

WESTERN TIDEWATER COMMUNITY SERVICES BOARD

MINUTES

July 9, 2024

The regularly scheduled bi-monthly meeting of Western Tidewater Community Services Board was called to order July 9, 2024, at 9:39 a.m. Attendance is recorded below:

PRESENT

Cindy Edwards, Board Chair
Lula Holland, Vice Chair
Randy Keaton
LaRhonda Mabry
Alysia Pack
Sarah Rexrode
Margaret Ann Smith
Vicki Wiggins-Pittman (Emeritus)
Melvin Wofford

ABSENT

Steven Blunt
Audrey Lee
Rachel Lewis (Emeritus)
William McCarty
Angela Vick

STAFF

Demetrios Peratsakis, Executive Director
Brandon Rodgers, Associate Executive Director
Matt Hull, Board Attorney
Donna Boykin
Amy Byrne
Debbie Dashiell
David Hopkins
Andrew Jurewicz
Lara Matthews
Sara Theucks

GUESTS

There were no guests.

PUBLIC COMMENTS

There were no public comments.

MINUTES

The meeting began with a review of the minutes of the last three board meetings that need approval as none of these meetings had a quorum. At the last meeting there were no corrections on the March 19th or the May 21st minutes. Ms. Edwards noted that Toni Brown needs to be removed from the absent list for the June meeting as her term expired. There were no other corrections.

Upon a ***motion*** made by Lula Holland and seconded by Margaret Ann Smith, the March 19th meeting's minutes were approved.

Upon a ***motion*** made by Alysia Pack and seconded by Lula Holland, the May 21st meeting's minutes were approved.

Upon a ***motion*** made by Lula Holland and seconded by Alysia Pack, the June 20th meeting's minutes were approved with correction.

BUSINESS AGENDA

2025 Budget and Special Considerations

The Finance Subcommittee of the Western Tidewater CSB Board of Directors met on June 18th to consider the proposed budget for 2025. Mr. Peratsakis will present the operating budget and special considerations and discuss salary increases and potential incentive proposals.

FY 2025 Operating Budget

WTCSB is proposing a \$75 million revenue sourced budget. This is considerably larger than in the past few years due to stellar growth in the years leading up to fiscal year 2022. Since 2022, the agency surged forward from an operating budget of \$44 million to \$75 million. The agency has many new exhibits and additional funding, most of which came from additional work awarded by the Department. Fees represent 40% of the operating budget and that number continues to increase each year as WTCSB is providing and billing for more services, most of which is Medicaid reimbursable with some commercial insurance. As part of the overall budget, it has become a smaller piece of the pie because of the additional monies from state DBHDS.

The 51% increase in revenue from state funds is considerable. Local funding accounts for 8%. and federal, 23%. Most of that is substance abuse, and of course, the numbers are low compared to mental health dollars, some monies from reserve and an overall increase in the operating budget of 25%. The agency obtained local funding in the amount of \$1 million which helps in terms of the overall operating proposed budget of \$75 million.

Most of the additional expenses are in personnel. There are approximately 800 staff positions. This has increased each year, which translates to additional services for the community. There have been some increases in administrative overhead charges, and one of the large increases is in contract purchase of client services. It also includes auditing, legal, psychiatry, and data processing expenses, but most of those are contracted services. Because of workforce

development lag, the agency contracts with headhunters and private firms for psychiatry and some specialized nursing services. As vacancies are filled, those numbers will decrease.

Comparing fee revenue collections, note that the agency has gone from \$22 million in 2022 to \$24.5 million in 2024. There have not been substantive rate changes in that time, but the agency continues to provide services, bill for those services, document and get authorization for each of those services. The most important takeaway is that during a time when the Behavioral Health Commission is pressuring DBHDS to penalize community service boards that are lackluster in their revenue generation from Medicaid, Western Tidewater has no issues with this and continues to be very aggressive as a billing agent.

Mr. Peratsakis highlighted budget items by disability areas. Monies from the State Department of Mental Health include \$48 million for mental health, \$5 million for substance use, and \$23 million for intellectual and developmental disabilities.

Mr. Peratsakis explained specific restricted funds. STEP VA originally began about four years ago with some preliminary funding from DBHDS for nine specific services which they wanted standardized across all 40 community service boards. An insufficient amount of money was put into it at that point and even though more money has been added, it is not sufficient to provide the services they expect. Note that the measures in the Performance Contract are predicated on these nine services. There are many other areas that go beyond the nine service areas, but the General Assembly, based on information from the Behavioral Health Commission, has a keen interest in how specific funded STEP VA services are improving behavioral health care for residents. It is very complicated, and Mr. Peratsakis commented that WTCSB is fortunate to have a good grasp on it, but it's a daunting process. He gave the example of trying to measure what makes a person happy. It could be many things – a good meal, a gift, seeing their grandchildren or their partner. It is not easy to track and correlate a change in happiness with some behavioral health condition. There was a misunderstanding by the General Assembly in terms of how much of an assumption one can make between the services that a Community Service Board provides and healthcare indicators. Nonetheless, there is some amount of correlation, but it's not a one to one. If the CSB provides funded services through the General Assembly, they want to see evidence of a clinical gain in the treatment process for clients, especially individuals with a strong history of institutional care. There is a bump of \$135,000 in the 2025 proposed budget for the first, second and third steps of STEP VA - assessment, primary care, and outpatient services. Considering the cost involved in outpatient services, this is minimal, but welcome.

There is also a tremendous increase statewide in Permanent Supported Housing dollars. This is an area where Western Tidewater has excelled in obtaining additional funds. There is an additional \$733,000 for fiscal year 2025. As of now, the agency has \$2 million. These are dollars to go to individuals that have a history of homelessness. Participation in treatment is not required; however, because we help these individuals with rent costs and other housing allowances, they will often seek services through WTCSB.

An additional \$235,000 has been obtained and is dedicated to expanding substance use treatment for adolescents and their families. There is an additional \$800,000 for crisis services. Western Tidewater is one of five Regional Hubs for the 988 initiative and has the only Crisis Receiving

Center up and running. That has provided tremendous leverage in terms of additional crisis dollars from the State. The ability for individuals who are in psychiatric crisis or having emotional difficulty to walk in and get support is a game changer.

There is an additional \$632,000 for the Marcus Alert specific to four parts of the crisis continuum, especially indexes three and four, which include involvement from police and rescue specialists to assist the behavioral health experts to be able to help an individual in emotional distress to stabilize in the community.

Western Tidewater has the only children's community crisis stabilization program on the East Coast of Virginia – Bridges – and is pleased to receive an additional \$219,000 for this. Bridges is an 8-bed facility.

WTCSB also operates one of two adult living facilities on behalf of the State Department of Mental Health. Additional funding of \$640,000 will be received for this 80-bed facility. Ten of those beds have been earmarked as a memory care unit which serves individuals that have neurodiversity challenges. The agency has created a close working relationship with the Eastern Virginia Medical School and contracts with them for specialty counseling and gerontological care.

WTCSB will receive \$3 million in one-time dollars for children's REACH for the Crisis Therapeutic Home. This will build a new crisis stabilization facility for children and make it possible to relocate the facility currently operating in Hampton. Several years ago, Hampton/Newport News Community Services Board operated this crisis stabilization program for adults and was unable to continue to operate it because of the challenges they faced. The State Department asked Western Tidewater to take over the responsibility. It's been a wonderful opportunity to be able to provide these services.

Mr. Peratsakis discussed additional dollars not added into the budget totals because of the timing of the award. As discussed in past meetings, WTCSB is one of a few community services boards that provide services for individuals with traumatic brain injury. Almost every CSB does gerontological care, but brain injury is an extremely broad, complicated, and nuanced field. It has been part of primary health for years but has been neglected by the Behavioral Health Service community. Individuals with neurocognitive impairment need a tremendous amount of support. If that neurocognitive impairment is temporary, resulting from a traumatic brain injury, individuals returning from war, victims of domestic violence, or sports injuries, the goal is to try and participate in their rehabilitative care. For other individuals that may have a neurodegenerative disease, such as Alzheimer's or one of the other many forms of dementia, it involves assisting them and their caregivers with adjusting to the change in that individual's capabilities and cognitive processing and providing support to delay the progression of that illness as long as practicable. This puts WTCSB at the forefront of the intersection between behavioral health and primary health. The more the agency can invest in providing traumatic brain injury services, the better. That is another \$1.5 million.

WTCSB's GeroPsych nursing home collaboration has received additional funding. This is to help close some of the geriatric beds at the state hospitals. The agency works with the State Department

to enable nursing homes to accept individuals that are not able to be in an adult living facility and need nursing home care. Through contracts with nursing homes in the community, WTCSB staff provide additional expert staffing and support to nursing home staff so these individuals can be successful as part of their resident community. This is \$3.6 million.

There is an additional \$3 million for the Region 5 Crisis Therapeutic Home for dual diagnosed individuals that have mental health and developmental disabilities. WTCSB's very talented and aggressive leadership team and exceptional reputation with the State Department of Mental Health are contributing factors to these financial awards. The Department is under constant pressure to be able to serve certain populations. Whether it's youth, geriatric or individuals in institutional care, the WTCSB team is very creative and very able to pitch ideas for using these special pots of money to benefit the residents in the community. The agency has strong ties with the community and is able to pull staffing in from across the Commonwealth and outside of Virginia for services that can be provided via telehealth.

Special Considerations

These special considerations support staff and the work that they do. The agency plans to continue to be aggressive around recruitment and retention. There is a considerable lag in the workforce in psychiatric nursing and licensed staff. It will challenge the system statewide, because it is imperative to have these positions to operate successfully and provide services. The State recognizes the workforce shortage. Their solution is to expand who can provide services. There was a time when the provider either had to be master's level and/or a licensed individual to provide certain services. That then moved to baccalaureate level and more recently, they allowed individuals with a high school diploma to provide peer recovery work. Now the State Department and the Department of Medical Assistance Medicaid is looking at yet an additional category of workers that have less qualification requirements who can be privileged to be able to work directly with consumers. This often results in the need for greater oversight and additional training at the agency's expense. This is true for every Community Service Board. While broadening of the workforce is welcome, this poses additional challenges for management to be able to properly supervise and monitor their work. It also helps account for a lot of the difficulty new employees have acclimating to the workplace and why the agency spends more time on orientation and training and also on the disciplinary and termination process.

Retention and Recruitment Perks

The agency continues to give staff small amounts of money if they are able to refer a friend or a professional who becomes employed with WTCSB. This began in 2023 with \$9,000 set aside for this purpose. This year the agency is proposing \$12,000. This is nominal and is helpful. Through a combination of strategies individuals are encouraged to submit a resume. If the individual is desirable and agrees to accept a position, the referring staff member receives money.

Several years ago, the agency began providing retention bonuses, mostly for the lowest salaried individuals in residential. A certain amount of money is awarded quarterly and amounts to about \$300 for the entire year. If the individual remains employed a quarter of the bonus is awarded every three months.

The midyear bonus is a one-time perk awarded to staff in addition to their regular salary usually in November. As it's a one-time payment, it is not necessary to build that amount into the budget on a regular basis, but it is an amount that is set aside. The 2023 bonus amounted to \$400,000. The agency will need \$500,000 in 2024 due to a larger number of staff.

Cost of Living (COLA)

In 2023 the agency spent \$650,000 on cost-of-living increases. The 2024 amount is almost \$1 million. COLA is added to regular salaried employees so the agency has to recreate that same amount each year. The agency is mindful of this and is practical in the amount recommended to the Board.

Early Release

There is a cost associated with each early release (for inclement weather, the beginning of a holiday weekend, etc.). Because the agency closes, there is less billing, additional staff expenses for those who cover this time, and a general loss of revenue. The agency is very mindful of early release. It is not a lot of money, and it is a tremendous benefit to staff. This is granted periodically throughout the year.

License Promotion

Several years ago, the agency began offering additional money to those licensed clinicians who agreed to provide formal supervision on their own time to staff completing residency to become a licensed clinician. The agency has been able to build up from having very few licensed staff to having several. Once these individuals are licensed, they are promoted to positions as managers or administrators in an effort to retain them. None of the services the agency provides can be billed without those services being authorized by a licensed individual. Medicaid requires all the services that they approve and reimburse to be overseen by a licensed clinician. This helps ensure quality and allows monitoring of the care provided. This is an expensive model that is not reflected in the reimbursement rates. This cost is lower because in the past, supervision was provided on the side. Now, WTCSB requires that licensed clinicians provide clinical supervision to employees in residence.

Targeted Case Management

As previously discussed, WTCSB has had challenges regarding how to reconcile caseloads when a case manager leaves. It is difficult to say a caseload will be capped at 30 and then somebody leaves. Additional cases can be assigned for a certain amount of time, but it isn't fair for those individuals to continue to hold them without being compensated. An arrangement was worked out to be able to compensate for their care. There has been more efficacy regarding how these cases are monitored and managed but the number of individuals receiving case management services continues to rise.

Cost of Living Adjustment

Mr. Peratsakis shared COLA trending since 2013. There were a few bleak years with little or no increase. Because of the agency's tremendous growth, COLAs have been offered more consistently and the tiered approach that was implemented has been successful and seems more equitable. Based on individual salary, individuals making the highest salaries were awarded a 2% raise, those in the middle, a 2.5% raise and those receiving the lowest salaries, a 3% raise. The agency was even more generous in 2023; however, that amount is unsustainable. There is still a lot of risk in terms of funding. Medicaid reimbursement has become more challenging.

Mr. Peratsakis is proposing to go back to the original tier COLAs of 3%, 2.5% and 2% as recommended by the fiscal subcommittee. If an employee makes \$0-\$38,000, a 3% raise will be awarded. If making between \$38,001 and \$60,000 a 2.5% raise would be awarded. Finally, if making \$60,001 or above, a 2% raise would be awarded. He also recommended that the agency continue the annual retention incentive. It is not a tremendous amount of dollars, but it is helpful in the long run. The COLA would add almost \$1 million to operating expenses. The estimated impact of the annual retention incentive would be \$140,000, and a mid-year bonus is also being recommended. The total cost based on current staff numbers would be \$500,000. That is not recurring. The first two expenses are recurring costs. The budget bonus is not. The board does not have to act on the bonus right away, as that will be brought before the Board closer to the time.

Mr. Peratsakis summarized the Board Finance Committee's Recommendation. He reiterated the agency wants to be aggressive but conservative financially. The ***motion***: "That the Board of WTCSB adopt the proposed 2025 operating budget as presented to include a proposed COLA salary adjustment to eligible staff of 3%, 2.5% and 2% along with continuation of retention incentives." The mid-year bonus is in the budget and will be voted on later.

Ms. Edwards noted the recommendation and called for a roll call vote as is required. There was a quorum, and all members present voted yes and the WTCSB 2025 Budget and Special Considerations was passed. Those present:

Lula B. Holland
Margaret Smith
LaRonda Mabry
Dr. Alysia E. Pack
Sarah Rexrode
Melvin Wofford
Cynthia Edwards

Executive Session

There was no Executive Session called.

ADJOURNMENT

Ms. Edwards thanked everyone for their attendance and adjourned the meeting at 10:24 a.m.

Respectfully submitted,

