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| LCMHS Board Minutes |
| Date  | June 18, 2025 |
| Time  | 5:00pm |
| Meeting called to order by  | Susan Kimmerly |
| Meeting Adjourned | 6:08 pm |

## In attendance

Board: Susan Kimmerly, Mike Feulner, Cindy Morin, Mary Anne Lewis, Geoff Lindemer, Chip Troiano, Sharon Menard, Keith Rousseau

LCMHS Staff: Derek Hoy, Jennifer Stratton, Robyn Daley

Notes: Emily Roemer

## Introductions

* Completed

## Motion to approve meeting minutes from May

FIRST: Mike Feulner

SECOND: Mary Anne Lewis

DISCUSSION: none

APPROVED: unanimously approved; Chip Abstained; Sharon and Keith were not present for this vote.

## CEO Report

* HR: Working on annual reporting and audits. 401K audit is complete with no significant findings.
* Finance/Payment reform from DAIL and DMH. DAIL is working on updating the Medicaid Manual. Leadership team met with DAIL on payment reform in DS, which starts in October. 40% of our DS revenue will be going to the COI entity. LCMHS can come out even financially, but it will require diligence.
* Phil Kaiser, Head of Facilities, will be leaving in July. Interviews are ongoing.
* Construction will begin on modifying telehealth suits with money from the golf tournament.
* CYFS is wrapping up contracts for the next school year, including 2 new functional skills contracts. Children’s outpatient case rate in outpatient is not being met due to staff on leave. It is not a significant amount, but we will probably have to pay back some.
* ABH is experience a lot of challenges due to housing funding being pulled. CRT is also experiencing payment reform. It will affect how the Wellness Center operates. The current plan is to have more group programming.
* DS hired a co-associate director. Sherry Jones, a Senior Employment Coordinator, has retired after 20+ years.
* Legislation approved a 2% increase. The legislation is keeping an eye on changes related to COI. Many agencies have lost staff to COI entities, which have higher salaries than the designated agencies. Case manager salary at the COI is around $65,000, which is a lot more than the DA’s pay. The COIs are funded out of the 40% we are losing. This change was made because the federal government decided that it is in the best interest of the clients to separate who is providing services from who is managing intake and client budgets.
* We are still monitoring discussions around the PIP bed.

## Finance Report

* We are submitting a deficit budget for FY 2026. There are other agencies presenting a deficit this year as well. We are planning cost cutting measures as well as looking at ways to increase income through innovative contracts and billing efficiency. Robyn is reviewing all clinicians to ensure that they are credentialed with as many insurance providers as possible and that clients are being assigned to clinicians who can bill their insurance. There are a lot of variables with payment reforms and changes at the state and federal level that make predicting the next year complicated. Strategic/contingency planning is scheduled for fall after the payment reforms take effect.
	+ Credentialing with insurance doesn’t cost anything, but the process can take up to 6 months.
* We have better quality numbers than we had in recent years. We ended with a loss of about $1.1 million. Next year we are projecting an approximately $765,000 loss.
* Reviewed 6 major variable of concern for the next fiscal year. Later in the fall, there will be more information available to make choices in how to respond to these variables.
* There are a lot of variables that will continue to FY 2027. This could be discussed further at the strategic planning meeting in the fall. Hopefully some program leaders will participate in this meeting as well.
* Morale is not great around all the financial challenges and changes. The agency is working hard to make this affect the staff as little as possible.
* There are a lot of unknowns around funding of Medicaid, which is about 95% of our income. There is a lot of variables around insurance coverage for employees in the state.
* Days of cash on hand is, on average, in the single digits. There is not much conversation at the state level on how to mitigate these challenges and support the agencies financially.
* We have more information available to meet the requirements of the bank to obtain a line of credit, but predicting a deficit next year is not in our favor.
* The 1.5x increase in projected Medicaid income is due to the changes in DS and Success Beyond Six. Some of this change is balanced by decrease in the DS waiver and related changes.

## Motion to approve FY 2026 Budget as presenented by Jennifer Strattion and Derek Hoy.

FIRST: Geoff Lindemer

SECOND: Mike Feulner

DISCUSSION: none

APPROVED: unanimously approved

Next steps: This budget is submitted to the State of Vermont, who will provide questions. The questions, and our responding answers, will be shared with the board. This process is fairly quick.

## Standing committee reports

* No discussion

## NEW Business/old business

* For next time: determine who will attend the strategic planning meeting in the fall. Goal is to have all board members attend. Meeting to be scheduled for about half a day or split days/times by program. For July, the finance committee will develop an outline/agenda of what will be the most productive use of time.
	+ Vermont Care Partners have staff dedicated to working with legislatures and state entities to advocate for the needs of the DA system.
* For next time: Jennifer’s performance evaluation is scheduled to be completed by August. The process needs to be refined.

## NEW Business/old business

* The board completed a tour of all the programs/buildings today. Members found it to be helpful and appreciate the time put into it.

## Next meeting(s)

* July 16th, 2025
* August 20th, 2025
* September 17th, 2025
* October 15th – Annual Meeting