



**MEETING OF THE
REGIONAL GOVERNING BOARD**

Friday, March 24, 2023
9:30 a.m. - 12:00 p.m.

REGION 3 BEHAVIORAL HEALTH SERVICES
4009 6TH AVE., SUITE 65
KEARNEY, NE

The Mission of Region 3 Behavioral Health Services is to foster recovery and resiliency for individuals and their families who experience a behavioral health challenge.

MINUTES

1. Welcome and Introductions
 - Tammy Kleeb welcomed everyone and called the meeting to order at 9:35 a.m. Introductions were made.

2. Roll Call
 - Roll Call was taken by Jean Starman.

Present: Adams – Lee Hogan Buffalo – Bill Maendele Custer – Tammy Kleeb Furnas – Dennis Tegtman Greeley – Jordan Foltz Hall – Gary Quandt Hamilton – Richard Nelson Howard – Jessie Urbanski Loup – Donna Steckel Merrick – Carolyn Kucera Phelps – Theresa Puls Sherman – Kenneth Kaslon Valley – Helen Cullers Webster – Trevor Karr	Excused: Clay – Ivan Fintel Garfield – Jerome Zulkoski Kearney – Larry Landstrom
	Absent: Blaine – Craig Thompson Franklin- Larry Landstrom Harlan – Anthony Gulizia Nuckolls – Jerry Grove Wheeler – Travis Heinz
	Also Present: Robert Meyer – RJ Meyer & Associates Beth Baxter – Region 3 Behavioral Health Services (Region 3 BHS) Kerry Slaymaker – Region 3 BHS Tiffany Gressley – Region 3 BHS Kayl Dahlke – Region 3 BHS Jean Starman – Region 3 BHS

3. Review of Open Meetings Act
 - Tammy Kleeb directed the Governing Board members to the *Open Meetings Act* sign posted in the room.

4. Comments from the Public
 - There were no comments from the public.
5. Approval of Agenda
 - Motion by Carolyn Kucera to approve the agenda, seconded by Helen Cullers, motion carried.
6. Approval of January 27, 2023 Meeting Minutes
 - Motion by Gary Quandt to approve the January 27, 2023 meeting minutes, seconded by Theresa Puls, motion carried.
7. Executive Committee Report
 - Tammy Kleeb reported that the Executive Committee met on March 24, 2023 at 8:30 a.m. Beth Baxter provided an update on the Regional Administrator Transition process. There were no policies to review.
8. Region 3 Fiscal Reports

- a. FY23 Year-to-Date Network Expenditures

Kerry Slaymaker reviewed a handout, *Region 3 Behavioral Health Services Network Expenditures July 1, 2022 – February 28, 2023*. An asterisk beside a service denotes that it is a Medicaid eligible service. Mental Health services expended 45% of the budgeted amount for FY23 with 67% of the fiscal year elapsed. Kerry explained that Medicaid expansion has impacted our drawdown amounts. As more individuals received Medicaid coverage, Region 3 paid less units for our services. The lower utilization of funds is also attributed to the workforce shortage as it reduces the capacity for Region 3 Network Providers to serve individuals. Kerry mentioned some services that are on target or slightly over the budgeted FY23 funds as of February 28, 2023. These services include Mental Health Respite, Psychiatric Residential Rehabilitation and the SOAR program. The SOAR program is a new program that assists individuals with the application process for Social Security Disability Insurance (SSDI). Due to the high demand for this service, funding for the SOAR program will be increased in FY24. Therapeutic Consultation utilized 100% of the budgeted amount. Funds will be transferred to this service in April 2023.

Unallocated Available has a budgeted amount of \$357,407. These funds were set aside to be used for enhancement projects. A Recovery Support Program has recently been approved by the Division of Behavioral Health and will be added to our service array. The Bridge in Hastings will provide the service. The Bridge serves women in a therapeutic, residential substance use disorder treatment setting. The Recovery Support Program is designed to help women transition out of Therapeutic Community, support them in their recovery and assist them in transitioning back into the community. The approved amount of \$167,000 for the Recovery Support Program will be transferred from the Unallocated Available budget.

Substance Use Disorder services expended 46% of the budgeted amount for FY23 with 67% of the fiscal year elapsed. Kerry stated that the Dual Disorder Residential service for men shows 0% expended. The program has not drawdown any funding because it was unable to get started. Factors including supply chain issues during building renovation and workforce/staffing issues prevented the program from being implemented.

Other Reinvestment Projects expended 23% of the FY23 budgeted amount. Some projects have been implemented and others are scheduled to be implemented. Supplemental American Rescue

Plan Act (ARPA) block grant funds are being used for the projects. These funds can be used through September 2025.

Grand Total paid out for FY23 - \$7,019,787 or 45% of the budgeted amount.

Kerry stated that we generally have higher expenses in the spring but are still projecting unspent funds due to a lack of capacity, workforce shortages and the impact of Medicaid expansion.

Tiffany Gressley shared that Region 3 reached out to the Opioid Response Network (ORN) to provide technical assistance and training to address local needs regarding the misuse of opioids and other stimulants. Information will be gathered from our system partners. After community needs and gaps are identified, the ORN will help us with planning to address the needs. There is no cost to Region 3 for their assistance. A Regional Opioid Summit is scheduled to take place in mid-June 2023 where a variety of stakeholders, such as personnel from law enforcement, education, health care and behavioral health, will likely participate. A grant process will be created for communities and organizations where they can apply for funding to use in areas ranging from prevention activities to recovery support services.

b. FY23 Contract and Shift Ratifications

There were no budget shifts to report.

9. FY22 Region 3 Network Denials and Ineligibles Report

Beth Baxter referred to a handout, *Denials & Ineligibles FY22 Annual Report (July 1, 2021 – June 30, 2022)*. Beth explained that the report helps us identify the number of individuals being denied services and the reasons for the denials, as well as the number of ineligible individuals. Beth said the majority of individuals who are denied services do not meet criteria. On a monthly basis, Region 3 Network Providers report the number of Denials and the number of Ineligibles in their organization to Melinda Dulitz. Melinda tracks the data and creates the report. The report is a requirement of the Division of Behavioral Health and is a national standard in our Network Accreditation. It helps identify any challenges or gaps in services.

Beth reviewed the Referral Sources, Payer Source of those Denied Services and the Reasons for Denial. Beth explained that an employee has been added to work with the homeless shelters as many individuals in shelters have behavioral health needs. Beth reviewed the Payer Source of those Deemed Ineligible for Services and the Reasons for Ineligibility.

10. Region 3 FY22 Independent CPA Audit

Robert Meyer, Certified Public Accountant with RJ Meyer & Associates, provided the FY22 Audit Report. Robert stated that the Opinion is listed first rather than later in the report as it was in past years. Robert reviewed assets, liabilities, revenue and expenditures and stated there was nothing unusual or unexpected. The areas of Operating Leases (office space), Risk Management (adequate insurance coverage) and the Employee Retirement Plan were reviewed. The report includes a list of Federal Sub-Recipients, or Network Providers, that have received federal funds from Region 3 Behavioral Health Services. Robert reviewed the Summary of Audit Results and stated that, overall, he is very pleased with the audit report. Robert said Kerry Slaymaker does a great job with the fiscal management as well as Melinda Dulitz with Provider Network audit documentation and monitoring. Robert concluded that operations are going well and there were no deficiencies or unusual findings. He asked if there were any questions. There were no questions about the Region 3 FY22 Independent CPA Audit Report. Motion made by Rich Nelson to approve the FY22 Independent CPA Audit Report presented by Robert Meyer, seconded by Helen Cullers, motion carried. A roll call vote commenced:

Lee Hogan - Yes

Craig Thompson - Absent
Bill Maendele - Yes
Ivan Fintel - Excused
Tammy Kleeb - Yes
Joshua Johnson - Absent
Dennis Tegtman - Yes
Jerome Zulkoski - Excused
Jordan Foltz - Yes
Gary Quandt - Yes
Rich Nelson - Yes
Anthony Gulizia - Absent
Jessie Urbanski - Yes
Larry Landstom - Excused
Donna Steckel - Yes
Carolyn Kucera - Yes
Jerry Grove - Absent
Theresa Puls - Yes
Kenneth Kaslon - Yes
Helen Cullers - Yes
Trevor Karr - Yes
Travis Heinz - Absent

11. Presentation of the FY24 Regional Budget Plan

- a. Overview, Network Management and System Coordination Budget Information
Beth Baxter reviewed a handout, *Regional Budget Plan July 1, 2023 – June 30, 2024*. The purpose of the Regional Budget Plan is to ensure that the Region 3 Behavioral Health System promotes accountability, maintains adequate capacity, and focuses on delivering effective trauma-informed, co-occurring capable mental health and substance use disorder services. Development of the Budget Plan includes the four areas of Performance, Effective Services, Data, and Allocation of Resources. Funding decisions were made in support of a comprehensive array of services and activities. Beth reviewed the Region 3 System Priorities. Region 3 maintains regional administrative and network management functions to ensure our system is working well for the individuals who use it.
- b. FY24 Budget Information
Kerry Slaymaker reviewed a handout, *Region 3 Behavioral Health Services FY24 Regional Budget Plan, FY24 Compared to FY23, March 2023*. Figures in parentheses represent a budget decrease. Figures without parentheses represent a budget increase.

Kerry said the overarching theme for the FY24 Budget is the budget decrease that deals with the approximately \$10.3 million that was carryover for the 15% rate increase for providers in FY23. The Division of Behavioral Health included those dollars in their budget recommendation to the governor, however, Governor Pillen did not include the funds in his budget. Region 3's portion of the \$10.3 million is a decrease of approximately \$1.5 million (\$1,548,226) for FY24. The decision to reinstate the \$10.3 million is being considered in the Appropriations Committee of the Legislature and a decision will be determined by May 2, 2023 if it is included in the Appropriations' Budget.

Beth Baxter and other Regional Administrators testified at the Department of Health and Human Services/Division of Behavioral Health Budget Hearing on March 22, 2023 regarding a request to reinstate the \$10.3 million. The Regional Administrators worked with the Appropriations

Committee to help them understand the drawdown challenges and the impacts on the Behavioral Health Regions. Beth explained to the Appropriations Committee that the Region 3 drawdown was very high five of the past eight years, however, the drawdown for the past three years has been considerably lower. A variety of challenges and circumstances attributed to the lower drawdown amounts in the past three years. Some of the factors include COVID-19 restrictions, implementation of Medicaid expansion, long-term workforce shortages, the use of American Rescue Plan Act Funds rather than Program 038 Funds (General State Funds) and the lack of flexibility to move funds between unit based services and expense based services.

Kerry explained that overall, the Region 3 FY24 budget will decrease \$1,457,607 if the funds are not reinstated.

Kerry added that Medicaid presumptive eligibility ends March 31, 2023. Presumptive eligibility started in the pandemic so individuals would not lose their Medicaid eligibility during this time. The Medicaid expansion unwinding process begins April 1, 2023. People will need to go through the review process to determine if they are Medicaid eligible. It is estimated that 12% - 20% of the individuals will return to Region 3 in a 12-month time period. This estimation has been accounted for in the FY24 Budget.

Mental Health services for the FY24 Budget Plan shows a decrease of \$1,063,809

Kerry explained that we want to build capacity in our outpatient services. Tiffany Gressley is working on a voucher based, outpatient project to use therapists outside the provider network. This would be handled on an individual basis. Funds have been allocated to this area.

The SOAR program has experienced a high demand. The program expedites the application and approval process for Social Security Disability Insurance. Some individuals are unable to work due to persistent mental illness. Funds have been added to expand the SOAR program for FY24.

Substance Use Disorder services for FY24 show a decrease of \$484,983. The amount of \$169,459 has been allocated for the Recovery Support – SUD Program and an Outpatient Therapy component.

Grand Total FY24 Budgeted Amount: \$14,151,783

c. Behavioral Health Advisory Committee Recommendation

Beth Baxter stated that the Region 3 Behavioral Health Advisory Committee (BHAC) met on March 23, 2023 where Kerry Slaymaker presented the Region 3 Behavioral Health Services FY24 Budget Plan. The Behavioral Health Advisory Committee thoroughly reviewed it and all members in attendance voted to approve it as presented and submit it to the Regional Governing Board.

Gary Quandt, a member of the Behavioral Health Advisory Committee, provided the following report from the Committee's meeting on March 23, 2023. There were 8 committee members present to review the Region 3 fiscal year 2024 Budget Plan which constitutes a quorum as the bylaws require a simple majority attendance at the meeting.

Beth Baxter, Regional Administrator, presented an overview of the Regional Budget Plan. Kerry Slaymaker, Fiscal Director presented the budget detail. It was discussed during the meeting that the Appropriations Committee is considering the maintenance of a \$10.3 million carryover of funds from FY23 to FY24 for a 15% provider rate increase. Region 3's total is

\$1,548,336 of the \$10.3 million. The Legislature is required to pass the FY24 budget by May 2, 2023. Since Region 3 doesn't know the outcome of Legislature's FY24 budget at this time, the Regional Behavioral Health Committee recommends that the Regional Governing Board approve the budget plan presented.

Elaine Anderson made a motion to recommend to the Regional Governing Board their approval of the FY2024 Regional Budget Plan as presented. Kam Rathjen seconded the motion. The motion carried by unanimous vote of the committee members in attendance.

d. FY24 County Match Status Update

Beth Baxter referred to a handout, *Region 3 Behavioral Health Services FY24 Potential County Tax Match, Based on July 1, 2021 Estimated U.S. Census Population Figures*. The handout includes the Scenario 1 Potential FY24 County Tax Match Allocation for each Region 3 county and the Scenario 2 Potential FY24 County Tax Match Allocation for each Region 3 county.

Scenario 1 excludes the reinstatement of the \$10.3 million in the Division of Behavioral Health's budget. The overall tax match does not change, but per county changes are made based on the most recent census of July 1, 2021. If a new census is released, Kerry will update the county match allocations.

Scenario 2 includes the reinstatement of the \$10.3 million with the Region 3 portion of (\$1,548,226) that requires an overall increase in match in the amount of \$161,871.

e. FY24 County Match Contributions – Resolution

Resolution #1 states:

Now therefore be it resolved that the Regional Governing Board for Region 3 Behavioral Health Services approves the total county tax match for FY2024 in the amount of \$650,971, which is the same amount requested for FY2023. In the event that the legislature reinstates funding of \$1,548,336 to Region 3 for FY2024, the Regional Governing Board approves the revised total county tax match for FY2024 in the amount of \$812,842.

Kerry stated that Resolution #1 essentially covers both Scenario 1 and Scenario 2.

Discussion took place.

Beth Baxter explained that the County Tax Match is based on statute. The funds are State dollars that counties are required to match. Basically, the formula is that for every \$7.50 in State General Funds that are matchable, counties provide \$1.00.

Motion made by Ken Kaslon to approve the FY24 County Match Contributions Resolution #1, seconded by Donna Steckel, motion carried. A roll call vote commenced.

Lee Hogan - No

Craig Thompson - Absent

Bill Maendele - Yes

Ivan Fintel - Excused

Tammy Kleeb - Yes

Joshua Johnson - Absent

Dennis Tegtman - Yes

Jerome Zulkoski - Excused

Jordan Foltz - Yes

Gary Quandt - No

Rich Nelson - Yes
Anthony Gulizia - Absent
Jessie Urbanski - Yes
Larry Landstom - Excused
Donna Steckel - Yes
Carolyn Kucera - Yes
Jerry Grove - Absent
Theresa Puls - Yes
Kenneth Kaslon - Yes
Helen Cullers - Yes
Trevor Karr - No
Travis Heinz - Absent

f. Motion to Approve FY24 Regional Budget Plan

Kerry Slaymaker read Resolution #3 which states that the Regional Governing Board for Region 3 Behavioral Health Services approves the Region 3 FY2024 Budget Plan for the period of July 1, 2023 through June 30, 2024.

Motion made by Theresa Puls to approve Resolution #3 FY24 Regional Budget Plan, seconded by Jessie Urbanski, motion carried. A roll call vote commenced:

Lee Hogan - Yes
Craig Thompson - Absent
Bill Maendele - Yes
Ivan Fintel - Excused
Tammy Kleeb - Yes
Joshua Johnson - Absent
Dennis Tegtman - Yes
Jerome Zulkoski - Excused
Jordan Foltz - Yes
Gary Quandt - Yes
Rich Nelson - Yes
Anthony Gulizia - Absent
Jessie Urbanski - Yes
Larry Landstom - Excused
Donna Steckel - Yes
Carolyn Kucera - Yes
Jerry Grove - Absent
Theresa Puls - Yes
Kenneth Kaslon - Yes
Helen Cullers - Yes
Trevor Karr - Yes
Travis Heinz - Absent

12. Quality Improvement Report

a. FY23 Region 3 Performance Measures 2nd Quarter Report

Kayl Dahlke reviewed a handout, *FY 2023 Network Quality Improvement Plan: Performance Measurement and Reporting, 2nd Quarter Report Ending 12-31-22*. The tool is designed to improve and sustain identified satisfaction, access and performance measures for the Region 3 Behavioral Health Services Network. Kayl explained that Region 3 has partnered with Law Enforcement in Hall County and Buffalo County for the Co-Responder Program. Lutheran Family Services provides this service. ValiData-Outcomes: Post-Discharge Tracking Project is a newly implemented service in which there is no data available at this time.

13. Regional Administrator's Report

- a. Beth Baxter referred to a handout, *Legislative Report, March 24, 2023*. LB 433 is a bill that will basically allow the Behavioral Health Regions to manage their budgets based on the practices in place prior to July 1, 2017. Effective July 1, 2017 the Division of Behavioral Health began implementing, through contract language, manuals, and mandates, restrictions that began to erode the flexibility of the Behavioral Health Regions to effectively manage their approved budgets.

LB 362 is a bill regarding appropriations to the Department of Health and Human Services to provide a rate increase for LB 362 would increase behavioral health services provider rates by 5% for Behavioral Health Aid, Children's Health Insurance, Medical Assistance, and Medicaid Expansion. It would also increase provider rates by 5% for behavioral health services for Juvenile Justice through the Supreme Court.

- b. Division of Behavioral Health Update

Beth Baxter stated that the Division Health and Human Services/Division of Behavioral Health has to review the organizational structure for the Division of Behavioral Health. A Strategy/Stakeholders Meeting is scheduled on April 12, 2023 in Kearney to do strategic/community planning across the state.

- c. Regional Administrator Transition Process Update

Beth Baxter referred to a handout, *Regional Administrator Transition Process, Applying Change-Capable Leadership Principles, March 24, 2023*. Beth shared that the Network Director position was opened internally as there is a considerable amount of tenure and talent at Region 3. Interviews are scheduled to take place the week of March 27, 2023. Beth said the transition process continues to go well.

14. Updates from Network Providers

No updates provided/shared.

15. Other Business

No Other Business was discussed.

16. Date of Next Meeting (due to the Memorial Day holiday on May 29 the May RGB meeting was moved to) June 23, 2023

9:30 a.m. – 12:00 p.m.

Region 3 Behavioral Health Services

4009 6th Avenue, Suite 65

Kearney, NE

Remaining 2023 Meeting Schedule

- August 25
- October 27

17. Adjourn

The meeting was adjourned at 12:10 p.m.