

National Association for Behavioral Healthcare



Access. Care. Recovery.

Board of Trustees
December 19, 2019
2020 Budget: Minutes

Roll Call

Present: Members: Pat Hammer, Board Chair; Stuart Archer, Sam Bastien, Annetta Caplinger, Michael Cartwright, Jennifer Ziccardi-Colson, Gary Gilberti, Michele Gougeon, John Hollinsworth, Eric Kim, Jameson Norton, Don Parker, Eric Paul, Matt Peterson, John Stupak, Dwight Willingham

Staff: Mark Covall, Julia Richardson, Sarah Wattenberg, Emily Wilkins, Jessica Zigmond

Absent: Jim Dredge, Frank Fortunati, Bob Maha, Blair Stam, Dominic Sirianni, Harsh Trivedi

Mark Covall began the call at 4 p.m. ET.

Mark said the main action item is consideration and approval of the 2020 NABH budget. The Finance Committee, led by Michael Cartwright, Blair Stam, and Jameson Norton, sent the budget to the Executive Committee, which earlier this month reviewed and recommended that this budget move to the full Board for consideration.

Mark said NABH has a very strong balance sheet: \$2.1 million in a 60-40 arrangement: 60% equity and 40% fixed income. NABH also has \$700,000 in U.S. securities, and about \$700,000 in its daily operations account. Mark said in total, NABH has about \$3.5 million cash available.

NABH changed its dues cycle from April to the calendar year. The invoices for 2020 have gone out. Dues is our primary revenue source. That \$700,000 in the bank will increase with dues by about 80% in the first quarter.

Mark said Board members have both the budget and budget justification. Because of NABH's transition this year, Mark worked with Shawn earlier this year on our estimates. Those were based on August financials, but we have financials through the end of October. Though the numbers are generally consistent with the August statement, right now the bottom line will probably improve. We estimated that we'd have a deficit of \$35,000. We projected a surplus of \$46,000. We expect to be closer to breaking even in 2019. Some of this money was anticipated, such as consultancy fees.

Mark reported that NABH has a little more than \$90,000 for new members and had budgeted \$50,000. Those who have been on the Board for a few years know we implemented an aggressive recruitment campaign. We also continue to get new members in our constituency: general hospitals, youth, addiction, freestanding.

We are projecting an increase in current membership dues of just under 85. We've been averaging between

5% and 7% more on an annual basis. The key areas that drive this: the new members sometimes receive discounts in the first year and then fall into the regular membership and pay the full amount in the second year. The other area is the net revenue of the existing members. The industry is growing and our members have seen this growth.

We projected \$75K and have exceeded this amount in new membership dues. One new member is New Seasons, an OTP led by former Board member Fran Sauvageau.

Annual Meeting: The revenue is up just under 13%, due primarily to an increase in exhibitor fees. We have not increased our exhibitor fees in 10 years. The good news is we are sold out.

Rent/Leasing of our office space: we had a couple more years on our lease in the current location. When we signed the lease, it was before the recession, so the rental rates have shifted. We were in a situation where we were paying higher than the market rates. We were able to re-negotiate a lease on our last two years and the next five years. During the term of the lease, we'll pay less than what we had been paying. Also, we'll avoid the expenses related to moving.

Policy/Research Consultants: we're putting more money here because we're hiring more consultants. We budgeted \$200,000 and spent about \$250,000; we expect that to continue.

Communications/Public Affairs: We're doing more here, especially in the area of social media and working with our communications firm Hager Sharp.

\$4.1 million in expenses on revenue just under \$4.3 revenue, giving us an expected surplus of \$188,000, reflecting a healthy balance sheet.

Michael Cartwright said 2019 was the most challenging year in SUD in the last 26 years. Michael said for Mark and the team to manage the budget and be on target is amazing. He emphasized that he's pleased with belonging to NABH especially with the policy and research areas we have now and ahead of us.

Jameson Norton said he has pleased to see the association has seen increases in strategic planning and communications.

Pat Hammer said on behalf of the Executive Committee, we reviewed the budget and balance sheet and we look forward to another good year. Pat also thanked Mark and the NABH team for all they have done to put the association in this solid position.

A motion was made and seconded to approve the budget. Board members approved the motion unanimously.

Pat added that the budget motion carried and that he looks forward to working with everyone in the coming year.

Mark added a few 2019 highlights for the association:

Mark said Shawn Coughlin and Scott Dziengelski are currently at the White House mental health summit

and it seems as if a lot of what we've advocated—in the areas of IMD and regulation especially—are topics at the summit.

Mark mentioned the two Board priorities for 2019: *Access to Care* initiative that NABH kicked off at the 2019 Annual Meeting. We do have a good platform and have had significant discussions with the people on the Hill. We have also reached out to health plans, most notably with Optum. We are working on multiple fronts in this area, including Mark's involvement on Optum's working group.

There is also legislation that would create more transparency, calling on health plans to document how they are complying with parity. Mental health organizations developed these criteria. The idea here is it would hold plans more accountable if they are complying with parity.

Recent studies, including Milliman's study last month, show it's not getting better. The disparity between in and out network is getting worse and health plans are making it difficult.

The other report is the Government Accountability Office's Dec. 13 report that showed neither HHS nor DOL have investigated whether plans are complying unless they receive complaints. We're calling on congressional hearings to examine whether insurers are complying.

The other priority was on the regulatory front. We engaged Manat, which produced a study that examined ligature, EMTALA, and conditions of participation. We've been pleased to see CMS release guidance on ligature risk and EMTALA this year. Finally, there has been no movement on COPs, but we do believe we have support with CMS. And in recent conversations with the Joint Commission, we believe there are opportunities to get a significant rewrite, if not a full repeal. Michele Gougeon said she's seeing progress in this area.

The call adjourned around 4:30 p.m.