



Board of Directors Meeting September 18, 2019



Welcome & Introductions

Consent Agenda

- Approval of September 18, 2019 Agenda
- Adoption of July 17, 2019 Board Minutes

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

Rachel Leamon
Care Manager
Momentum Program





President's Report

- Executive Committee
- Governance Committee
- Strategic Planning Committee

RMHS Strategic Plan: Setting Communities in Motion
Your vision for the future drives us.

Mission

We embrace the power of community
to support individuals and families in creating their future.

We do this by:
Simplifying access.
Celebrating individuality.
Bridging communities.

Mission

- We embrace the power of community
 - to support individuals and families
 - in creating their future.

Strategic Priorities

- Grow in size, expertise and operational efficiency to enable organization to seize statewide case management opportunities.
- Enhance I/DD services to continue as a regional innovator.
- Build a more agile company that has the ability to quickly adapt internally to external changes.
- Continuously survey and plan for future industry landscape to maintain leadership role in human services.



Public Comment



Executive Director's Report

- City Audit Report
- Board Retreat & Training
- Community Advisory Council
- Community Outreach & Activities

City Audit Report

- Denver City Auditor – Separate branch of city government
- Elected every four years
- Auditor O'Brien was first City Auditor to review RMHS
 - Historically audits done of city agencies
 - Broadened scope to audit any contractor
 - Performance audit – financial and performance
- Audit began in January
- Thousands of documents, emails, entire GL, surveys

Finding 1 – Denver Human Services’ Lack of Oversight Prevents It from Validating that Taxpayer Funds Were Spent as Intended

- Denver Human Services Allowed an Improper Method of Monthly Reimbursement
- Denver Human Services Improved the Reimbursement Method but Still Failed to Properly Validate Expenses
- Denver Human Services Did Not Monitor whether Rocky Mountain Human Services Fulfilled Contract Outputs
- Denver Human Services’ Internal Audit Division Failed to Monitor the Rocky Mountain Contract and Improperly Spent Taxpayer Funds
- Denver Human Services Incorrectly Modified Budgets

Recommendation 1.1

Enforce Contract Reimbursement Requirement – The executive director of Denver Human Services should enforce the reimbursement provision of its contract with Rocky Mountain Human Services. The executive director should also disallow the reimbursement of expenses that Rocky Mountain does not adequately support with evidence.

Recommendation 1.2

Implement Process for Invoice Review – The executive director of Denver Human Services should work with Rocky Mountain Human Services to agree on the kind of source documentation necessary to validate expenses for any department included on Rocky Mountain's monthly reimbursement request.

Recommendation 1.3

Verify Accuracy of Special Project Outputs – The executive director of Denver Human Services should establish procedures for monitoring the agreed-upon goals stated in Rocky Mountain Human Services’ subcontracts.

Recommendation 1.4

Develop an Annual Risk Assessment Process – The executive director of Denver Human Services should ensure its Internal Audit Division establishes and implements an annual risk assessment process related to its contract with Rocky Mountain Human Services.

Recommendation 1.5

Ensure Proper Use of Taxpayer Funds – The executive director of Denver Human Services should ensure taxpayer dollars dedicated to helping those with intellectual and developmental disabilities are not spent to perform internal audit work unrelated to the contract with Rocky Mountain Human Services.

Recommendation 1.6

Enforce Contract Requirements for Budget Changes – The executive director of Denver Human Services should ensure all department personnel responsible for overseeing the contract with Rocky Mountain Human Services have a complete understanding of the contract's requirement for changing Rocky Mountain's budget. Further, the executive director should develop internal controls to ensure all budget changes are made in compliance with contract requirements.

Finding 2 – Rocky Mountain Human Services Appears to Provide Quality Services but Could Improve its Financial Accountability.

- Residents Are Satisfied with Services from Rocky Mountain Human Services' Early Intervention Department
- Does Not Conduct Satisfaction Surveys of the Residents It Serves
- Does Not Hold Its Special Projects Subcontractors Accountable
- Should Continue to Improve How It Verifies Residency
- Failed to Provide the Correct Level of Service for Denver Residents
- Did Not Follow Procedures to Approve Requests through Its Client Assistance Program
- Unmet Needs Program Did Not Match Authorized Services with Expense Invoices
- Family Support Services Department Did Not Properly Approve Spending for Services

Recommendation 2.1

Gauge Client Satisfaction – The executive director of Rocky Mountain Human Services should develop and administer a method that incorporates leading practices when gauging the satisfaction of individuals receiving its case management services.

Recommendation 2.2

Improve Monitoring of Special Projects Subcontracts – The executive director of Rocky Mountain Human Services should establish and implement policies and procedures to ensure subcontractor expenses are accurate and that agreed-upon goals in the subcontracts are fulfilled.

Recommendation 2.3

Verify Residency – The executive director of Rocky Mountain Human Services should ensure staff are aware of the residency requirement for Denver’s dedicated property tax dollars and of Denver’s city boundaries. Additionally, the executive director should ensure Rocky Mountain personnel verify all addresses for individuals receiving services with the City’s property tax dollars and that Rocky Mountain personnel should do so using an accurate map of Denver, such as the one managed by the Assessor’s Office.

Recommendation 2.4

Ensure Consistent Delivery of Case Management Services – The executive director of Rocky Mountain Human Services should implement internal controls to ensure the organization’s personnel comply with all requirements for serving Denver residents using the City’s dedicated tax dollars. This could take the form of alerts in case management system software that notify service coordinators of upcoming requirements prior to applicable deadlines.

Recommendation 2.5

Ensure Appropriateness of Client Assistance Program Payments

– The executive director of Rocky Mountain Human Services should implement internal controls to ensure payments through the Client Assistance Program are made only after all other funding sources have been exhausted, are not used to buy prohibited items, and are made to benefit only a Denver resident with an intellectual and developmental disability.

Recommendation 2.6

Implement Automatic Verification in Invoice Software – The executive director of Rocky Mountain Human Services should ensure the software system used to process service providers' invoices can identify instances when dates of service, types of service, or available units of service listed on the invoice do not match an individual's prior authorization request.

Recommendation 2.7

Improve Approval Process for Family Support Services – The executive director of Rocky Mountain Human Services should ensure service coordinators document whether other funding sources were exhausted before approving money from family support services. The executive director should also strengthen the existing approval process, such as requiring secondary reviews, to ensure all funding is disbursed in accordance with Rocky Mountain’s policies and procedures.

Finding 3 – Rocky Mountain Human Services’ Decision-Making When Interacting with Its Community Advisory Council Lacks Transparency

Recommendation 3.1

Enhance Communication and Transparency – The executive director of Rocky Mountain Human Services should make it a priority to respond to the Community Advisory Council’s recommendations in writing. At a minimum, such responses should explain why Rocky Mountain selected certain projects and not others, particularly when decisions deviate from the council’s recommendations.

Next Steps

- Organize plan of correction
 - Some already corrected
 - Policies and procedures
- Prepare for follow-up report



Finance Committee Report

- Headquarters Strategy and Transactions
 - Background
 - Resolution
- Update to FY19 Audit
- Year-To-Date Financials Ending July 31, 2019

Office Space Strategy

- Continue to emphasize staff roles in the field with proximity to clients – case management and direct services.
- Maintain headquarters facility within Denver and create opportunities for staff to engage with each other.
- Consider satellite facilities to engage with clients and employee third-party teams.
- Reduce capital spending, required of maintaining an aging facility.
- Align cost structures with cost reimbursement contracts.

Sale of Building

- In January 2019, RMHS transferred headquarters building and associated bond debt to the RMHS Foundation.
- RMHS entered into lease with the Foundation.
- Unsolicited offer made to purchase building by confidential buyer.
- After negotiations and consultation with the RMHS Board, RMHS Foundation Board approved the transaction.
- If sale goes through, it will close before the end of 2019.

Lease Agreement

- RMHS will lease the majority of the building through January 2021.
- RMHS Board needs to formally release the long-term lease with the RMHS Foundation contingent upon the date of sale.
- RMHS Board will authorize management to negotiate and sign a lease with the buyer until January 2020 for the entire building and until January 2021 for the east wing of the property.

*Proposed Board Resolution:
The Board approves the Resolution provided by Legal Counsel.*



Finance Committee Report

FY19 Year-to-Date Results

(000's)

July 2019

	Actual	Budget	Variance	%Variance
Revenues	\$ 3,454	\$ 3,972	\$ (518)	13.0%
Expenses	3,485	3,813	328	8.6%
Revenues Less Expenses	(31)	159	(190)	NM



Finance Committee Report

FY19 Year-to-Date Results

(000's)

July 2019

	Actual	Budget	Variance	%Variance
Medicaid	\$ 1,018	\$ 1,092	\$ (74)	(6.8%)
State Funding	1,106	1,360	(253)	(18.6%)
Mill Levy	1,097	1,122	(25)	(2.2%)
Grants	201	308	(107)	(34.7%)
Individual Insurance/Room & Board	31	90	(59)	NM
Billing Fees/Donations/Other	1	1	-	NA
Total Revenues	\$ 3,454	\$ 3,972	\$ (518)	(13.0%)

*Proposed Board Resolution:
The Board accepts the Financial Committee Report as presented.*



Compliance Update



New Business Announcements