

STRIVE
FINANCE COMMITTEE MEETING – April 9, 2018

Steve Ammentorp, Scott Coleman, Jeff Parker, Marna Lake

PRESENT FROM STRIVE:

Sharon Jacksi, Chris Bergquist, Linda Briggs

ITEM	OVERVIEW OF MEETING
1	Minutes of the Previous Meeting
2	Financial presentation and discussion
3	General Discussion & Committee Feedback

Minutes of the Previous Meetings – Jeff Parker called the meeting to order. It was moved & seconded that the minutes of the previous meeting from September 26, 2017, be accepted.

Financial presentation and discussion –

Sharon updated the Committee that next fiscal year we will receive a 6 ½ % increase for direct care services, with a 1% increase across the board. Dave Young from Greeley working with Alliance was instrumental in getting this passed. The increase is already authorized in the State Budget. New resources for 24/7 care can bring down the wait list, with the focus on aging caregivers.

Chris mentioned that we are moving forward with the change from ADP to Paylocity. Paylocity will log in as one of us, and farm the data over to their system. The first payroll with Paylocity will be June, 2018.

Chris went over the February financial results. The forecast does not reflect the closing of 385, or the increase that Sharon was discussing. Jeff asked Chris to discuss the major contributors to the loss. Although Case Management units have been down for most of the year, Sharon pointed out that the units for February were up to 8,200 units. The lack of CM billing in the first three quarters will result in more units being available in April-June because there are more units left in individuals' plans. In residential, 3301 and other small settings with high staff needs are very expensive and are major contributors to the loss. Sharon mentioned that we are working on Level 7's to offset the deficit. OT and nursing are part of program costs to include feeding protocols, and wheel chairs, etc. OT is checking on billing Medicaid. The majority of the services that are performed in OT and nursing are not billable. Scott mentioned that if OTs obtain a Doctor's order, this potentially could be billed. How is it different from a nursing home or a care facility? We are working on billing Audyssey to Medicaid. In EI, we do receive some Medicaid. Another good thing next year, EI is totally changing their billing methods from fee for service, to the reimbursement method for costs. At the training in Glenwood, we will receive more information. The question does remain on how the state will budget for this if there is no cap on billing.

Regarding the new admin building, we may be able to get a 1% loan on the building from Colorado Health Foundation. Mind Springs received a 5 year loan from them. Doug mentioned there is no limit on the funding. In speaking with Brian Davidson, it was spread across a few years and was tied to the premise that Mind Springs would be removing people from St Mary's. The length of stay is higher at St. Mary's. St. Mary's might possibly give a sizable investment to Strive if we keep a bed open at Victoria.

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181 could be vacant after the Crisis Grant is completed in July, so we could use that for emergencies.

General Discussion and Committee Feedback

Chris went over Ed's presentation regarding cash flow as it relates to the coming years with impacts such as the new building costs, minimum wage impacts, rate increases, etc. According to the model in its current state, when fiscal 2024 foundation money ends, then we go in a negative cash balance. All of the rate increases, or minimum wage increases are in the projection as they are known now. The agency is looking at other ways to bring in income such as investing in Alita's, etc. We need to improve cash flow. There is a \$600K negative cash flow from July-Feb for FY 18.

Payroll costs are down but there is more overtime because there are not enough employees. The staff letter went out to ask staff to take an extra shift. We are providing waivers to the staff who can't earn more because of their Medicaid health insurance. Health Insurance claims have been through the roof this year. We are trying to catch up to the true liability by booking extra health insurance expenses. There are a number of people with large claims, but no one is into the stop loss. What is the cost of the stop loss? How many people signed up for health insurance? Staff will provide these answers.

Fundraising doesn't have to be limited to 5 years. Doug is moving to another level of big donors, & Eileen is working on donations. Jeff asked that Chris update Ed's analysis in June for the new fiscal year. We hope to reach 10,000 units a month in Case Management to supplement our revenue. We are reviewing our strategic plan to consider extending Case Management to a larger area. There might be creative ways to offer services instead of a satellite office. This depends on the rules that are developed. This change will not be effective until 2021.

Chris pointed out that the new building deal as it exists today would add about \$400K in additional debt service costs annually to the income statement. As a result, Chris recommended targeting a budget bottom line of \$550K or more to accommodate the new building debt service. The building won't close until January, 2019.

There was a motion and a second to approve the financial presentation. The meeting was adjourned at 10:00 a.m.

The next meeting will be in June to review the budget.