Writing group simulation

- Onsite
- Completed in dyads and triads
- During paid time

## Part 3: Writing group fellowship

- Onsite
- Meets 1+ times per month (e.g., poster prep)
- During paid time and renewed annually

# Next Steps at RMHS

- Continuing to participate in collaborative research with UIC/UCD groups as appropriate.
- Implementing research training modules as regular part of service coordinator onboarding workflow; evaluating utility for new clinician onboarding.
- Continuing writing group as RMHS optional activity for service coordinators and clinicians: incorporate journal article review in regular meetings, contribute to ongoing research as needed.



# Coming Soon!



**ZERO TO THREE**  
Early connections last a lifetime



# President's Report

- Nominating Committee Report



# Public Comment



# Executive Director's Report

- Strategic Plan Update
- Conflict-Free Case Management Update
- City Audit Update
- Upcoming RMHS Activities



# Strategic Plan Update

- Process Review
- Committee Review and Recommendations
- Mission Statement
- Board Adoption 30–60 Days



# Conflict-Free Case Management Update

- State Rules
- Continue to Reduce Percent of Persons in Conflict
- Rural Boards



# City Audit Report

- Audit Committee – Aug. 15
- Findings and Responses
- Timelines and Auditor Follow Up



# Finance Committee Report

- Year-To-Date Financials Ending May 31, 2019
- 2020 Budget



# Finance Committee Report

## FY19 Year-to-Date Results: Revenues & Expenses (000's) 7/1/18 to 5/31/19

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Revenues	\$ 41,050	\$ 42,328	\$ (1,278)	(3.0%)
Expenses	<u>39,879</u>	<u>41,679</u>	<u>\$ (1,801)</u>	(4.3%)
<b>Net Operating Income*</b>	<b>\$ 1,171</b>	<b>\$ 648</b>	<b>\$ 523</b>	

\*Does not reflect debt restructuring.

## FY19 Year-to-Date Results

(000's)

7/1/18 to 5/31/19

	Actual	Budget	Variance*
<b>Revenues</b>	\$41,050	\$42,328	(\$1,278)
Medicaid	\$12,000	\$11,366	\$634
State Funding	\$11,694	\$11,714	(\$20)
Mill Levy	\$13,366	\$13,979	(\$613)
Grants	\$3,099	\$3,464	(\$365)
Individual Insurance/Room & Board/Other	\$891	\$1,804	(\$913)

**\*Variances**

- Momentum (\$745k) underbudget with slow startup. Offset \$516k in EI private insurance overbudgeting.
- Below-budget Grants revenues will be offset by Medicaid revenues for EI Part C funds.
- Mill Levy: Original budget did not reflect \$2 million cut in Mill Levy funding in 2019.

**FY19 Year-to-Date Expenses  
Select Cost Centers  
(000's)  
7/1/18 to 5/31/19**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Fav(unfav)</b>	<b>% Variance</b>
Staffing*	\$15,669	\$18,840	\$3,171	16.8%
Client Services**	\$19,887	\$17,532	(\$2,355)	(13.4%)
General Office/Staff Technology	\$763	\$882	\$119	13.5%
Purchased Services	\$893	\$1,169	\$276	23.6%
Allocated Overhead	\$2,922	\$3,280	\$358	10.9%

\* 71% of underspending in Staffing is attributable to EI direct services. EI Colorado denied staff adds.

\*\* 69% of overspending in EI Direct Services: independent contractors vs. staff.



# May 2019 Financials

## Consolidated Statement of Financial Position (000's) 5/31/2019

	5/31/2019	6/30/2018		5/31/2019	6/30/2018
<b>ASSETS</b>			<b>LIABILITIES</b>		
Cash & equivalents	\$ 3,066	\$ 2,149	Accounts payable	\$ 1,603	\$ 2,060
Receivables (net)	8,094	8,500	Accrued liabilities	1,642	1,549
Other current assets	76	66	Deferred revenue	247	61
Fixed assets (net)	5,720	5,182	Debt	8,544	9,799
	<u>\$ 16,956</u>	<u>\$ 15,897</u>	Total liabilities	<u>\$ 12,036</u>	<u>\$ 13,469</u>
			Net assets	\$ 4,920	\$ 2,428
<b>TOTAL ASSETS</b>	<b>16,956</b>	<b>15,897</b>	<b>LIABILITIES &amp; NET ASSETS</b>	<b>16,956</b>	<b>15,897</b>

# Finance Committee Report

## *Proposed Board Resolution*

*Accept financial statements for 11 months ending May 31, 2019.*

# FY19 Accomplishments

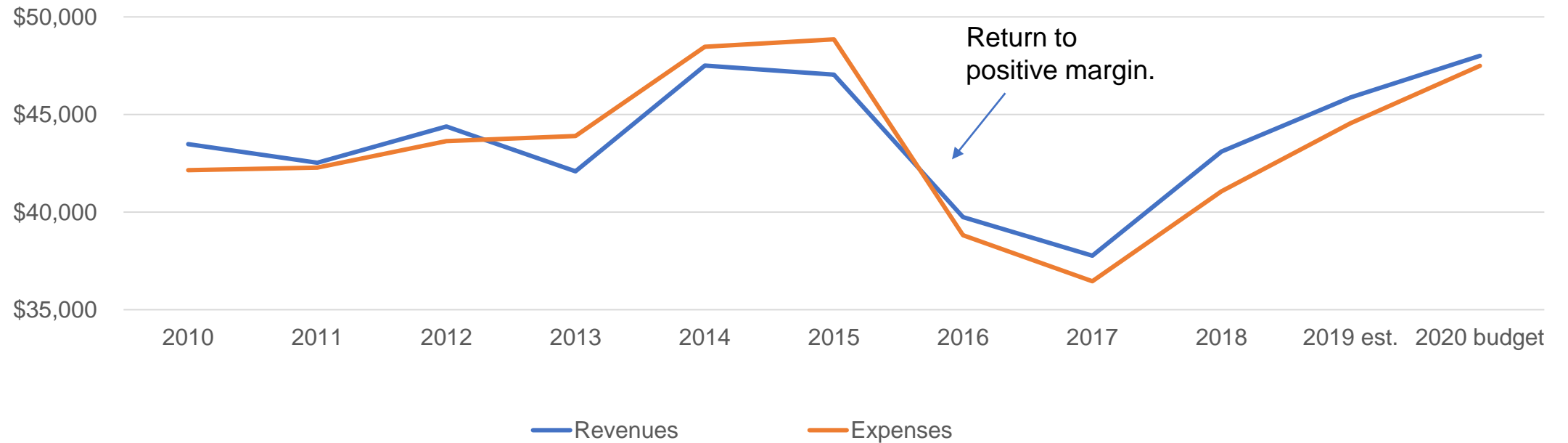
- Met financial performance goals, while reducing debt and overhead costs, and generating a modest surplus in each of the last four fiscal years.
- Adjusted to \$2 million mill levy contract funding reduction. Continued focus on families/individuals and external agencies.
- Launched Momentum Program and successfully obtained Transition Specialist Program (TSP) funding to support statewide presence.
- Prepared for conflict-free case management by further reducing conflicted clients; closed adult behavioral health clinic; began phaseout of LEPN contractors (SLS and CES waivers).

# FY19 Accomplishments

- Increased and focused stakeholder outreach and engagement through RMHS forums, service agency information sessions and participation at community meetings.
- Increased contract and regulatory compliance, computer systems security and privacy of client data. Implemented new billing, case management and electronic health records systems, retiring out-of-date technologies. Began implementing new access and security systems.
- Implemented new RFP process for Mill Levy Special Projects.
- Responded to extensive Office of State Auditor and Denver audits.

# Improved Financial Performance

Unrestricted Revenues & Expenses  
(\$000's)



Note: 2015 Expenses exclude \$1.6M loss from discontinued operations and \$1.1M write-off of pledges receivable



## Changes from FY19

Revenue	\$48.0 mil (up \$2.1 mil: 5%)
Expense	\$47.5 mil (up \$2.9 mil: 7%)
Surplus	\$0.5 mil (down \$.8 mil)

# Major Changes FY19 & FY 20

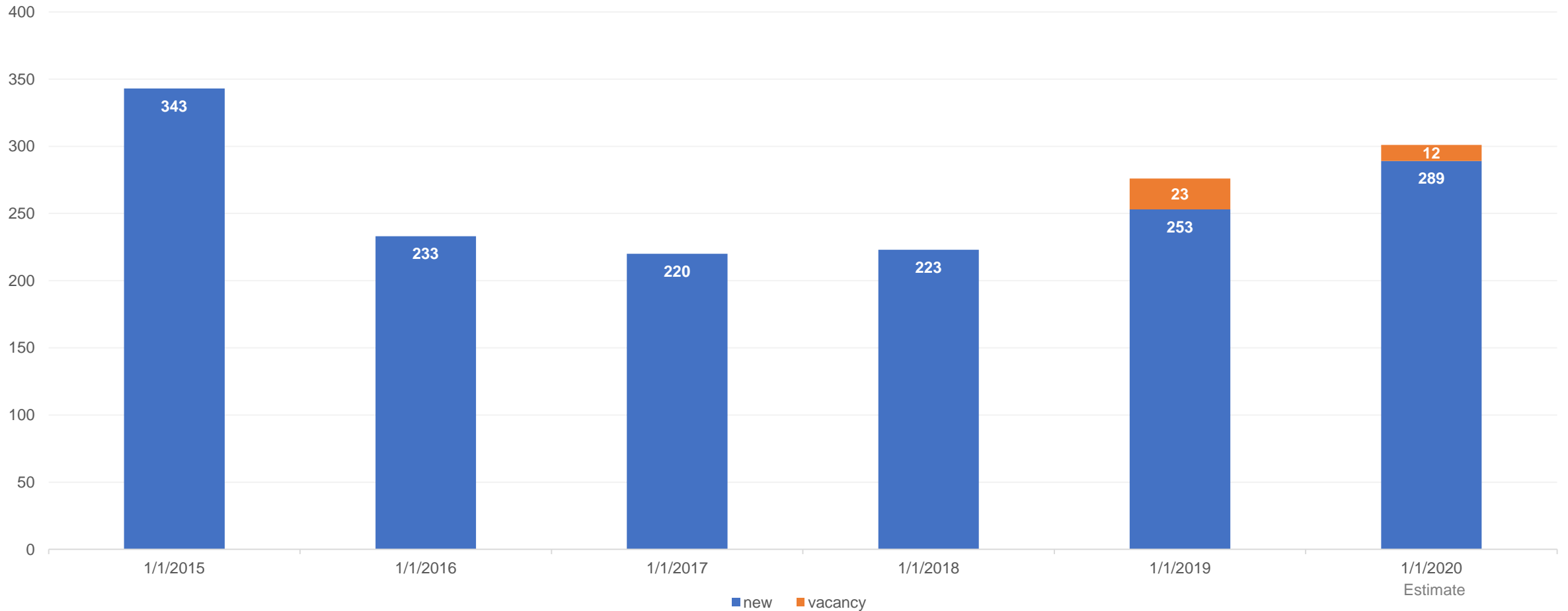
- Revenue reductions:
  - Mill levy contractual reduction causing a budget decline from \$14.7 million to \$14.1 million.
  - Discontinuation of LEPN services in September.
  - State changing transportation agency from CCBs (funding reduction).
  - Reduction of revenues from third-party billing clients.
- Revenue increases:
  - Momentum Program in year two growing about \$1 million.
  - TSP adding up to \$3 million.
  - HAV adding up to \$1 million annually beginning in October.

# Major Changes FY19 & FY20

- Further technology advances:
  - Adding dashboards and supervisory tools to case management system.
  - Testing data visualization tools in Momentum Program.
  - Moving physical servers to cloud-based servers at year-end.
- Staffing increases from 276 to 301 positions during FY20.
  - Vacancies: 16
  - Program Expansions:
    - Momentum: 6
    - EI case management and clinical: 9
    - TSP: 7
    - HAV: 3
  - Administrative: net 0 (2 new, 2 reductions)

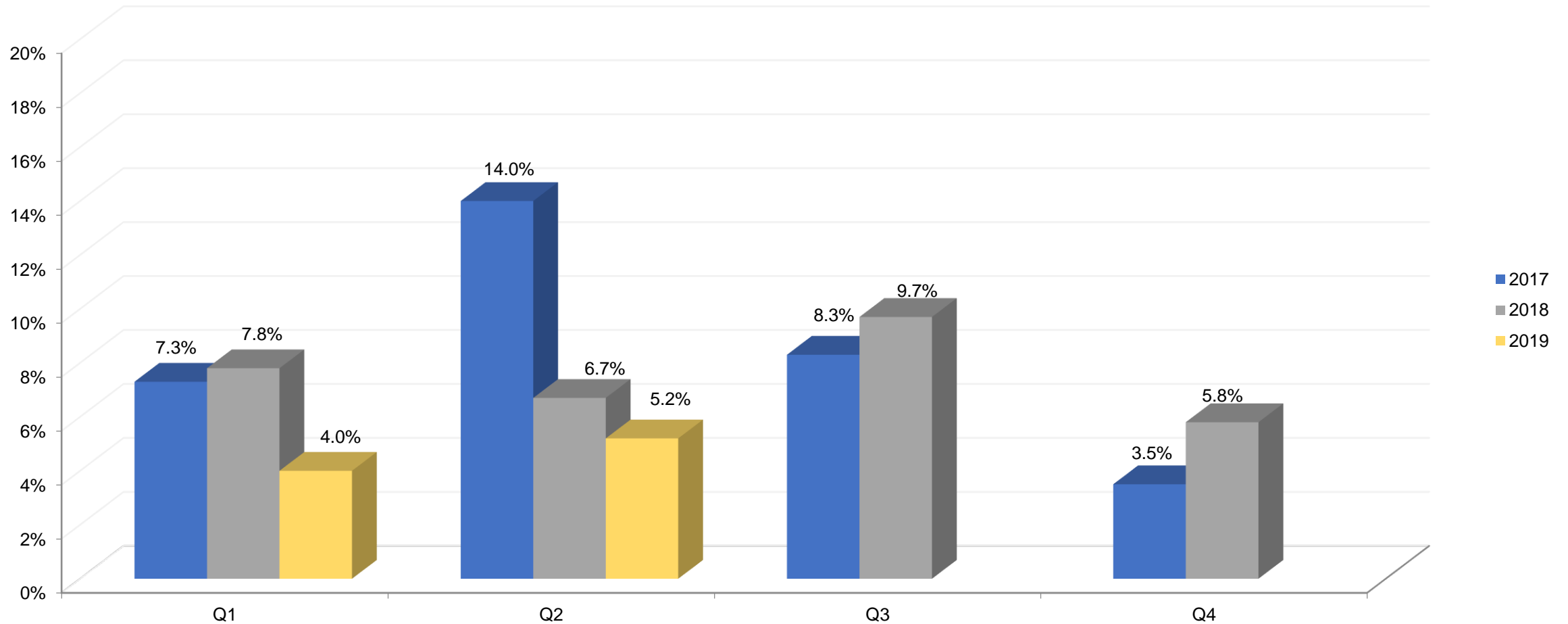
# Finance Committee Report

Headcount with Vacancy



# Finance Committee Report

## RMHS Total Turnover by Calendar Year Quarter



# FY20 Major Initiatives

- Fully implement Momentum and TSP programs.
- Leverage new cloud-based technologies to increase utilization and productivity.
- Continue CARF process and prepare for survey.
- Improve customer service, client and staff retention, security and efficiency through investment in staff training.
- Increase number of host homes to serve new I/DD waiver clients.
- Convert independent clinicians to staff and organize geographic teams.

# FY20 Major Initiatives

- Pursue new service opportunities for I/DD clients.
- Expand remote capacity to better serve clients and lower facilities costs.
- Begin negotiation of mill levy contract for 2021.
- Enhance data management capabilities and expand QA function.
- Continue steps toward conflict-free case management.
- Prepare for regulatory changes in EI, FSSP, State SLS and case management.
- Enhance waitlist management and transitions support.



# FY20 Budget

	FY19 Forecast	FY20 Budget	Changes	% Change
<b>Revenues</b>				
Medicaid	\$13,534,000	\$11,700,000	(\$1,834,000)	(14%)
State Funding	\$13,335,000	\$17,400,000	\$4,065,000	30%
Grants	\$3,294,000	\$3,700,000	\$406,000	12%
Mill Levy	\$14,716,000	\$14,100,000	(\$616,000)	(4%)
Other Revenue	\$1,001,000	\$1,100,000	\$99,000	10%
<b>Total Revenues</b>	<b>\$45,880,000</b>	<b>\$48,000,000</b>	<b>\$2,120,000</b>	<b>5%</b>





# FY20 Budget

## Expenses

	FY19 Forecast	FY20 Budget	Changes	% Change
Salaries	\$13,759,000	\$15,568,000	\$1,809,000	13%
Benefits & Taxes	\$3,373,000	\$4,042,000	\$669,000	20%
Temp Staffing	\$196,000	\$100,000	(\$96,000)	(49%)
Professional Services	\$19,846,000	\$19,300,000	(\$546,000)	(3%)
Client Assistance	\$2,381,000	\$3,000,000	\$619,000	26%
Legal/Audit Fees	\$315,000	\$170,000	(\$145,000)	(46%)
Staff Development	\$117,000	\$180,000	\$63,000	54%
Staff Travel	\$295,000	\$480,000	\$185,000	63%
Vehicles	\$59,000	\$80,000	\$21,000	36%



# FY20 Budget

## Expenses

	FY19 Forecast	FY20 Budget	Changes	% Change
Supplies & Software	\$767,000	\$670,000	(\$97,000)	(13%)
Telephone	\$401,000	\$350,000	(\$51,000)	(13%)
Dues, Subscriptions	\$60,000	\$70,000	\$10,000	17%
Insurance	\$104,000	\$100,000	(\$4,000)	(4%)
Other	\$505,000	\$250,000	(\$255,000)	(50%)
Purchased Services	\$644,000	\$1,275,000	\$631,000	98%
Occupancy	\$843,000	\$1,300,000	\$457,000	54%
Interest	\$184,000	\$20,000	(\$164,000)	(89%)
Depr. & Amortization	\$708,000	\$540,000	(\$168,000)	(24%)
<b>Total Expenses</b>	<b>\$44,557,000</b>	<b>\$47,495,000</b>	<b>\$2,938,000</b>	<b>7%</b>
<b>Net Surplus(Deficit)</b>	<b>\$1,323,000</b>	<b>\$505,000</b>	<b>(\$818,000)</b>	<b>(62%)</b>



# FY20 Budget

## Select Program Revenues\* (millions)

Residential	\$6.7
Family Support	\$1.9
EI Case Management	\$4.0
Children's Clinical**	\$6.7
Adult Case Management	\$4.4
Homes for All Veterans	\$3.7
Momentum	\$4.3
TSP	\$2.7

\*Includes mill levy support where applicable.

\*\*EI and non-EI services.

# Indirect Costs – M&G

- FY15 – Overhead rate 15%
- FY16 – Indirect rate 11.4%
- FY17 – Indirect rate 8.9%
- FY18 – Indirect rate 7.4%
- FY19 – Indirect rate 8.0%
- FY20 – Indirect rate 8.5%

Denver ordinance allows up to 18% “Administrative Costs,” including overhead, occupancy and IT. Are in compliance and continuing reductions under Denver Human Services’ definition.



# Risks – Major Barriers to Success

- Management of program revenue and expense budgets.
- Successful onboarding of 25 state-wide employees.
- Renegotiation of DHS budget terms for calendar year 2020.
- Enhancement of case management and electronic health records software to provide supervisory and QA tools.
- EI Colorado budgeting evolution.
- Maintain quality staff.
- Lack of predictability of funder administration.
- CFCM rules implementation and capacity to compete.

## Changes from FY19

Revenue	\$48.0 million (up \$2.1 million: 5%)
Expense	\$47.5 million (up \$2.9 million: 7%)
Surplus	\$0.5 million (down \$0.8 million)

## *Proposed Board Resolution*

*The Board accepts the FY20 Budget.*



# Compliance Update





# New Business Announcements