



January 8, 2024

CCMHB Board of Directors & Lynn Canfield, Executive Director
1776 E. Washington Street
Urbana, IL 61802

Re: Appeal/ Response to January 3, 2024, termination letter for contracts
#MHB24-013 and #MHB24-041 for period July 1, 2023 through June 30, 2025

Dear Board of Directors and Ms. Canfield

I am writing to address Promise Healthcare's recent notification regarding our contract termination. While it is heavy on my heart that this is the current situation we find ourselves experiencing, I find solace in the fact that our work continues and patients in need are continuing to be served. This letter intends to request an appeal regarding the termination procedure and additional grace and consideration by the Board.

Promise Healthcare has been fortunate enough to have received support from CCMMHB for many years. We are excited about the direction our Behavioral Health Director, James Hamilton, is leading our mental health services. We have been able to add a case manager, and we have implemented/hired a Patient Ambassador who is providing critical enabling services. Beginning in July of 2023, we bolstered our internal referral services and implemented a robust external referral process for community partners to refer community members for behavioral health and medical services. Through CCMHB funding, we have continued and expanded vital mental health and support services.

The audit was originally due on June 30, 2023, and the CCMHB Board graciously agreed to extend that time after we informed them that CLA would not complete our audit as we had hoped and planned. We received the last extension through December 27, 2023, and we were still unable to provide the completed 2022 audit. The inability to complete the audit in the desired timeframes weighed heavily on all of us in leadership and at our Board level because we recognize that the loss of this funding will hit Promise Healthcare hard and **necessitate cutting these critical services and staffing. Terminating our contracts will negatively impact many residents of Champaign County.**

This letter addresses the criteria required for appeal identified in the November 23, 2023, *MHB Funding Requirements* document:

- 1. Explanation of circumstances leading to the noncompliance.** Like many nonprofit organizations and Federally Qualified Health Centers specifically, Promise is finding the current workforce and financial environments challenging. When I started my position in June of 2021, Promise had not completed an audit for the past three years and needed more staffing and financial management resources to operate an FQHC efficiently. When we started working with our auditor, they informed us that it could take several years to get back on track with timely annual audits, but we were hopeful that our 2022 audit would be completed in the required timeframe. In the past few years, Promise has implemented new accounting software (Sage Intacct). We recruited finance staff, including a CFO with over thirty years of experience, and believed sufficient processes and systems were in place to complete our 2022 financial audit by June 30, 2023. Our previous CFO joined Promise in October of 2022 and began shoring up financial processes and systems and building a sound team with appropriate accounting and financial management systems. Frequent reports from our CFO indicated that our audit was progressing appropriately. In June, our Audit Committee was informed by our auditors of the issues we were facing with the timely completion of the audit. After much deliberation, I found that the only recourse I had was to facilitate the departure of our previous CFO and our Accounting Staff, which happened in October of 2023. Shortly after this time, our auditors informed me about discrepancies in our 2022 finance reports, believing that resolution would entail rebuilding and regenerating data and reports to complete the 2022 audit. In mid-December, I contacted CCMHB to let them know we could not meet the 12/27/23 deadline.
- 2. Proof of corrective action that has been taken or is underway to ensure that the root cause has been addressed.** In October of 2023, I severed the employment arrangement with our previous CFO and accounting staff. Our Board was kept apprised of the issues and my actions. As previously noted, we are working with local CPA Tammy Lemke and have again procured Wipfli's services. Ms. Lemke is working with Wipfli on the completion of our 2022 and 2023 audits, for which we are anticipating a more timely completion. I am incredibly fortunate that we were able to recruit and hire a new CFO for Promise Healthcare in the timeframe that we did. In speaking with the primary care association in Illinois, they told me that numerous FQHCs across Illinois and the country needed help with hiring and retaining qualified financial staff. Our new CFO will be starting with us on January 15, and he will build an accounting and finance team with continued assistance from Wipfli and Tammy. We are working with Ms. Lemke, our consultant, and will work with CLA to implement corrective action plans as required. We will share this corrective action plan with CCMHB as soon as it is established.
- 3. Proposed plan for additional reporting, possibly additional oversight by CCMHB relevant to the noncompliance for the remainder of the contract.** We agree that CCMHB should continue withholding funds until our 2022 audit is completed. As noted, Promise needs to revise our financial reports, which will necessitate revisions to

our CCMHB finance reports, some of which have already been submitted to the portal. Lynn has acknowledged and very graciously agreed that the accuracy of reporting is key, and we believe that without full review and revisions as needed, we cannot support the accuracy of our financial reports and, therefore, the information that we have uploaded to the CCMHB portal.

Tammy will be working with our new CFO and with our auditors to review the scope of work that is required to remedy this situation. This is all resolvable but it will take some time to have our new CFO gain understanding and to review the work. This is his primary focus when he starts with us. I have initiated a 30, 60, and 90-day plan for him, so we will be very careful to keep our focus on the 2022 audit and the 2023 audit and other associated work. Once he is with us and has met with the auditors and Tammy, he can submit progress updates bi-monthly to CCMHB, keeping the organization apprised of the work and the progress. We will plan on submitting our required application for the period of July 1, 2024, to June 30, 2025, as required by February 12, 2024. Still, we understand that we will not receive any payments for this program year or the prior one until the required components for audit submission are met.

4. Other evidence

Although Promise is facing administrative challenges, the organization is sound and our work continues and our services desperately needed by residents of Champaign County and many of these residents have nowhere else to go for services. Examples of our work include:

- Since we hired a Case Manager and implemented an external referral process in July of 2023, the Case Manager has received and processed 60 to 80 monthly referrals.
- In 2023 we have hired three psychiatric nurse practitioners.
- We have hired 4 additional mental health counselors with plans to add an additional two mental health counselors in Spring of 2024.
- With the implementation of the Mental Health Wellness program we have hired a Wellness Care Manger, Wellness Patient Ambassador and Wellness Community Health Worker.
- 2023 Promise Healthcare had 14,259 kept behavioral health appointments for psychiatric care or mental health counseling.
- Patients are seen all across the lifespan from early childhood to aging adults.
- In addition to treating patients with anxiety and mood disorders, psychotic disorders, attentional disorders, alcohol and substance use disorders and behavior disorders Promise Healthcare treats a significant number of patients negatively impacted by community violence, relational violence, sexual violence and violence directed towards the LGBTQ community.
- A significant portion of our patient population is under-insured or has Medicaid or Medicare making access to health services elsewhere difficult.

In closing, I want to thank the CCMHB Board and the Executive Director for considering my request. Shoring up the various systems at Promise necessary to function as an FQHC and meet our funders' requirements is proving to be a challenging task in the current

environment. When I started my position in 2021, Promise was under significant scrutiny from HRSA, and at that time, we were required to manage our 330 grants under the tight control of HRSA staff. When the issues came forward about our audit, we reached out to HRSA and had a meeting with oversight leaders to keep them informed of the lack of forward movement. The difficulties we face are not unfamiliar to them, and our explanation of the work we were doing to remedy them satisfied their questions. For the last twelve months, we have been able to operate without this level of scrutiny and are considered fiscally sound.

We have significant work to do to shore up our financial management and accounting. The loss of CCMHB funding and uncertainty about our funding in the contract period will make operations and staffing extremely difficult, as the loss of \$437,078 per year will mean that we need to cut programs and staffing quite drastically. Terminating our contracts will mean cuts to services our community members desperately need. I urge the Board to reconsider the termination decision and continue with our contracts.

Sincerely,

Jennifer Henry
Jennifer Henry

Chief Executive Officer