Tri-County Behavioral Healthcare Board of Trustees Meeting

August 27, 2015

Tri-County Behavioral Healthcare
Healthy Minds. Meaningful Lives.

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Thursday, August 27, 2015. The Business Committee will convene at 8:30 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:05 a.m.

AGENDA

I. **Organizational Items**
   A. Chairman Calls Meeting to Order
   B. Public Comment
   C. Quorum
   D. Review & Act on Requests for Excused Absence

II. **Approve Minutes - July 30, 2015**

III. **Executive Director's Report - Evan Roberson**
   A. DSHS
      1. New Targets
      2. Contract Updates
   B. DADS
   C. Building Updates

IV. **Chief Financial Officer's Report - Millie McDuffey**
   A. FY 2015 Audit
   B. Montgomery County Funding Update
   C. Fixed Asset Inventory
   D. CFO Consortium
   E. Workers Compensation Audit

V. **Program Committee**

Action Items

A. Approve Goals & Objectives for FY 2016 ..... *Pages 11-13*
B. Approve Tri-County's Consumer Foundation Board Members ..... *Page 14*

Information Items

C. Community Resources Report ..... *Pages 15-17*
D. Consumer Services Report for July 2015 ..... *Pages 18-19*
E. Program Updates ..... *Pages 20-23*

VI. **Executive Committee**

Action Items

A. Annual Election of FY 2016 Board Officers ..... *Page 24*
B. Executive Director's Evaluation, Compensation & Contract for FY 2016 ..... *Page 25*

Information Items

C. Personnel Report for July 2015 ..... *Pages 26-29*
D. Texas Council Risk Management Fund Claim Summary for July 2015 ..... *Pages 30-31*
E. Texas Council Quarterly Board Meeting Update ..... *Pages 32-98*

Cont.

VII. Business Committee

Action Items

Information Items

VIII. Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney & Section 551.074, Personnel: Executive Director Evaluation

Posted By:

Stephanie Eveland
Executive Assistant

Tri-County Behavioral Healthcare

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES MEETING

July 30, 2015

Board Members Present:
Brad Browder
Sharon Walker
Tracy Sorensen
Richard Duren
Cecil McKnight
Jacob Paschal

Board Members Absent:
Patti Atkins
Morris Johnson
Janet Qureshi

Tri-County Staff Present:
Evan Roberson, Executive Director
Millie McDuffey, Chief Financial Officer
Kenneth Barfield, Director of Management Information Systems
Tanya Bryant, Director of Quality Management and Support
Amy Foerster, Director of Human Resources
Kathy Foster, Director of IDD Provider Services
Catherine Prestigiovanni, Behavioral Health Director
Breanna Robertson, Director of Crisis Services
Kelly Shropshire, Director of IDD Authority Services
Stephanie Eveland, Executive Assistant
Tabatha Abbott, Cost Accountant
Melis Papila, Public Information Coordinator
Mary Lou Flynn-DuPart, Legal Counsel
Marie Axley, Coordinator of IED Services
Cecelia Fuller, Consumer Benefits Specialist
Veronica Garza, C&A Bilingual Wraparound Case Manager
Lola Jones, Financial Counselor/Med Room Team Lead
Darlene Smith, Medication Clinic LVN
Beverly Standley, Reimbursement Manager
Jessica Thompson, Senior Billing Specialist
Darius Tuminas, Reimbursement & Service Analyst
Sheila Vivola, Pharmacy Coordinator
Melissa Zemencsik, Administrator of MH Children's Services

Guests:
Mike Duncum, WhiteStone Realty Consulting

Call to Order: Chairman, Brad Browder, called the meeting to order at 10:11 a.m. at 1506 FM 2854, Conroe, Texas.

Cont.

Public Comment: There were no public comments.

Quorum: There being six (6) members present, a quorum was established.

Resolution #07-15-01

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved: That the Board excuse the absences of Patti Atkins, Morris Johnson and Janet Qureshi.

Longevity Recognitions were presented to Tri-County staff.

Resolution #07-15-02

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved: That the Board approve the minutes of the May 28, 2015 meeting of the Board of Trustees.

Executive Director's Report:

The Executive Director's report is on file.

Chief Financial Officer's Report:

The Chief Financial Officer's report is on file.

PROGRAM COMMITTEE:

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Reports for May and June 2015 were reviewed for information purposes only.

The Program Updates were reviewed for information purposes only.

Cont.

The Year-to-Date FY 2015 Goals and Objectives Progress Report was reviewed for information purposes only.

The 3rd Quarter FY 2015 Corporate Compliance and Quality Management Report was reviewed for information purposes only.

The 4th Quarter FY 2015 Corporate Compliance Training was reviewed for information purposes only.

The Medicaid 1115 Transformation Waiver Project Status Report was reviewed for information purposes only.

EXECUTIVE COMMITTEE:

Brad Browder, Chairman, appointed members to the Nominating Committee for FY 2016 Board Officers. The committee members are as follows:

- Sharon Walker, Chair
- Patti Atkins
- Morris Johnson

Brad Browder, Chairman, appointed members to the Executive Director Evaluation Committee as prescribed by Board policy. The committee members are as follows:

- Cecil McKnight, Chair
- Janet Qureshi
- Tracy Sorensen

The Personnel Reports for May and June 2015 were reviewed for information purposes only.

The Texas Council Risk Management Fund Claims Summaries for May and June 2015 were reviewed for information purposes only.

BUSINESS COMMITTEE:

Resolution #07-15-03

Motion Made By: Cecil McKnight

Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved: That the Board approve the May 2015 Financial Statements.

Cont.

Resolution #07-15-04

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the June 2015 Financial Statements.

Resolution #07-15-05

Motion Made By: Cecil McKnight
Seconded By: Richard Duren, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen and Jacob Paschal that it be...

Resolved:

That the Board approve the Engagement Letter from Scott, Singleton, Fincher and Company, P.C. for the FY 2015 Independent Financial Audit.

Resolution #07-15-06

Motion Made By: Cecil McKnight
Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the amendment to the Interlocal Agreement to participate in the Texas Council Risk Management Fund's Minimum Contribution Plan for Workers' Compensation coverage.

Resolution #07-15-07

Motion Made By: Cecil McKnight
Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the recommendation for FY 2016 Employee Health Insurance, Basic Life/Accidental Death and Dismemberment (AD&D) and Long-Term Disability (LTD) coverage.

Resolution #07-15-08

Motion Made By: Cecil McKnight
Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the FY 2014-2015 DADS Performance Contract Amendment Packet #6.

Cont.

Resolution #07-15-09

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the FY 2015 DSHS Performance Contract Amendment.

Resolution #07-15-10

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the FY 2015 DSHS Youth Empowerment Services Performance Contract (Authority Services) #2015-046617-010.

Resolution #07-15-11

Motion Made By: Cecil McKnight
Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the FY 2015 DSHS Youth Empowerment Services Provider Agreement General Revenue Expansion Contract #2015-047922-001.

Resolution #07-15-12

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the addendum to extend the FY 2015 Cypress Creek Hospital Contract for Psychiatric Inpatient Services an additional contract maximum of $50,000 for a total of $650,000.

Resolution #07-15-13

Motion Made By: Cecil McKnight
Seconded By: Richard Duren, with affirmative votes by Brad Browder, Tracy Sorensen, Sharon Walker and Jacob Paschal that it be...

Resolved:

That the Board approve a contingency in the amount of $70,000 for cost overruns at 2000 Panther Lane, Liberty, Texas.

Resolution #07-15-14

Motion Made By: Cecil McKnight
Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board authorize an additional $50,000 for a total of $65,000 to extend the option period for the Montgomery County project site to October 29, 2015.

Resolution #07-15-15

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the Montgomery County building project with a cost not to exceed $15,000,000 after required approvals and financing are obtained; and, authorize the Executive Director to sign all necessary documents with consultation from Jackson Walker.

The 3rd Quarter FY 2015 Investment Report was reviewed for information purposes only.

The Board of Trustees' Unit Financial Statements for May and June 2015 were reviewed for information purposes only.

The Intermediate Care Facility Requests for Proposal Responses were reviewed for information purposes only.

The Montgomery Supported Housing, Inc. Update was reviewed for information purposes only.

The Cleveland Supported Housing, Inc. Monthly Update was reviewed for information purposes only.

There was no need for Executive Session.

The regular meeting of the Board of Trustees adjourned at 12:21 p.m.

Adjournment:

[redacted]

Brad Browder Date
Chairman

Attest:

[redacted]

Tracy Sorensen Date
Secretary

Executive Director's Report

August 27, 2015

Announcements

- The next Board meeting is scheduled for Thursday, September 24th, 2015.

- The annual Burnham Classic was held on August 7-9th. Even by Burnham standards, it was a hot one this year. I am always so impressed by the turnout which really speaks to the hard work that everyone has put in over the years. Much thanks to the Burnham family, Mr. Cecil McKnight and his wife, Mrs. Mable McKnight, for their years of support of the golf tournament.

- I wanted to remind each of you about the ETBHN Board Strategic Planning meeting scheduled for October 15-16th at the Moody Gardens Hotel in Galveston, TX. There is still time to register if you are interested. Please let Stephanie Eveland or me know if you would like to attend and we will make the arrangements.

- I have asked Catherine Prestigiovanni to step into a new role at Tri-County as the Director of Strategic Development. As many of you are aware, we have struggled in recent years to be as active in outreach to our counties as we would like, especially as our counties continue to grow. I had planned to do something different for outreach in FY 2016, and comments at the Board Strategic Planning in July really solidified the idea that I had to designate a higher level staff person for this new role. In addition to community outreach and fundraising, Catherine will be working with local officials to help them understand Tri-County and the persons we serve and developing new community partnerships. She will also work with Tri-County's Consumer Foundation.

  Catherine will contact each of you to discuss your ideas for outreach in the community. Several of you have contacted me with your ideas, and I know that you will have thoughts on the most impactful strategies to connect with your community.

  Catherine is unable to attend the Board meeting today because she is attending the Montgomery County United Way Community Partners meeting.

- The cake is in honor of Ms. Patti Atkins who celebrated a birthday on August 5th.

Department of State Health Services

- I received draft information on our new **mental health service targets for FY 2016**. Targets will not be formally announced until the Department of State Health Services (DSHS) issues their first quarter contract amendment that includes the new items that were added in the 84th Legislative Session.

  As the Board will remember, the target methodology that the State uses includes a 'Maintenance of Effort' provision which, in short, means that the Legislature expects that the system will continue to serve as many as they have and that new money will equate to new persons served. This all makes sense, except that the 'All Funds' financial figure for Centers, which is used to assign targets, includes Pharmacy Assistance Program (PAP) funds which are used to supplement service provision.

  Our draft Adult Target will go up from 2,220 to 2,694. Our draft Youth Target will go up from 374 to 574. While our system continues to serve close to this many clients, these targets will be challenging if we had a serious staff (especially prescriber) shortage.

- DSHS provided the following **contract update**: "In order to address and incorporate the additional new money from the 84th Legislative Session, DSHS is planning for an early fall amendment to the FY 2016 DSHS Performance Contract."

Department of Aging and Disability Services

- We are still awaiting the FY 2016 Department of Aging and Disability Services (DADS) Performance Contract.

- DADS has contracted with Kathryn du Pree, an expert in services for individuals with intellectual and developmental disabilities (IDD), to conduct quality service reviews (QSRs) of the implementation of federal requirements relating to Pre-Admission, Screening and Resident Review (PASRR) and the Americans with Disabilities Act (ADA), (collectively referred to herein as the "federal requirements"), as they apply to certain individuals with IDD.

  Tri-County had our first two (2) PASRR QSRs for clients who were diverted to the community from nursing facilities. The reviewers met with two (2) individuals, their Legally Authorized Individual, the Home and Community-based Services (HCS) Provider and the Tri-County Service Coordinator at their home. The reviewers explained that this was not a compliance review; rather, data is being collected to determine statewide needs for improvement in meeting QSR guidelines. Compliance reviews start in March of 2016. Overall, the reviewers were very impressed with our staff, but they did provide some feedback on how to tweak our processes. We will not have a written report from them for 30 days.

Building Updates

- The Liberty building construction is progressing nicely. Mr. Mike Duncum believes the building will be done by September 1st; however, we are not sure when we will have internet service at the building, and we are still working on additional furniture for the site. At this point, we anticipate a grand opening ceremony near the end of September with a first date of service on Monday, October 5, 2015.

- We provided the owner of the lot on Sgt. Ed Holcomb with $50,000 to extend the option on the property until September 30, 2015. Jackson Walker and Mike are still working together to assign the property option to Tri-County.

  Our Montgomery County building committee continues to meet and tweak the design of the new facility. The team has been looking at items like system furniture, information technology wiring schemes, security systems, floor, wall and countertop coverings, and other items to be included in the bid.

  Our architects anticipate having the final set of plans and specifications by September 15th. We would then plan to get with Jackson Walker and start putting together the bid process. Mike believes we may be able to go to bid prior to the end of September and the Board could select a contractor in November. He is also hopeful that we could actually break ground in late November.

CHIEF FINANCIAL OFFICER'S REPORT
AUGUST 27, 2015

FY 2015 Audit – We continue to do our prep work for the FY 2015 audit. This consists of account reconciliations, copies of contracts, copies of board minutes, backup and approval for any fixed asset purchases. The auditors will be on site as scheduled the following days: September 1st through September 4th and then returning for their final visit on November 2nd through November 6th. They will provide us with details of requests of items to be available for each visit and we expect the work to go smoothly. In between the on-site visits, we will be sending data electronic as needed.

Fixed Asset Inventory – The fixed asset inventory is complete. Since the last board meeting, we have completed year end computer purchases which are arriving on site this week and next week. We are also in the process of pricing new office furniture for the new Liberty location. We will be updating our inventory after these items have been placed at their permanent location. Also as a part of the consolidation, we will have many obsolete items that will have to be disposed of from the old Liberty locations. Over the years, we have accumulated a lot of old equipment and furnishings which we do not want to continue to store at the new location. Therefore, we will be preparing for a salvage sale in the next few months.

CFO Consortium – The next CFO meeting is scheduled for September 24th and 25th. This will conflict with the next board meeting so Tabatha Abbott will be at the Board meeting and I will be at the CFO meeting. This will be the first meeting for this fiscal year and that is usually when we talk about changes in our contracts and such items that relate to all centers.

These are the items that are currently on the Preliminary Agenda:

- Update from Lee Johnson – Texas Council. This will include talks on the new DSHS Targets as well as the Equity funding that will be in the first contract amendment from DSHS that we expect to receive in October or November.
- Single Audit Rule Changes – Presented by Diane Terrell
- Billed Charges – Presented by Matt Tinsley
- Update from Managed Care Steering Committee - Presented by April Johnson-Calvert
- Certified Community Behavioral Health Care Clinics and PPS – Presented by Jolene Rasmussen, Texas Council.
- Committee Updates
- Investment Training – Presented by Linda Patterson

Workers Compensation Audit – We have not received our initial correspondence from the Texas Council Risk Management Fund Contractor in regards to our FY 2015 Workers Compensation audit. The Contractor is normally scheduled to be here to review the final payroll documents during the month of September. Also, they will be reviewing all contractor documents and payments to compare to the monthly payments submitted to Texas Council for Workers Compensation throughout the fiscal year. The process usually takes three to four months before we get any results from the audit.

Agenda Item: Approve Goals and Objectives for FY 2016 **Committee:** Program	**Board Meeting Date** August 27, 2015

Background Information:

The Board of Trustees and Management Team met on July 11, 2015 for a Strategic Planning meeting. The Board provided feedback regarding strengths, weaknesses, opportunities and threats for the next fiscal year. From this analysis, goals were developed and a consensus was reached. Subsequently, the Management Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center's contracts with the Department of State Health Services, the Department of Aging and Disability Services and various state/local agencies.

After adoption by the Board, staff will provide a year-to-date progress report each quarter.

Supporting Documentation:

Draft FY 2016 Goals and Objectives

Recommended Action:

Approve Goals and Objectives for FY 2016

FY 2016 Goals and Objectives

Goal Area 1: Facilities

- **Objective 1:** Open the new service location in Liberty by October 1, 2015.
- **Objective 2:** Select a contractor for the construction of the new Conroe facility by December 1, 2015.
- **Objective 3:** Break ground on the new Conroe facility by January 31, 2016.
- **Objective 4:** Update appraisals on existing vacant properties and list these properties for sale by March 1, 2016.

Goal Area 2: Community Awareness

- **Objective 1:** Meet one on one with all County Judges and County Commissioners to discuss Tri-County Behavioral Healthcare and seek feedback about service gaps by May 31, 2016.
- **Objective 2:** Hold at least one meeting with local legislative staff to discuss Tri-County Behavioral Healthcare and feature one of our programs by May 31, 2016.
- **Objective 3:** Hold at least one sponsored community outreach event focused on issues that would interest Tri-County families and the community by May 31, 2016.
- **Objective 4:** With the cooperation of Tri-County's Consumer Foundation, plan at least one fundraising event before August 31, 2016.

Goal Area 3: Staff Development/Retention

- **Objective 1:** Start the second Jon Stigliano Leadership Course in FY 2016.
- **Objective 2:** Develop at least two targeted training courses for our Bachelor's level Qualified Mental Health Professionals (QMHPs) and Qualified Intellectual Disability Professionals (QIDPs) by February 28, 2016.
- **Objective 3:** Review Center compensation systems and consider salary increases for employees based on determined objective criteria by May 31, 2016.

Goal Area 4: Technology

- **Objective 1:** Make a recommendation to the Board of Trustees related to a replacement for Anasazi Human Resources and Fiscal software by February 28, 2016.
- **Objective 2:** Develop a plan for the new Conroe facility to transition phone systems and copiers/printers by April 30, 2016.

Goal Area 5: Quality Management

- **Objective 1:** Conduct a Privacy and Security Audit of Tri-County Behavioral Healthcare to identify risks and develop an improvement plan based on audit results by March 31, 2016.
- **Objective 2:** Create a quality management auditing system to replace the Program Review process that is currently used by May 31, 2016.

Agenda Item: Approve Tri-County's Consumer Foundation Board Members **Committee:** Program	**Board Meeting Date** August 27, 2015

Background Information:

In January, the Board of Trustees agreed to form a Foundation to benefit the consumers of Tri-County Behavioral Healthcare. At that time, Patti Atkins agreed to serve on the Foundation Board and was officially appointed by the Tri-County Board.

Staff are requesting two additional persons be appointed to the Board for two year terms:

- Richard Duren, Tri-County Trustee (B Term)
- Madeline Brogan, Professor at Lone Star College (A Term)

Initial A terms (Atkins and Brogan) would expire August 31, 2016 and initial B terms would expire August 31, 2017. After the initial term, the Foundation Board members will have staggered two year terms.

Once appointed, staff will begin working with Jackson Walker to officially form the Consumer Foundation with these three founding Board members. We continue to seek two additional Foundation Board members.

Supporting Documentation:

None

Recommended Action:

Appoint Ms. Madeline Brogan to a Term expiring August 31, 2016 and Mr. Richard Duren to the Foundation Board to a Term expiring August 31, 2017

Agenda Item: Community Resources Report **Committee:** Program	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Community Resources Report	
Recommended Action: **For Information Only**	

Community Resources Report
July 31, 2015 – August 27, 2015

Volunteer Hours:

Location	July
Conroe	236.5
Cleveland	8
Liberty	21.5
Huntsville	26.5
Total	**292.5**

COMMUNITY ACTIVITIES:

7/31/15	KSHN Radio Interview	Liberty
7/31/15	Independence Oaks Apartments Grand Opening	Cleveland
7/31/15	The Woodlands Adolescent Roundtable Discussion	The Woodlands
8/4/15	Child Fatality Review Team Meeting	The Woodlands
8/5/15	Montgomery County Criminal Defense Presentation	Conroe
8/5/15	Montgomery County Hospital District Meeting	Conroe
8/6/15	Walker County Community Resource Coordination Group	Huntsville
8/6/15	Veterans Taskforce Meeting and Veteran's Expo 2016 Planning	Conroe
8/7/15	Veterans Basic Training at Sam Houston State University	Huntsville
8/7/15-8/9/15	Burnham Classic Golf Tournament	Liberty
8/10/15	Conroe ISD Teacher Fair	Conroe
8/11/15	Veterans American Legion Post 411 Meeting	Conroe
8/11/15	Montgomery County Community Assistance Recovery Efforts and Services Meeting	The Woodlands
8/12/15	Montgomery County Veterans Treatment Court	Conroe
8/13/15	Huntsville Chamber of Commerce Breakfast	Huntsville
8/13/15	Benefits Fair for the Montgomery County Food Bank	The Woodlands
8/14/15	Liberty/Dayton Chamber Evening Auction 500	Dayton
8/14/15	Annual VA Mental Health Summit	Houston
8/15/15	MVPN Gulf Coast Regional Coordinators Meeting	Humble
8/18/15	Montgomery County Community Resource Coordination Group	Conroe
8/19/15	Suicide Prevention Symposium	Houston
8/20/15	Montgomery County's Homeless Coalition Meeting	Conroe
8/25/15	Women Veterans Field Day Planning Meeting	Liberty
8/26/15	Veteran Family Support Function with Wounded Warrior Project	Conroe
8/26/15	Montgomery County Emergency Assistance Hands Up Meeting	The Woodlands
8/26/15	Montgomery County Veterans Treatment Court	Conroe

UPCOMING ACTIVITIES:

8/28/15	Regional Managed Assigned Counsel Meeting	Sugarland
9/1/15	Montgomery County United Way Health and Wellness Impact Council Meeting	The Woodlands
9/3/15	Walker County Community Resource Coordination Group	Huntsville
9/7/15	Montgomery County Homeless Coalition Board Meeting	Conroe
9/8/15	Walker County Community Plan Meeting	Huntsville
9/10/15	Huntsville Chamber of Commerce Breakfast	Huntsville
9/15/15	Montgomery County Community Resource Coordination Group	Conroe

Agenda Item: Consumer Services Report for July 2015 **Committee:** Program	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Consumer Services Report for July 2015	
Recommended Action: **For Information Only**	

Consumer Services Report
July 2015

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	434	35	25	58	**552**
Crisis and Transitional Services (LOC 0, LOC 5)	52	3	4	3	**62**
Psychiatric Emergency Treatment Center (PETC) Served	66	2	4	6	**78**
Psychiatric Emergency Treatment Center (PETC) Bed Days	309	7	18	27	**361**
Contract Hospital Admissions	6	1	0	0	**7**
Diversion Admits	9	1	1	1	**12**
Total State Hospital Admissions	6	0	0	0	**6**
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	914	121	96	121	**1252**
Adult Medication Services	711	73	72	87	**943**
Child Service Packages (LOC 1-4 and YC)	449	55	19	62	**585**
Child Medication Services	178	18	8	32	**236**
TCOOMMI (Adult Only)	105	14	6	6	**131**
Adult Jail Diversions	4	0	0	0	**4**
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	14	2	0	8	**24**
Service Coordination	569	39	46	59	**713**
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	44	6	22	27	**99**
Contractor Provided ICF-MR	16	11	11	6	**44**
Substance Abuse Services					
Children and Youth Prevention Services	0	0	35	23	**58**
Youth Substance Abuse Treatment Services/COPSD	15	0	0	0	**15**
Adult Substance Abuse Treatment Services/COPSD	28	0	0	0	**28**
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1553	130	136	135	**1954**
July Served by County					
Adult Mental Health Services	1282	141	112	193	**1728**
Child Mental Health Services	427	49	17	55	**548**
Intellectual and Developmental Disabilities Services	641	55	58	71	**825**
Total Served by County	**2350**	**245**	**187**	**319**	**3101**
June Served by County					
Adult Mental Health Services	1303	156	121	166	**1746**
Child Mental Health Services	441	49	21	60	**571**
Intellectual and Developmental Disabilities Services	642	59	55	74	**830**
Total Served by County	**2386**	**264**	**197**	**300**	**3147**
May Served by County					
Adult Mental Health Services	1212	130	100	172	**1614**
Child Mental Health Services	507	51	21	57	**636**
Intellectual and Developmental Disabilities Services	615	55	56	69	**795**
Total Served by County	**2334**	**236**	**177**	**298**	**3045**

Agenda Item: Program Updates **Committee:** Program	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Program Updates	
Recommended Action: **For Information Only**	

Program Updates
July 31, 2015 – August 27, 2015

MH Crisis Services

1. Building modifications continue to be made at the PETC to ensure the lobby and program areas have equipment and fixtures that meet the latest safety standards for this setting.
2. Currently, interviews are being held for several vacant QMHP and RN positions for the Crisis Stabilization and 1115 Intensive Evaluation and Diversion Units.
3. Footage of patient safety rounds is now being reviewed weekly for both program areas to ensure quality and congruency with documentation.

MH Adult Services

1. A vacant rehabilitation position in Cleveland has been filled.
2. Two (2) of our Routine Assessment and Counseling clinicians have attended training to prepare for competency certification in Cognitive Behavioral Therapy. We anticipate they will be able to submit tapes for review through the Academy of Cognitive Therapy (ACT) in the coming months.
3. Staff met with representatives from the Texas Homeless Network (THN), Homeless Coalition and Conroe Social Security Office to devise a plan to begin submitting SOAR applications for our homeless clients. SOAR is a national initiative to streamline the application process and quickly approve homeless disability applicants.
4. We continue to have higher than normal turnover in Adult Outpatient Mental Health positions.

MH Child Services

1. Dr. Bains has joined C&A two (2) additional days per week so that we can continue to provide timely services for our expanding population in Conroe. Dr. Bains will also be spending a full day in Huntsville to see kids starting on September 2nd.
2. C&A Licensed Clinicians are being trained in Parent Child Interaction Therapy, an evidence-based protocol for young children.

Criminal Justice Services

1. TCOOMMI has indicated they may expand our program to include Liberty County Probation and Parole in FY 2016.
2. Outpatient Competency Restoration has admitted eleven (11) and served fifteen (15) for FY 2015.
3. Jail Diversion had two (2) more admissions for July to make a total of fourteen (14) granted by the Magistrate for FY 2015.

Substance Abuse Services

1. We have made a conditional offer of employment to fill the vacant Youth Prevention Program Manager position.
2. Staff received word that grant funding will be awarded for the Adult and Child Outpatient Substance Abuse Program (TRA and TRY) and the Adult Co-Occurring Psychiatric and Substance Use Disorder (TCO) Program in FY 2016. We are still awaiting the contracts for these awards.
3. We have been able to add additional groups, including parent education classes, to our Youth Substance Abuse Treatment Program after hiring an additional Licensed Chemical Dependency Counselor.
4. We continue to utilize our interpreters to engage and serve more Spanish-speaking families in the Youth Substance Abuse Treatment Program.

IDD Services

1. HCS Provider staff is in search of two (2) Host Home Providers, one (1) in the Huntsville area and one (1) in the Cleveland area.
2. DADS continues to conduct unannounced inspections at our Host Homes and Supervised Living Home. The results of these inspections have been very positive.
3. With all the new HCS and TxHmL slots, private providers are contacting us to serve the consumers within our Life Skills sites. Once the new site in Liberty is open, we will be able to increase the number of individuals we serve.
4. Liberty staff and consumers are excited about the new site and are preparing for the move.
5. Authority staff are meeting with consumers that may be eligible for the Community First Choice (CFC) state plan.

Support Services

1. **Quality Management:**
    a. United Behavioral Healthcare (UBH) conducted a site visit on August 4th. Six (6) charts, with dates of services from January 1, 2014 were reviewed in preparation for the visit. Following the visit we received word that we scored 100% on the review.
    b. Three (3) charts with dates of service from January 1, 2014 were requested for the Cenpatico site audit which will be conducted September 1, 2015.
2. **Utilization Management:**
    a. Starting September 1st, Managed Care Organizations (MCOs) will no longer be required to follow the Texas Resiliency and Recovery Utilization Guidelines which currently guide the level of care authorizations for the individuals we serve. In preparation, staff have made several attempts to contact MCOs to keep the lines of communication open and ensure continuity of care. Limited information has been provided on how extensive these changes may be, but we appear to be ahead of the curve at this time.

3. **Veteran Affairs:**
    a. Planning is currently underway for the 2016 Veteran's Expo. The taskforce is moving forward with securing sponsorships to cover the costs of food and marketing.
    b. A proposed part-time Veterans staff position is being discussed for FY 2016. This position will work alongside the Veterans Services Liaison to help the Veteran Mentor program in our service areas. In addition, this position will continue to make contact with veterans and help connect them with needed resources.
4. **Intellectual/Developmental Disabilities Planning Network Advisory Committee (IDDPNAC):**
    a. The IDDPNAC Meeting was held on August 19th to discuss plans for the next fiscal year, committee membership renewals and Center updates.

Community Activities

1. The 26th Annual Burnham Classic Golf Tournament was held from August 7-9th at the Magnolia Ridge County Club in Liberty.
2. The Cleveland Chamber of Commerce's monthly member luncheon was held on August 6th at the Cleveland Civic Center.

Agenda Item: Annual Election of FY 2016 Board Officers **Committee:** Executive	**Board Meeting Date** August 27, 2015

Background Information:

The By-laws for the Tri-County Board of Trustees require Board officers to be elected each fiscal year. Sharon Walker, Chair of the Nominating Committee, will present the slate of officers for election. Members of the Nominating Committee also include Patti Atkins and Morris Johnson.

Supporting Documentation:

None

Recommended Action:

Elect Officers for FY 2015 Board of Trustees

Agenda Item: Executive Director's Annual Evaluation, Compensation and Contract for FY 2016 **Committee:** Executive	**Board Meeting Date** August 27, 2015

Background Information:

Annually, the Board of Trustees reviews the Executive Director's performance and considers the terms of the contract and annual compensation. Performance evaluation surveys and a FY 2015 Progress Report on goals and objectives were distributed to all Trustees and members of the Management Team. The results of the surveys were compiled by Cecil McKnight, Chairman of the Evaluation Committee. Tracy Sorenson and Janet Qureshi also served on the Evaluation Committee.

Supporting Documentation:

None

Recommended Action:

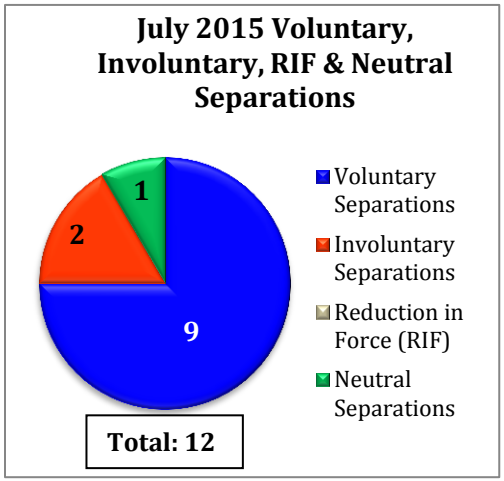
Review Executive Director's Evaluation, Compensation and Contract Extension and Take Appropriate Action

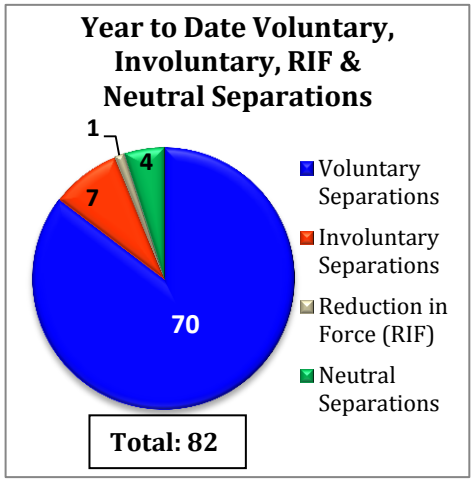
Agenda Item: Personnel Report for July 2015 **Committee:** Executive	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Personnel Report for July 2015	
Recommended Action: **For Information Only**	

Personnel Report July 2015

July 2015	FY15	FY14
Number of Active Employees	331	312
Number of Monthly Separations	12	9
Number of Separations YTD	82	62
Year to Date Turnover Rate	**25%**	**18%**
July Turnover	**4%**	**3%**

Separations by Reason	July Separations	Year to Date
Retired	0	4
Involuntarily Terminated	2	7
Neutral Termination	1	4
Dissatisfied	0	10
Lack of Support from Administration	0	1
Micro-managing supervisor	0	1
Lack of growth opportunities/recognition	0	1
Difficulty learning new job	1	2
Co-workers	0	1
Work Related Stress/Environment	1	3
RIF	0	1
Deceased	0	0
Pay	0	4
Health	0	9
Family	1	5
Relocation	1	7
School	4	7
Personal	0	2
Unknown	0	1
New Job	1	11
Temp	0	1
Total Separations	**12**	**82**

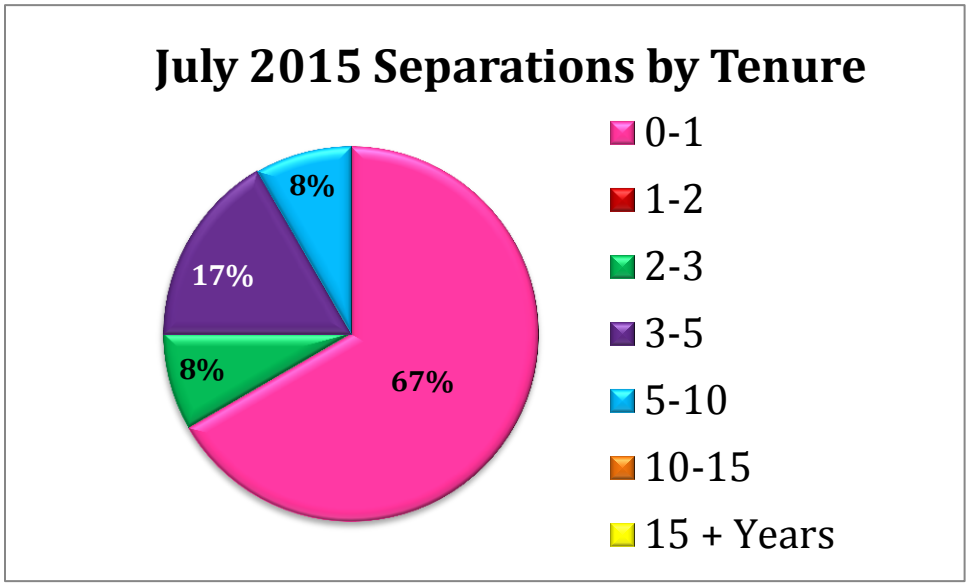


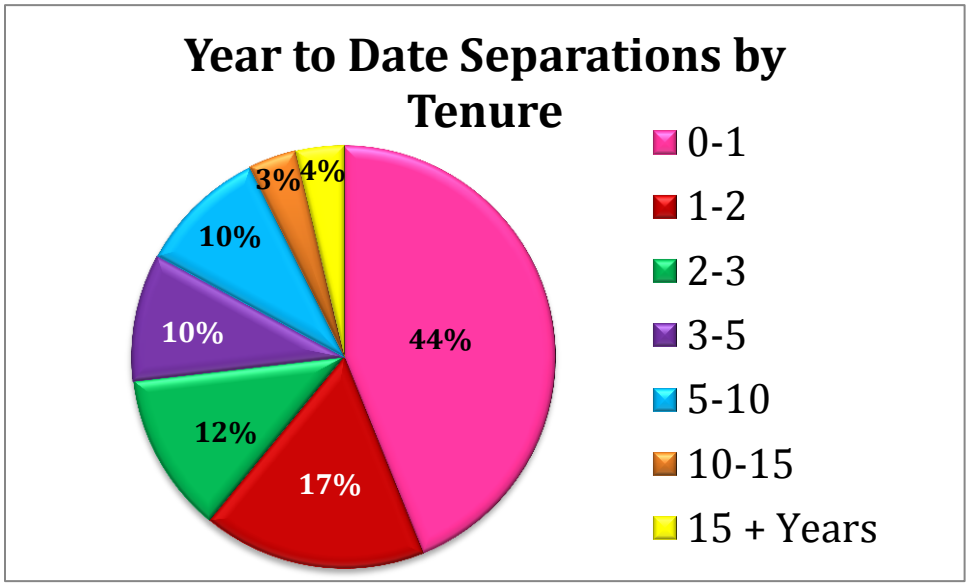


Total Applications received in July=344
Total New Hires for the month of July=12
Total New Hires Year to date =95

Management Team	# of Employees	Monthly Separations	Year to Date Separations	% July	% YTD
Evan Roberson	14	0	1	0%	7%
Millie McDuffey	45	1	4	2%	9%
Amy Foerster	8	1	2	13%	25%
Tanya Bryant	8	0	0	0%	0%
Catherine Prestigiovanni	125	7	48	6%	38%
Breanna Robertson	53	2	13	4%	25%
Kelly Shropshire	34	1	5	3%	15%
Kathy Foster	35	0	8	0%	23%
Kenneth Barfield	9	0	1	0%	11%
Total	**331**	**12**	**82**		

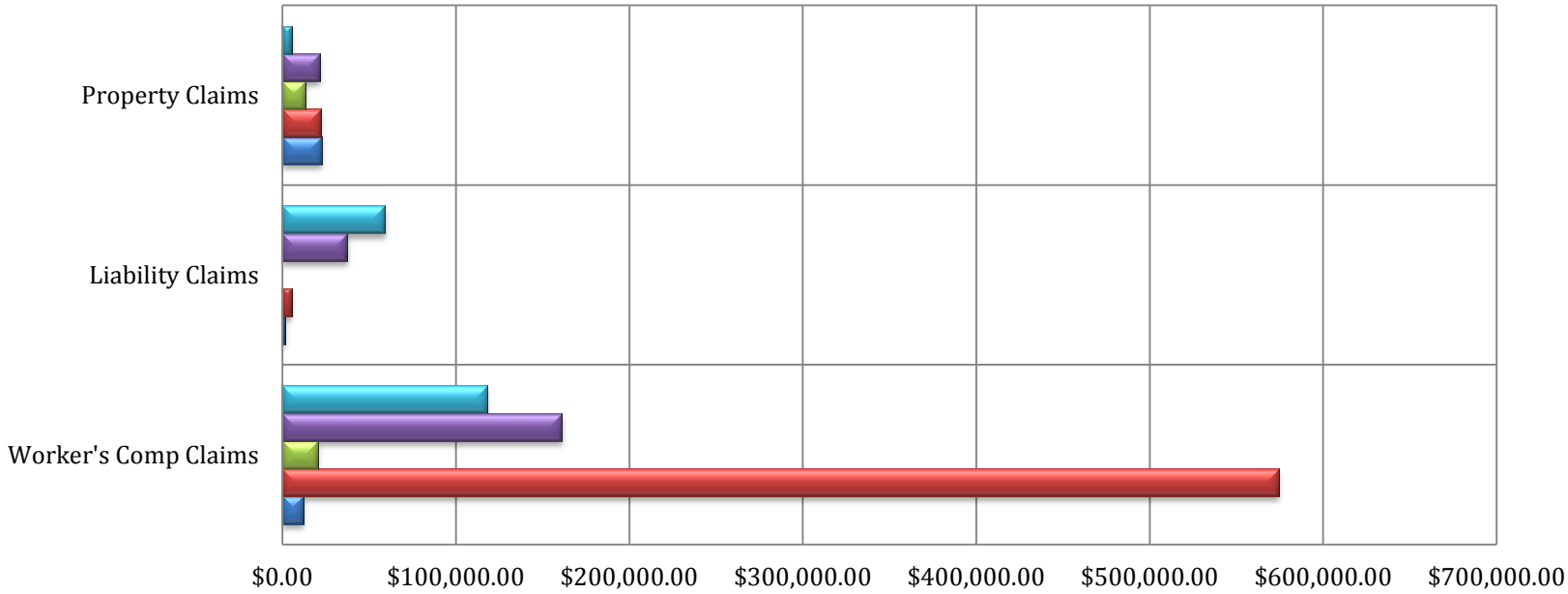
Separation by EEO Category	# of Employees	Monthly	Year to Date	% July	% Year to Date
Supervisors & Managers	22	0	5	0%	22%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	38	3	10	8%	26%
Professionals (QMHP)	87	5	36	6%	41%
Professionals (QIDP)	28	1	5	4%	18%
Licensed Staff (LCDC, LPC…)	18	0	2	0%	11%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	21	1	3	5%	14%
Program Support(Financial Counselors, QA, Training, Med. Records)	42	1	6	2%	14%
Nurse Technicians/Aides	18	0	3	0%	17%
Service/Maintenance	21	1	4	5%	19%
Direct Care (HCS, Respite, Life Skills)	25	0	8	0%	32%
Total	**331**	**12**	**82**		


July 2015 Separations by Tenure
8%
17%
8%
67%
0-1
1-2
2-3
3-5
5-10
10-15
15 + Years


Year to Date Separations by Tenure
10%
3%
4%
10%
44%
12%
17%
0-1
1-2
2-3
3-5
5-10
10-15
15 + Years

Agenda Item: Texas Council Risk Management Fund Claim Summary for July 2015 **Committee:** Executive	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Texas Council Risk Management Fund Claim Summary for July 2015	
Recommended Action: **For Information Only**	

TCRMF Claims Summary July 2015



	Worker's Comp Claims	Liability Claims	Property Claims
2011	$117,981.00	$59,008.00	$5,057.00
2012	$161,031.00	$37,206.00	$21,595.00
2013	$20,263.00	$0.00	$12,869.00
2014	$574,441.00	$5,295.00	$21,931.00
2015	$12,091.00	$1,585.00	$22,505.00

Agenda Item: Texas Council Quarterly Board Meeting Update **Committee:** Executive	**Board Meeting Date** August 27, 2015
Background Information: The Texas Council has requested that Center representatives give updates to Trustees regarding their quarterly Board meeting. A verbal update will be given by Sharon Walker.	
Supporting Documentation: Texas Council Staff Report	
Recommended Action: **For Information Only**	

Texas Council
of Community Centers

Texas Council Report
Quarterly Meeting
August 2015

Table of Contents

Chief Executive Officer Report

Engagement Highlights

Since the April, 18, 2015 board meeting, the Texas Council engaged in a number of key initiatives and priorities, including:

- Negotiations and meetings with state officials and legislative offices on: MH Performance Contract Targets; 1115 Transformation Waiver; Managed Care; Local Authority IDD Service Coordination; Local Authority/SSLC Pilot; PASRR and related Local Authority responsibilities (Attachment G); SB7 (Community First Choice - IDD Future Service System); SB58 (MH Future Service System); HB3793 provisions related to Mental Health First Aid and MH Advisory Panel; Sunset Advisory Commission Review; Interim Charges; DEA/Telemedicine; Data Use Agreement (DUA); Early Childhood Intervention (ECI);
- Meetings with advocacy organizations and other associations, including Conference of Urban Counties and Texas Association of Counties, to discuss MH and IDD service delivery issues and priorities throughout 84th Legislative Session;
- 2015 Texas Council Annual Conference;
- 2015 AAIDD Texas Chapter Conference.

MH Performance Targets 2014/2015

As you are aware, DSHS verbally informed the ED Performance Contracts Committee on July 24, 2013 of its intent to rebase FY14 service targets using current numbers served by each LMHA as the target base and adding new targets commensurate with waiting list and surge funds.

The Texas Council immediately notified DSHS that the proposed rebasing methodology would not be acceptable to our membership.

The alternate methodology proposed by the Texas Council adheres to long-held principles to align state target expectations with state funds, increasing service targets commensurate with new funds and establishing a reasonable methodology to better align funding and target levels without negatively impacting current services. However, extensive discussions with DSHS did not yield a mutually acceptable methodology.

As a result, the Texas Council initiated meetings with key legislative offices to ensure decision makers fully understood the local implications of the proposed methodology. DSHS was ultimately directed to immediately reconvene negotiations with the Texas Council for purpose of reaching a mutually agreed upon target methodology.

Negotiating Team Composition

Texas Council	**DSHS**
Danette Castle	Tamara Allen
Roddy Atkins	Suzanne Alston
Terry Crocker	Lauren Lacefield-Lewis
Susan Garnett	Dean Ortega
	Rod Swan

Negotiations

The first meeting between the Texas Council and DSHS negotiating team was held October 9, 2013. Both parties came to the table committed to achieve a mutually agreed upon target methodology. The first order of business was to agree upon a set of principles to guide the negotiations and ensure we reach the desired outcome.

After several meetings/follow-up conversations the negotiating teams reached agreement on a set of guiding principles.

Performance Target Methodology: Guiding Principles

1. Methodology should provide best value to taxpayers and service recipients;
2. Targets should relate directly to funding and any target requirement above the state funded target should be reasonable and equitable across the LMHA system;
3. Reporting requirements should be clear and consistently applied;
4. Targets should be based on a cost per person that provides adequate compensation to promote client health and recovery;
5. Model used to establish methodology should be cost effective and achieve measurable outcomes.

The Texas Council team was hopeful negotiations would be successfully completed within the six (6) month 'Hold Harmless' timeframe for AMH and CMH average monthly service targets. However, agreement was not reached and we continue to negotiate.

Prior to February 28, 2014 (the end of the official hold harmless date) the Texas Council secured verbal agreement from DSHS that they did not intend to impose sanctions, penalties or recoupments on a Center that does not meet an individual DSHS average monthly served target based on the new FY2014 target methodology in light of the overall system performance. DSHS was unwilling to extend the official hold harmless for the entire system on premise they needed to retain the right to take action if necessary.

Despite the verbal agreement not to impose sanctions, penalties or recoupments for the first six (6) month timeframe, on April 25, 2014 DSHS notified the Texas Council of its intent to recoup funds from two Local Mental Health Authorities for failure to meet average monthly served target. The two LMHAs appealed the subsequent notice of alleged noncompliance; but DSHS denied the appeals.

In early August DSHS and the Texas Council reached agreement on a basic methodology relative to use of an all funds target that established a rational target value (i.e., case rate, ties funding to targets and allows for local flexibility in use of local funds. However, negotiations continued on the specific case rate. The Texas Council team held a strong position that the case rate target should be established at the 75th percentile of system wide cost to accommodate variation in local market costs and acuity levels. The DSHS team agreed to submit this position to agency leadership.

At the August quarterly meeting the basic methodology was presented to both Executive Directors and the Board of Directors for discussion. In both sessions several Center representatives expressed concerns about the 'All Funds' aspect of the methodology; however, general direction was provided to move forward with the basic methodology recognizing that it favorably impacts the majority of LMHAs. In addition to apprising DSHS of the general direction provided by the membership, the Texas Council described the significant concerns raised by several Center representatives regarding the 'All Funds' aspect of the methodology.

In early October the Texas Council was informed that DSHS leadership accepted the basic methodology, (including the case rate at the 75th percentile) and are still in the process of meeting with LBB and key legislative offices to secure support for the methodology.

At the November quarterly meeting the ED Consortium discussed and accepted a revision to the target methodology. The proposed revision utilized the same methodology for establishing the case rate (at 75th percentile of costs as reported on Care Report III, line 800); but instead of imposing an All Funds target at the individual LMHA level it establishes an All Funds target at the system level and distributes it on the basis of the proportion of AMH and CMH DSHS funds each LMHA is allocated (i.e., 2% of the money, 2% of the target).

The Texas Council presented the revised target methodology to DSHS on December 11, 2014 and followed up with several status inquiries. At this time DSHS indicates the revised methodology is under consideration.

The Texas Council met with Kirk Cole, Interim DSHS Commissioner on March 9, 2015 to discuss the target methodology. Assistant Commissioner Lauren Lacefield Lewis and Tamara Allen also participated in the discussion. The meeting was positive and yielded a commitment from the Interim Commissioner to consider our proposal. In April discussions the Interim Commissioner leaned favorably toward the proposal.

In May 2015 DSHS accepted the Texas Council proposed target methodology, noting subsequent discussions will be necessary if the legislature appropriates new outpatient mental health treatment funds to ensure expectations are met for capacity increases. In June, efforts to schedule a meeting with DSH were not successful—DSHS communicates they are still considering impact of new funds. Key legislative offices are advised the issue is still not resolved.

In July 2015 DSHS notifies the Texas Council they have developed a new target methodology proposal that is rational; acceptable to key legislative offices regarding maintenance of effort and increased capacity with new funds; and addresses Texas Council concerns about previous DSHS proposals.

DSHS and the Texas Council target negotiating team are in discussions regarding the new proposal. We are striving to have a proposal for consideration by the Executive Director's Consortium at the August 13, 2015 meeting.

Drug Enforcement Agency (DEA) & Telemedicine

DEA officials in some areas of the state cited certain Community Center telemedicine practices as being out of compliance with Drug Enforcement Agency (DEA) controlled substance requirements—potentially placing significant limitations on the current use of telemedicine for both child and adult mental health services.

In a mutual effort to resolve the issue, the Texas Council legal counsel, along with ETBHN and other Center representatives met with DEA officials on June 24, 2014. As a result of this meeting, agreement was reached to move forward with a clinic registration process that involves both Department of Public Safety (DPS) and the DEA. This registration was determined necessary to recognize the practice of telemedicine as being exempt from additional DEA requirements related to prescribing controlled substances.

DPS and DEA both understand the governmental status of Community Centers and recognize the important and growing role of telemedicine in meeting the needs of people accessing services through the public mental health system. On June 26, 2014 our legal counsel secured a commitment from DPS to expedite the application process. A test application was conducted and DPS quickly issued the necessary registration for submission to DEA. Other Centers have since obtained the DPS registration with relative ease.

Unfortunately, subsequent efforts to then obtain the DEA registration have not been successful. At present, Texas Council legal counsel remains in dialogue with DEA officials, both in Texas and Washington, D.C.

Additionally, the Texas Council engaged with HHSC officials and representatives from other organizations, such as UTMB, Texas Society for Psychiatric Physicians (TSPP), and TMA to seek remedy. On September 9, 2014 a meeting was held with representatives from these organizations and DEA officials. Texas Council legal counsel served as our representative. During that meeting the DEA agreed to consider an agency letter confirming the authority of Community Centers relative to controlled substances. Since that time the Texas Council has engaged in ongoing efforts with HHSC and DPS to seek a resolution that satisfies the DEA. On January 12, 2015 HHSC Executive Commissioner Janek issued an official letter to the DEA regarding the statutory role of Community Centers relative to mental health service delivery. This letter is intended to address DEA stated concerns and allow DPS to resume issuing the

registrations necessary to obtaining DEA registration for clinics using telemedicine. The letter directs the DEA to the HHSC Associate Commissioner for Mental Health Coordination as the point person on this issue.

In addition to the effort to address this issue at the state level, efforts by other stakeholders have been underway at the Federal level to direct the DEA to issue interim rules that would favorably address the problem created by DEA regulatory action in Texas related to the Ryan Haight Act. Texas Council legal counsel has engaged in discussions with various parties involved in this process and submitted information regarding Community Centers.

On April 2, 2015 the Associate Commission for Mental Health Coordination at HHSC convened a meeting with Texas Council legal counsel, HHSC legal counsel and regulatory representatives and Department of Public Safety to explore options to address the DEA's continued refusal to register Community Centers. Consideration was given to forming a workgroup, but this was not initiated due to legislation underway to shift related DPS responsibilities to the Pharmacy Board.

On July 22, 2015 the Texas Council released a communication to report positive action by the DEA as a result of the work of Dr. Avrim Fishkind, CEO of JSA Health Tele-psychiatry. Dr. Fishkind engaged at the federal level to urge the DEA to move forward with regulations to *permit special registration for circumstances in which the prescribing practitioners might be unable to satisfy the Act's in-person medical evaluation requirement yet nonetheless has sufficient medical information to prescribe a controlled substance for a legitimate medical purpose in the usual course of professional practice.*

Link to U.S. General Services Administration post reflecting DEA intent to amend the registration requirements to permit such a special registration:
http://www.reginfo.gov/public/do/eAgendaViewRule?pubId=201504&RIN=1117-AB40

Although this action by the DEA provides no certainty regarding resolution of this issue it does reflect an important step forward regarding DEA's intent to resolve this issue for legitimate tele-medicine practices. In many of areas of the state psychiatric tele-medicine practices have resumed. Every provider of tele-medicine must make their own assessment of current circumstances and previous statements by DEA officials (in meetings with state officials) that they do not have plans to single out Texas telemedicine providers for enforcement or audit activities.

The Texas Council remains in communication with HHSC and Senator Cornyn's office to monitor the DEA regulatory process. We recognize this issue seriously threatens the ability of Community Centers to provide critical mental health services and will continue seeking resolution.

HB 3793 Advisory Panel Update

As you are aware, House Bill 3793 requires DSHS to develop a plan to ensure appropriate and timely provision of mental health services and to allocate mental health outpatient and hospital resources for the forensic and civil/voluntary populations.

TIMELINE

Date	Objective
December 31, 2013	Develop initial version of the plan
August 31, 2014	Identify standards and methodologies to implement the plan
December 1, 2014	Report to legislature and governor, includes initial plan, implementation status, impact of plan on service delivery

The final meeting of the HB 3793 Advisory Panel occurred August 28, 2014. At this meeting, the panel made recommendations related to Standards and Methodologies for plan implementation.

Statute requires the plan to address four key areas with regard to outpatient mental health services and beds in the state hospitals for both groups of patients (civil/voluntary and forensic):

1. Service Needs
2. Capacity Needs
3. Funding and Resource Allocation
4. Access and Availability

The panel approved recommendations to add, through State Hospital and Contract Beds, an additional 1,500 new beds for current demand and 60 new beds per year for population growth. This recommendation would bring 720 beds online in FY 2016-17 and add remaining beds over the subsequent six (6) years. In addition, the panel recommends increasing outpatient service capacity by 1.8% per year for population growth. The panel noted that improvements in jail diversion, service engagement/retention and continuity of care could increase demand.

To optimize utilization of inpatient and outpatient capacity, the panel recommends developing:

- A state-level waitlist for civil / voluntary patients in need of a bed;
- Alternatives to inpatient beds and manage incentives that maximize resources, and;
- A process to monitor utilization of community-based alternatives to inpatient care.
- To enhance stakeholder (e.g., judges, law enforcement, community providers, etc.) education, the panel recommends: Simplifying nomenclature related to crisis mental health alternatives to inpatient beds;
- Creating a list of available resources for information, training and technical assistance (NOTE: this is was also included by Sunset Staff as a "Management Action" in the DSHS report due for completion by December 2014.)
- Providing training and information to judges and attorneys;

- Technical assistance to state hospital and LMHA staff on effective engagement with the criminal justice system; and,
- Work to increase the number of clients transitioning from forensic to civil commitments.

MHSA Access to Care Workgroup (MACW)

Per HB 3793 Advisory Panel recommendations, the MACW was formed to continue discussions with key stakeholders and to obtain recommendations to redesign the State Hospital Allocation Methodology Committee. Membership includes the HB 3793 Advisory Panel and additional association representatives.

Pending HHSC Executive Commissioner appointment of a forensic mental health services workgroup described in SB 1507, future MACW meetings have been postponed.

SB 1507 (Forensic Director, Regional Allocation of Inpatient Beds, Local Utilization Review Protocol, Training for Judges and Attorneys and OSAR)

As you are aware, Senate Bill (SB) 1507 by Garcia, establishes a **Forensic Director position** within DSHS to coordinate programs, provide oversight and improve statewide forensic mental health services. This legislation also creates an HHSC appointed workgroup (appointed by November 1, 2015) to develop a comprehensive plan (due not later than July 1, 2016) for effective coordination of forensic services with membership similar to the advisory panel created by HB 3793 (83rd R).

SB 1507 also includes provisions from the DSHS Sunset developed by the Texas Council and Texas Conference of Urban Counties related to **regional allocation of inpatient mental health beds**. In conjunction with DSHS and HHSC, the HB 3793 (83rd R) advisory panel members will develop a new bed day allocation methodology based on identification and evaluation of factors that impact the use of state-funded beds including acuity, prevalence of serious mental illness and the availability of resources in each region.

In addition, the advisory panel will also develop a **local utilization review protocol**. This protocol will include a peer review process to evaluate the use of state funded beds in state hospitals and other inpatient mental health facilities, alternatives to hospitalization, readmission rates, average length of admission, and review the diagnostic and acuity profiles of patients to assist DSHS, HHSC and the advisory panel make informed decisions and promote the efficient and effective use of available resources.

Not later than December 1st of each even numbered year, the advisory panel will submit a proposal for updating the bed day allocation methodology and bed day utilization review protocol. DSHS and HHSC will also submit a report to legislative leadership to report on implementation activities, outcomes, and an evaluation of the factors that impact use of state-funded beds with recommendations to increase effectiveness and efficiencies.

The initial proposal from the advisory panel, with assistance from the department, is due to the Executive Commissioner by March 1, 2016. The Executive Commissioner shall adopt a new allocation methodology and utilization review protocol not later than June 1, 2016. Penalties and sanctions will not be applied to LMHAs while the new bed day allocation methodology is being developed.

SB 1507 also directs DSHS, with input from stakeholders, to develop a **treatment alternatives training curriculum for Judges and Attorneys.** And Sunset provisions related to **Outreach, Screening, Assessment and Referral (OSAR) Provisions** stipulate DSHS may only contract with LMHAs for the provision of OSAR services. LMHAs may subcontract with a substance abuse or behavioral health service provider to provide these services. To the extent feasible, LMHAs under contract to deliver OSAR services are required to develop an integrated service deliver model that uses providers who have historically administered OSAR functions. The department shall ensure each LMHA operates a toll-free telephone **Mental Health and Substance Abuse Hotline** that enables a person to call a single hotline number to obtain information from the authority about mental health services, substance abuse services, or both.

We will continue to keep you informed as each of the Advisory Panels described in SB 1507 are constituted and begin their work.

For additional background information about the HB 3793 Advisory Panel, visit:
https://www.dshs.state.tx.us/mhsa/hb3793/

Update State Budget FY 2016-17 (Select Items)

Mental Health Services

The Conference Committee adopted a budget with nearly $128 million GR in new mental health funds in areas identified as Texas Council legislative priorities.

As you are aware, the Texas Council joined forces with the Texas Conference of Urban Counties, Texas Association of Counties, Sheriff's Association of Texas and County Judges and Commissioners Association of Texas to promote funding priorities in the table below throughout the session.

As you know, Outpatient Treatment Capacity was not identified by DSHS in their Legislative Appropriations Request (LAR) for the FY2016-17 biennium. The collective voice of our partners urging the legislature to address these items truly made the difference.

Status of Appropriations - DSHS	Coalition Proposal	Conference Committee* FY 2016-17 (GR)
New Items		
Outpatient Treatment (MH Adult & MH Child)	$ 65,000,000	$ 46,486,001
Alternatives to Inpatient (MH Crisis)	$ 37,000,000	$ 31,300,000
Inpatient Psychiatric Service	$ 289,000,000	$ 50,000,000
Subtotal - New Items	**$ 391,000,000**	**$ 127,786,001**

***Footnotes:**

- Outpatient, Increased Access to Community MH Services Rider directs $37,052,273 to bring LMHAs to average per capita (poverty adjusted) and $9,433,728 to eliminate waiting lists
- Alternatives to Inpatient Treatment (anticipate RFP process among LMHAs for releasing funds)
- Inpatient Psychiatric Treatment (funds to purchase of additional local inpatient capacity)

Additionally, the Conference Committee budget assumes discontinuation of the NorthSTAR Behavioral Health Waiver on December 31, 2016.

The directing Rider allows HHSC to request a 90 day extension, but specifies discontinuation no later than March 31, 2017. The Rider is fairly detailed in terms of how funds are allocated between the new NTBHA areas and Collin County, including one time transition funds.

MH/SUD Funding & Riders (Select)

NOTE: numbers below reflect Rider numbers in the agency bill pattern

Substance Use Prevention directs $7.8 million for prevention and public awareness campaign
NOTE: Seeking clarification if figure represents new or continuation dollars from previous biennium.

PASRR Medicaid MH Adults $9.8 million for TCM & MH Rehabilitation

PASRR Medicaid MH Adults (NorthSTAR) $1.2 million for TCM and MH Rehabilitation

Recovery Focused Clubhouse expansion $1.3 million

Office of Violent Sex Offenders Management (OVSOM) $309,922 MH Services via LMHAs

61. Home and Community Based Services (HCBS) $32 million (GR) to B.2.1 (MH Adults) for expanding 1915(i) to divert from jails and ERs into community treatment

62. MH program for Veterans $10 million per year (GR) to B.2.1. (MH Adults)

70. Jail-Based Competency Restoration Pilot Program $1,743,000 GR per year

71. Increased Access to Community Mental Health Services $46,486,001 GR for the biennium

73. Mental Health Peer Support Re-entry Pilot $1,000,000 GR for the biennium

74. University of Texas Harris County Psychiatric Center Long-term Bed Pilot $1,200,000 per year

76. Prohibition on Use of Appropriations for the Private Operation of a State Hospital. Requires LBB approval

80. Community-Based Crisis and Treatment Facilities Review. Directs DSHS to evaluate contract requirements and standards for crisis mental health and SUD treatment facilities.

82. Behavioral Health Services Provider Contracts Review. Directs DSHS, in collaboration with HHSC and stakeholders, to conduct a review to identify improvements to performance measurement, contract processing and payment mechanisms for behavioral health services contracts with DSHS. Requires a report to legislative leadership no later than December 1, 2016, that includes recommendations for state and/or federal contract requirements that could be eliminated; a review of metrics and methodology associated with 10% withhold, consideration of performance measures and contracting strategies similar to those used in managed care, best practices in contract management and performance based payment strategies and creation of web-based dashboard to compare performance of DSHS contract BH providers.

NOTE: Rider 80 and 82 (Facilities and Contracts Review) were priorities identified during the Sunset process.

84. Contingency for Behavioral Health Funds. Requires statewide behavioral health strategic plan and coordinated expenditures, per Art. IX, Sec 10.04.

85. Transition of NorthSTAR Behavioral Health Services Model. Assumes discontinuation of NorthSTAR on December 31, 2016. Allocates funds to North Texas Behavioral Health Authority (NTBHA) and LifePath (LMHA for Collin County) according to historical billing patterns, population and poverty factors. HHSC has latitude to extend transition deadline by 90 days, if deemed necessary.

Intellectual and Developmental Disability Services

Crisis Respite and Behavioral Intervention Programs $18.6 million (AF) for DADS to expand crisis response through Local IDD Authorities

NOTE: Texas Council language adopted in SB 204 (DADS Sunset bill) which allows the agency to consider existing and new sites for expansion funding. However, SB 204 failed to pass during the 84th Legislative Session.

PASRR Nursing Facility to Community $20.4 million (AF) for Service Coordination

31. Expansion of Community-Based Services

a. $29.7 million (GR), $81.8 million (AF) for additional Promoting Independence waiver slots:
    1. 500 HCS for persons
    2. 216 HCS for children aging out of foster care

3. 400 HCS to prevent institutionalization/crisis
4. 120 HCS for persons moving out of State Hospitals; and
5. 25 HCS for children moving out of DFPS general residential.

b. $51.1 million (GR), $122.1 million (AF) for reducing interest lists slots
    1. 104 Medically Dependent Children's Program
    2. 752 CLASS
    3. 2,134 HCS; and
    4. 50 Deaf-Blind Multiple Disabilities.
c. $29.1 million (GR), $84.5 million (AF) for following additional waiver slots related to meeting federal PASRR requirements
    1. 700 HCS for persons with IDD moving from nursing facilities; and
    2. 600 HCS for persons with IDD diverted from nursing facility admission.
d. Agency directed to submit a plan for achieving enrollment goals and submit periodic progress reports to LBB, Governor, SFC, and HAC.

32. Reimbursement for Sprinkler Systems in HCS $3.4m (AF) to reimburse providers up to 50% of cost

36. Fees for Community Services at SSLCs Authorizes DADS to expend funds generated by SSLC for providing services to community members

38. Contingency for Behavioral Health Funds. Art. IX, Sec 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures

39. Contingency for Rate Increase in HCS
a. In 2016 $3.3m GR & $4.4m Federal Funds; in 2017 $3.5m GR and $4.6m Federal Funds for rate increases that may be targeted to any service or services determined not fully funded, but must be same level in each fiscal year.
b. Contingent on spending accountability system that ensures each provider expends at least 90% of all funds on HCS Medicaid services per cost report, or provider is subject to recoupment.

40. Contingency for Rate Increase in ICF/IID
a. In 2016 $2.6m GR and $3.5m Federal Funds; in 2017 $2.6m GR and $3.4m Federal Funds for rate increases to provide a 2.2% rate increase in non-state-owned ICFs/IID
b. Contingent on spending accountability system that ensures each provide expends at least 90% of all funds on ICF/IID Medicaid services per cost report, or provider is subject to recoupment

Department of Assistive and Rehabilitative Services

11. Limitation on Federal Funds Appropriations for Early Childhood Intervention Services.
Included in the amounts appropriated above in Strategy A.1.1, Early Childhood Intervention Services, is $41,023,959 in fiscal year 2016 and $51,039,644 in fiscal year 2017 from federal Special Education Grants for Infants and Families (IDEA Part C) funds. DARS total expenditures of IDEA Part C federal funds in each fiscal year in Strategy A.1.1, Early Childhood Intervention Services, may not exceed the amounts specified in this rider ($41,023,959 in fiscal year 2016 and $51,039,644 in fiscal year 2017) without written approval from the LBB and the Governor.

To request approval, DARS shall submit in a timely manner a written request before expending the funds. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information by fiscal year:

a. A detailed explanation of the proposed use of the additional funds and whether the expenditures will be one-time or ongoing;
b. The available balance after the expenditure of the funds; and
c. An estimate of the impact to performance levels and/or targets included in this Act.

25. ECI Services: Average Monthly Service Hours. Funds appropriated above to the Department of Assistive and Rehabilitative Services in Strategy A.1.1, ECI Services, for the 2016-17 biennium include $3,426,592 in IDEA Part C Federal Funds to be expended only to increase the average monthly number of hours of service delivered per child to 2.75 hours in fiscal years 2016 and 2017.

If the target of 2.75 average monthly service hours per child is not met, or not projected to be met, the agency shall lapse these funds unless the agency receives prior written approval by the Legislative Budget Board to expend these funds for an alternative use or purpose.

NOTE: Early Childhood Intervention forecast adjustment to $277,361,876 (AF), a reduction of $26,225,001 (AF). Seeking information regarding LBB assumptions relative to reduction.

28. Autism Program Provisions Expenditures for Applied Behavioral Analysis (ABA) treatment services shall be only for children enrolled in the comprehensive program as of August 31, 2015. Expenditures for children who enroll on or after September 1, 2015 shall be limited to focused ABA treatment services.

Department of Family and Protective Services

40. Contingency for SB 125. Appropriations above in Strategy B.1.2, CPS Program Support, includes $229,788 in General Revenue Funds and $257,130 in All Funds and 3.1 FTEs in fiscal year 2016 and $335,117 in General Revenue Funds and $374,992 in All Funds and 3.1 FTEs in fiscal year 2017, contingent upon passage and enactment of Senate Bill 125, or similar legislation relating to certain assessments for children in the conservatorship of the Department of Family and Protective Services (DFPS), by the Eighty-fourth Legislature, Regular Session.

NOTE: CANS assessment contingent on passage of SB 125, which was signed by Governor on 5/15/15.

Health and Human Services Commission

40. Local Reporting on DSH, Uncompensated Care, Delivery System Reform Incentive Payment, and Indigent Care Expenditures. Out of funds appropriated above, and as the state Medicaid operating agency, the Health and Human Services Commission shall develop a report that non-state public hospitals, private hospitals, hospital districts, physicians and private administrators shall use to describe any expenditures they make through the Disproportionate Share Hospital (DSH) program, the Uncompensated Care (UC) Pool, the Delivery System Reform Incentive Payment (DSRIP) Pool, and the Indigent Care program. The commission shall determine the format of the report, which must include expenditures by method of finance per year. In addition, the commission annually shall require contracted hospital providers to report payments to entities who provide consultative services regarding revenue maximization under the medical assistance program and any other governmentally funded

program, including UC, DSRIP and DSH. Information included in the reports of payments to entities providing consultative services from contracted hospitals shall include:

a. the total amount of aggregated payments to all such entities by county;
b. the purpose of the payment(s);
c. the source of the payment(s);
d. the program for which consultative services were provided; and
e. any other information the commission believes pertinent.

46. Quality-Based Payment and Delivery Reforms in the Medicaid and Children's Health Insurance Programs. Out of funds appropriated to HHSC implement the following quality-based reforms in the Medicaid and CHIP programs:

a. develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used to implement quality-based payments for acute and long-term care services across delivery models and payment systems;

b. implement quality-based payment systems for compensating a health care provider or facility participating in the Medicaid and CHIP programs;

c. implement quality-based payment initiatives to reduce potentially preventable readmissions and potentially preventable complications; and

d. implement a bundled payment initiative in the Medicaid program, including a shared savings component for providers that meet quality-based outcomes. The executive commissioner may select high-cost and/or high-volume services to bundle and may consider the experiences of other payers and other state of Texas programs that purchase healthcare services in making the selection.

e. Under the Health and Human Services Commission's authority in 1 T.A.C. Sec. 355.307 (c), the commission may implement a Special Reimbursement Class for long term care commonly referred to as "small house facilities." Such a class may include a rate reimbursement model that is cost neutral and that adequately addresses the cost differences that exist in a nursing facility constructed and operated as a small house facility, as well as the potential for off-setting cost savings through decreased utilization of higher cost institutional and ancillary services. The payment increment may be based upon a provider incentive payment rate.

Required Reporting: The commission shall provide annual reports to the Governor's Office of Budget, Planning, and Policy and Legislative Budget Board on December 1, 2015 and December 1, 2016 that include (1) the quality-based outcome and process measures developed; (2) the progress of the implementation of quality-based payment systems and other related initiatives; (3) outcome and process measures by health service region; and (4) cost-effectiveness of quality-based payment systems and other related initiatives.

50. Medicaid Funding Reduction and Cost Containment assumes biennial reductions of $373,000,000 in GR and $496,570,428 in Federal funds. Numerous strategies are described, including rate reductions and policy initiatives for acute therapies. The rider directs HHSC to reform reimbursement methodology to

be in line with industry standards, policies and utilization for acute care therapy services (physical, occupational and speech therapies) while considering stakeholder input and access to care.

77. Funding for Additional Services for Individuals with IDD $31.5 million (AF) to provide respite care and non-medical transportation in FY 2017 for individuals with IDD enrolled in the STAR+PLUS program. If allowable, HHSC shall add these to CFC to maximize federal funding.

79. Excellence in Mental Health directs HHSC to apply for an Excellence in Mental Health Planning grant (i.e., MH Excellence Act - Certified Community Behavioral Health Centers).

93. Monitor Integration of Behavioral Health Services requires agency to monitor implementation of behavioral health services into Medicaid managed care.

Special Provision Section 40. Transfer Authority Related to Texas Home Living Waiver to managed care in 2017. NOTE: The date of Texas Home Living Waiver transfer to managed care will be delayed if HB 3523 passes with date extensions.

HHSC Special Provisions

Sec. 38. Appropriation of Unexpended Balances: Funds Recouped from Local Authorities. Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2016 recouped by the Department of Aging and Disability Services (DADS) or the Department of State Health Services from a local mental health authority or DADS local authority for failing to fulfill its performance contract with the State, are hereby appropriated to the respective agency for the same strategy, to reallocate to other local mental health authorities or DADS local authorities in fiscal year 2017.

Sec. 39. Transfer Authority Related to Texas Home Living Waiver to managed care in 2017.
NOTE: The date of Texas Home Living Waiver transfer to managed care will be delayed if HB 3523 passes with date extensions.

Article IX General Provisions

Section 10.04 Statewide Behavioral Health Strategic Plan and Coordinated Expenditures. Includes listing of behavioral health funds expended across Article I, II, III, V, and VIII and directs agencies and institutions to engage in a coordinating council, chaired by the Mental Health Statewide Coordinator at HHSC. Purpose is to develop a five year statewide behavioral health strategic plan and submit an expenditure proposal to LBB by June 1, 2016. The Comptroller shall not allow GR expenditure by a particular agency in FY 2017 if LBB provides notification to Comptroller that the agency's plan does not satisfy requirement of the provision.

Sunset Advisory Commission Update

The following table provides a status update on health and human services related Sunset legislation from the 84th legislative session:

Agency (Bill)	Status
DADS (S.B. 204)	Failed to Pass
DARS (H.B. 2463)	Passed
TWC (S.B. 208)	Passed
DFPS (S.B. 206)	Passed
DSHS (S.B. 202)	Passed
HHSC (S.B. 200)	Passed
OIG (S.B. 207)	Passed
Revision Bill (S.B. 219)	Passed

As you area aware, SB 200 consolidates multiple health and human services agencies into the Health and Human Services Commission. The following summarizes key elements of SB 200:

Major Provisions of S.B. 200

- Reorganizes the HHS System, bringing client services, regulatory, and facility operations in to HHSC
- Focuses DSHS on public health and DFPS on protective services
- Creates a Transition Legislative Oversight Committee to govern the reorganization process
- Requires the Executive Commissioner to develop a transition plan, submitted to the Committee at regular intervals, and to assess the continuing need for DFPS and DSHS as standalone entities
- Continues HHSC for 12 years, DSHS and DFPS for eight years, and provides for limited-scope Sunset review of OIG in six years

Texas Council Sunset Bill Summaries are available at this link:
http://www.txcouncil.com/public_policy.aspx

84th Legislative Interim Update

The following table provides summary data regarding bill passage during the 84th legislative session:

Statistics on the 140th day Monday, June 1, 2015								
	House				Senate			
Metric	84R	83R	Diff	%	84R	83R	Diff	%
Bills Filed	4207	3950	257	+6%	2069	1918	151	+8%
Bills Passed	818	732	86	+12%	504	705	-201	-29%
Joint Resolutions Filed	133	130	3	+2%	67	63	4	+1%
Joint Resolutions Passed	2	6	-4	-67%	5	4	1	+25%

A brief summary of Texas Council bill tracking follows:

Total filed:	6,276
Passed:	1,322
TXC Tracked:	1,172
Tracked that passed:	242

Although not yet announced, interim charges begin to be announced. We anticipate extensive engagement with Texas House and Senate standing committees with jurisdiction over health and human services.

We will continue to keep you informed as interim charges are announced.

Texas House and Senate Elections 2016

Not Seeking Reelection for the 85th Legislature	
Senate	**House**
Eltife, Kevin(R) S-1 Fraser, Troy(R) S-24	Aycock, Jimmie Don(R) H-54 **Crownover, Myra (R) H-64 (Public Health)** Farias, Joe(D) H-118 Fletcher, Allen(R) H-130 Harless, Patricia(R) H-126 Hughes, Bryan(R) H-5 Keffer, Jim (R) H-60 Marquez, Marisa (D) H-77 **Otto, John (R) H-18 (Appropriations)** Simpson, David(R) H-7 Turner, Scott (R) H-33 Turner, Sylvester(D) H-139

NOTES: five (5) members of the House who have announced they will not seek re-election serve as committee chairs on Speaker Straus's leadership team. Specifically, Rep. John Otto (House Appropriations) and Rep. Myra Crownover (Public Health) most directly impact our system.

Expect more campaign announcements soon with the primary candidate filing deadline (December 14, 2015) approaching and the party primary election a little more than six (6) months away (March 1, 2016). The following primary contests are in high gear:

HOUSE DISTRICT 8 - ACCESS, Heart of TX, Lakes Regional

Byron Cook (R-Inc)
Fundraising: $0
Campaign Loans: $0
Cash on Hand: $674,984

Thomas McNutt (R)
Fundraising: $104,251
Campaign Loans: $0
Cash on Hand: $41,614

HOUSE DISTRICT 17 - Bluebonnet, Camino Real

John Cyrier (R-Inc)
Fundraising: $79,551
Campaign Loans: $0
Cash on Hand: $42,304

Brent Golemon (R)
Fundraising: $86,291
Campaign Loans: $22,500
Cash on Hand: $565

HOUSE DISTRICT 55 - Central Counties

Molly White (R-Inc)
Fundraising: $7,727
Campaign Loans: $0
Cash on Hand: $7,605

Hugh Shine (R)
Fundraising: $155,092
Campaign Loans: $30,000
Cash on Hand: $125,063

HOUSE DISTRICT 58 - Heart of Texas, Pecan Valley

DeWayne Burns (R-Inc)
Fundraising: $7,350
Campaign Loans: $0
Cash on Hand: $74,594

Philip Eby (R)
Fundraising: $1,475
Campaign Loans: $0
Cash on Hand: $4,338

HOUSE DISTRICT 59 - Center for Life Resources, Central Counties, Pecan Valley

J.D. Sheffield (R-Inc)
Fundraising: $9,522
Campaign Loans: $0
Cash on Hand: $39,974

Brent Graves (R)
Fundraising: $9,518
Campaign Loans: $0
Cash on Hand: $1,644

HOUSE DISTRICT 99 – MHMR Tarrant

Charlie Geren (R-Inc)
Fundraising: $205,200
Campaign Loans: $0
Cash on Hand: $801,445

Bo French (R)
Fundraising: $113,961
Campaign Loans: $10,000
Cash on Hand: $0

HOUSE DISTRICT 115 - Metrocare

Matt Rinaldi (R-Inc)
Fundraising: $221,755
Campaign Loans: $100,000
Cash on Hand: $272,321

Bennett Ratliff (R)
Fundraising: $101,500
Campaign Loans: $80,000
Cash on Hand: $103,100

HOUSE DISTRICT 117 – Center for Health Care Services

Rick Galindo (R-Inc)
Fundraising: $13,000
Campaign Loans: $0
Cash on Hand: $28,774

Philip Cortez (D)
Fundraising: $28,738
Campaign Loans: $0
Cash on Hand: $23,988

SENATE DISTRICT 1 (OPEN SEAT, Eltife ret.) - Andrews, Community Healthcore, Lakes Regional

Bryan Hughes (R)
Fundraising: $40,913
Campaign Loans: $0
Cash on Hand: $122,476

David Simpson (R)
Fundraising: $143,149
Campaign Loans: $0
Cash on Hand: $290,935

SENATE DISTRICT 24 – (OPEN SEAT, Fraser ret.) – Hill Country

Dawn Buckingham (R)
Fundraising: $548,398
Campaign Loans: $500,000
Cash on Hand: $545,938

Reed Williams (R)
Fundraising: NA
Campaign Loans: NA
Cash on Hand: NA

NOTE: figures as of June 30 campaign finance report.

In the News

Governor's Line Item Vetoes

In late July 2015, Legislative Budget Board (LBB) Director Ursula Parks issued a memo in which she argued that Governor Abbott's line item vetoes to cut millions in spending from the FY2016-17 State Budget expanded gubernatorial power in an unprecedented way.

"Appropriations may be made by the Legislature and may also be vetoed by the Governor; the power of the veto is to prohibit a withdrawal of funds from the Treasury. It does not extend to vetoing the Legislature's intent and direction," Parks said.

The full memo is available at the following address:
http://www.quorumreport.com/downloadit.cfm?DocID=10275

Voter ID Ruling

On August 5, 2015, the Fifth Circuit Court of Appeals ruled on Texas' Voter ID Law (SB 14, 82nd regular session, 2011). The opinion requires a broader range of identification at the polls but seems to close the door on putting Texas back under ***Department of Justice*** preclearance.

As you may recall, there was much speculation during the 84th legislative session that a ruling by the Fifth Circuit on this case could cause Governor Abbott to call a special session. At this point, it appears that won't happen, but stay tuned.

To read the full opinion:
http://electionlawblog.org/wp-content/uploads/texas-5th-cir.pdf

For more on Section 2 of the Voting Rights Act:
http://www.justice.gov/crt/about/vot/sec_2/about_sec2.php

Federal Update

Hill Day 2015 – REGISTER NOW!
The 11th Annual National Council Hill Day will take place October 5-6, 2015 in Washington, D.C.

To look at the schedule and register for this event:
http://www.thenationalcouncil.org/events-and-training/hill-day/hill-day/

Federal Legislation Introduced

August 4, 2015
Senators Chris Murphy (D-CT) and Bill Cassidy (R-LA) introduced the Mental Health Reform Act of 2015, comprehensive legislation to reform the U.S. mental health care system.

The legislation reauthorizes a number of programs within the Substance Abuse and Mental Health Services Administration (SAMHSA), establishes workforce training and education programs for behavioral health providers, and affirms a commitment to providing evidence-based treatment services throughout federally funded mental health programs.

Of particular note for community behavioral health providers, the Mental Health Reform Act contains a number of important and long-sought priorities in the mental health field:

- Clarifies billing procedures for integrated care models in Medicaid, expressly permitting clinics to bill for mental and physical health services provided on the same day (known as same-day billing).
- Requires the Government Accountability Office to conduct a paperwork reduction study evaluating the burden that paperwork requirements place on community mental health providers and offering recommendations to reduce this burden.
- Makes several modifications to HIPAA to clarify when providers may disclose patients' information and establishes training programs to educate providers, lawyers, patients, and families on their rights and responsibilities under HIPAA.
- Codifies the 5% set-aside for early intervention activities in the Mental Health Block Grant; these funds are used for intervention models based on the findings from the NIMH-funded Recovery After an Initial Schizophrenia Episode (RAISE) study.
- Strengthens parity compliance and enforcement by requiring federal agencies to issue additional clarifying guidance on the parity law, authorizing random plan audits to ensure compliance, and commissioning a GAO study on the status of parity compliance and enforcement.
- Reauthorizes the Primary Care-Behavioral Health Integration (PBHCI) program at $50 million per year and includes program modifications to increase statewide adoption of integrated care models and remove barriers to integration at the state level.
- Authorizes a PBHCI technical assistance center to disseminate best practices in integrated care; though Congress typically funds this center yearly, the statutory authorization will strengthen the future of this technical assistance.

This bill generally aligns with similar legislation introduced in the House by **Rep. Tim Murphy** called the ***Helping Families in Mental Health Crisis Act,*** though it includes a number of key differences.

Among the National Council-supported provisions from Rep. Tim Murphy's bill that were **not** included in the Sen. Murphy-Cassidy legislation are the **2-year extension of the Excellence in Mental Health Act** demonstration program, the **expansion of the health IT Meaningful Use** program to behavioral health providers, codification of prot**ected classes of mental health drugs in Medicare and Medicaid**, and **grants for mental health awareness training**.

NOTE: Many of these provisions fall under the jurisdiction of a different Senate committee and could not be included in the Mental Health Reform Act of 2015, which has been referred to the Senate Committee on Health, Education, Labor, and Pensions.

The Sen. Murphy-Cassidy bill takes a more limited approach to SAMHSA reform than Rep. Tim Murphy's. It also **leaves out the provisions related to assisted outpatient treatment** that are a mainstay of Rep. Murphy's bill, opting instead for policies that promote psychiatric advanced directives and assertive outreach programs to engage patients in treatment. Finally, it carves out a narrower repeal of the Institutes for Mental Disease (IMD) exclusion. Whereas the Rep. Tim Murphy bill permits Medicaid payment for services provided in both residential and inpatient IMD settings, the Sen. Murphy-Cassidy bill allows payment only for certain inpatient settings.

For more information, read Senator Murphy and Cassidy's bill summary:
http://www.murphy.senate.gov/newsroom/press-releases/cassidy-murphy-introduce-comprehensive-overhaul-of-mental-health-system

August 5, 2015
Senator John Cornyn introduced the Mental Health and Safe Communities Act. The Texas Council is analyzing the proposed legislation and will certainly be involved in offering feedback to Senator Cornyn's office.

Overview

- Reauthorizes programs that facilitate collaboration between federal, state, and local justice systems to improve responses to the needs of individuals with mental illness.
- Focuses additional resources on identifying individuals with mental illness who come into contact with law enforcement or the justice system and seeks to ensure responses to these individuals improve outcomes and increase safety.
- Provides additional resources for judicially administered alternative treatment programs.
- Expands the use of specialized law enforcement Crisis Intervention Teams. Provides funding for deployment of non-law enforcement Crisis Intervention Teams in schools; funding for training and equipment for federal law enforcement, judicial officials and

uniformed services personnel to respond to individuals with mental illness and mental health crises.

- Authorizes pre-trial screening, assessment, and supervision programs for offenders with mentally illness and seeks to ensure offenders are accurately diagnosed and receive appropriate need-based treatment that focuses on reducing violence and increasing safety.
- Seeks to increase use of treatment-based alternatives to incarceration for people with mental illness. Emphasizes identification, assessment, treatment and monitoring for individuals with mental illness who will be released from incarceration. Expands drug court and veterans court intervention.
- Authorizes the deployment of Forensic Assertive Community Treatment (FACT) Initiatives when offenders with mental illness are not in the physical custody of law enforcement or the justice system.
- Requires data collection, information sharing and the dissemination of best practices regarding individuals with mental illness and justice system responses to these individuals.
- Significantly broadens the scope of mental health records that must be uploaded to the National Instant Criminal Background Check System (NICS) and requires states to share these records with the federal government.
- Includes provisions so veterans and law-abiding citizens cannot be deprived of their Second Amendment rights without Due Process.

Senator Cornyn's introduction of the Mental Health and Safe Communities Act is the latest in a series of bills targeted towards reducing criminal justice involvement and improving treatment for offenders living with mental illness or addictions.

Health Care Policy Update

Healthcare Transformation and Quality Improvement Program: 1115 Waiver

On October 1, 2015, the State's 1115 Transformation Waiver will move into the fifth demonstration year. This is the final demonstration period under the current waiver, which is set to expire September 30, 2016. The Texas Health and Human Services Commission (HHSC) will request a five-year extension from the Centers for Medicare and Medicaid Services (CMS) by September 30, 2015. HHSC posted the draft renewal application and other information on its website at: http://www.hhsc.state.tx.us/waiver-renewal.shtml.

HHSC held a series of public meetings in July, and asked stakeholders to submit comments regarding the renewal by early August. HHSC sought comments on a number of items, including:

- Whether to continue the existing Regional Health Partnership (RHP) governance and structure.
- The best use of unallocated Delivery System Reform Incentive Payment (DSRIP) pool funds.
- Proposals for administrative streamlining.
- Methods to align DSRIP with Medicaid managed care value-based purchasing.
- Creation of a shared performance bonus pool.

The Texas Council submitted a letter supporting the extension in August 2015. The letter highlights Community Center efforts to help the State and managed care organizations (MCOs) realize the objectives of cost-effective, coordinated, and person-centered care. Centers have worked diligently with HHSC and MCOs to foster and build network relationships that support Medicaid clients, ensure a smooth transition of targeted case management and mental health rehabilitative services into managed care (September 2014), and implement the Community First Choice program (June 2015). Extending the waiver will help Centers continue these collaborative efforts, and pave the way for more value-based payments under managed care.

The Texas Council letter of support also emphasizes the need to continue DSRIP projects beyond the fifth year of the demonstration. As acknowledged in HHSC's draft application, it took significant time to develop and implement the DSRIP program, and many projects are still in fairly early implementation. While Centers have created solid project foundations in a short amount of time, more time is needed to build project momentum, establish best practices, and develop sustainable service delivery models.

The Texas Council and Community Centers are also providing advice on waiver renewal process through participation in HHSC's Clinical Champions Workgroup. The workgroup asked Centers to voluntarily submit Transformational Impact Summaries, which gave Centers the opportunity to report on outcomes not included in formal waiver reporting. Centers submitted 147 summaries that will be reviewed, scored and used to inform positive project outcomes.

In addition to participating in the Clinical Champions Workgroup, the Texas Council continues to actively engage HHSC on 1115 Waiver issues. The opportunities provided to communities through the waiver cannot be overstated. RHP Plans provide an opportunity for new federal dollars to fund needed service expansion, reduction in high-cost services and increased health outcomes for community members.

Finally, the Texas Council continues active engagement with Texas A&M researchers, who are conducting an evaluation of 10 Community Centers' Physical-Behavioral Health Integration Projects. This review is a component of the 1115 Waiver evaluation funded by MMHPI (Meadows). Released in June, the first report was a qualitative review of the projectshttp://www.txcouncil-intranet.com/wp-content/uploads/2012/07/TX-1115-MH-PC-integration-baseline-report_05_22_2015.pdf. To be released in 2016, a second report will include quantitative analyses of the projects. A presentation of the first report is scheduled for the August 2015 Executive Directors meeting.

Healthcare Opportunities Workgroup (HOW)

The HOW was established by leadership of the ED Consortium to assist Centers in preparation for significant opportunities and challenges presented by the changing healthcare landscape. The workgroup began meeting in February 2011.

Changes in the Texas Medicaid program (specifically managed care expansion), along with changes directed by the Affordable Care Act (ACA), require new and innovative strategies for service delivery by Centers. The HOW created a *Community Center Readiness Guide* to provide a framework for discussion on how to move the Texas Community Center system forward as the healthcare landscape changes.

This guide is available at: http://www.txcouncil.com/healthcare_opportunities.aspx

Technology

The HOW continues to discuss how Centers can use technology to be efficient and effective organizations in the changing healthcare environment. The *Community Center Readiness Guide* identified technology as a key for future success.

In order to provide a recommendation to the Executive Directors Consortium on moving this important strategy forward, the HOW determined the need for outside expertise in facilitating a work session to better organize the groups thinking on technology and to begin to define a path forward. In January 2013, the Executive Directors Consortium unanimously supported moving forward to engage Healthcare Intelligence Partners to lead the Texas Council's Learning Collaborative on Technology, Informatics and Accelerated Innovation.

The Behavioral Health Data Workgroup was appointed in February 2013 and leads Texas Council efforts on this initiative. Ongoing meetings are focused on each component of the project. In June 2013, the Texas Council responded to a request from HHSC for a recommended

set of additional outcome measures for the 1115 Waiver. The workgroup created a set of recommendations based on nationally recognized quality measures. This process led to a set of recommendations from HHSC to the federal government (CMS) for an expansion of behavioral health measures in Category 3 of the 1115 Waiver, which CMS approved.

In January 2014, Executive Directors Consortium adopted three strategy documents related to an endorsed set of outcome measures, interoperability standards and an approach to privacy and consent in a health information exchange environment. The strategies adopted reflect Texas Council leadership and innovation in the development and operations of behavioral health data exchange in Texas. The strategy documents are posted on the Texas Council website at http://www.txcouncil.com/healthcare_opportunities.aspx

In April 2014, the Executive Directors Consortium directed the Texas Council to renew the contract with Healthcare Intelligence Partners for a new set of work products to continue our important efforts in this area. The BH Data Workgroup continued to meet and work on this project. In addition to meeting every other month, smaller working groups held conference calls every other week to progress on work products.

At the January 2015 Executive Directors Consortium, a primer on technology was distributed and David Bergman facilitated a discussion on the primer. The primer is posted on the Texas Council website at http://www.txcouncil-intranet.com/wp-content/uploads/2011/03/Health-IT-Primer-Final-2015.pdf

The Behavioral Health Data Workgroup is focused on two important initiatives:

1. Identification of a HIE-Center pilot to implement the recommendations in the Texas Council interoperability strategy.
2. Identification and collection of the measures outlined in the Texas Council endorsed measurement strategy.

The work on the first initiative is ongoing. Texas HIEs have been narrowed down to two possibilities and Healthcare Intelligence Partners is in discussions with both HIEs. Once an HIE is selected, Centers in the service area will be approached to determine feasibility of participating in the pilot.

For the second initiative, the Behavioral Health Data workgroup completed the measure specifications and the Access database for the calculation of the endorsed measures. The Texas Council hosted a series of four webinars beginning in February 2015 to rollout the implementation of the first five National Quality Forum (NQF) endorsed measures to the Centers. On February 11, 2015, the first webinar provided measure summaries, specifications, required codes, and directions regarding the collection of the necessary fields and the creation of the data files. The webinar was repeated on February 19, 2015. A third webinar on February 25, 2015 was an open question and answer format to address any issues the Centers had encountered during the process. The final webinar on March 25, 2015, introduced and

demonstrated the Access database, which calculates the measures from the data files created by the Centers.

The end products are the numerators and denominators for each of the measures, as well as a survey that documents any data limitations. All presentations, Access database and supporting materials are posted on the Texas Council website at http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/health-care-opportunities-workgroup/bh-quality-measurement-strategy-2015/

The Behavioral Health Data Workgroup also completed work required for Centers to calculate the other two measures, Improving Adult Needs and Strengths Assessment (ANSA) Scores and Reducing Criminal Justice Stays. These measures will be introduced and calculated by Centers later this summer.

Twenty Centers reported their outcomes. The remaining 19 Centers are in various stages of implementation and data reporting. Jolene Rasmussen with the Texas Council will continue to provide technical support to the Centers regarding the collection and calculation of the endorsed measures.

As the Behavioral Health Data Workgroup completed their work, a new workgroup was formed, the Data Evaluation Workgroup (DEW). The workgroup has several tasks that include:

1. Creating an evaluation framework for Centers to use to meet Stretch Activity 3 of the 1115 Waiver, grant applications, and discussions with stakeholders by September 2015
2. Providing input to the Clinical Champions Workgroup through September 2016
3. Evaluating the endorsed measure outcomes, identifying successful strategies to improve endorsed measure outcomes.

Coding Compliance Project

At the request of the Medical Services Consortium, the HOW selected MTM Services, a national consulting company, to review Community Centers' use of billing codes for psychiatric services. In 2013, there were significant changes made to how psychiatrists bill for services. This review allowed Centers to better understand how they have used the new codes, whether they meet required standards and how a Center compared each other and to national norms. Thirty-seven (37) Centers participated in the project.

The consultants have shared their findings with each participating Center and held a webinar on October 17, 2014 to review statewide findings and provide technical assistance on strategies to improve areas of concern. The following trainings provide additional technical assistance to Centers:

- 25 minute staff refresher training is now available online on the Texas Council member site.
- 3 hour training with the Behavioral Health Consortium (April 2014)

- 2 breakout sessions, for a total of 3 hours of training, were available to all attendees of the Texas Council Annual Conference.

System Design Policy Papers
The Healthcare Opportunity Workgroup developed two policy documents addressing the future service delivery system design: one for persons with intellectual and developmental disabilities and one for persons with serious mental illness. In addition to HOW members, other Center representatives with specific expertise in current system design were included in the workgroup meetings.

The documents can be found at:

- http://www.txcouncil.com/userfiles/files/FINAL%20Service%20Delivery%20Design%20for%20Persons%20with%20ID%2006%2009%202014.pdf

- http://www.txcouncil.com/userfiles/file/HOW/Framework%20for%20the%20Future%20Final%209%205%202013.pdf

Operating in a Managed Care Environment

The Texas Council continues to advocate for policies that best protect the individuals we serve and reduce administrative burdens on providers when possible.

The Texas Council supports Community Centers as they develop and maintain relationships with Medicaid and CHIP MCOs, by providing technical assistance on contractual issues, participating in strategic planning, and facilitating meetings when needed. In addition, the Texas Council communicates with HHSC about important provider issues and challenges.

TDI Standard Prior Authorization for Senate Bill 58 Services
Beginning September 1, 2015, Medicaid and CHIP MCOs must accept requests for prior authorization of medical and prescription drug benefits submitted on the Texas Department of Insurance's (TDI's) standard forms. Copies of the forms are available on TDI's website at: http://www.tdi.texas.gov/forms/form10priorauth.html.

Texas Council staff and the Managed Care Steering Committee worked extensively with HHSC and Medicaid MCOs to develop instructions that Centers can use when submitting prior authorization requests for targeted case management and mental health rehabilitative (TCM/MH Rehab) services on the TDI form. So far, HHSC has accepted all Texas Council recommendations and comments. HHSC will post the final version of the instructions in the Uniform Managed Care Manual in August. The Texas Council will notify members when the instructions are finalized.

Certified Community Behavioral Health Clinics: SAMSHA Grant Application
On May 20, 2015, the Substance Abuse and Mental Health Administration (SAMSHA) issued a request for applications for planning grants. The grants will support state efforts to certify

clinics as Certified Community Behavioral Health Clinics (CCBHCs), establish prospective payment systems for Medicaid covered services, and prepare applications for two-year demonstration programs. Up to 25 states will receive planning grants valued up to $2,000,000 each. Selected states will then develop proposals for demonstration projects, and up to eight states will share 1.1 billion dollars in demonstration grants. With increased funding provided by SAMSHA, CCBHCs will receive guaranteed minimum payments under the state-designed prospective payment systems, and incentive payments for improved performance during the demonstration period.

Identified as a legislative priority by the Texas Council, the 84th Legislature included Rider 79 in the state budget, directing HHSC to apply for the planning and demonstration grants if cost-effective and consistent with HHSC quality objectives. In July, Texas Council staff worked closely with the Meadows Foundation to help HHSC and DSHS prepare the planning grant application. HHSC submitted the application to SAMSHA by the August 5, 2015 deadline. The Texas Council is optimistic Texas will receive a planning grant and will continue to provide resources and consultation as HHSC develops the demonstration application. Per the terms of the planning grant application, if HHSC receives a demonstration award, it will use the managed care platform to implement this program.

Texas Council distributed the CCBHC Certification Criteria Readiness Tool (CCRT) to help Centers assess current status and identify areas of needed improvement to potentially achieve status as a CCBHC. Completed assessment tools were due to Texas Council July 31, 2015, and will be used by the Texas Council to help Centers prepare for certification.

Medicaid Managed Care Rules

On May 26, 2015, CMS published draft rules representing the first major overhaul of Medicaid and CHIP managed care regulations since 2002. The proposed rules include a number of significant changes, including revisions addressing MCO medical loss ratios, capitation rate-setting, marketing, network adequacy, member information, MCO quality rating systems, member grievances and appeals, long-term supports and services, enrollment and disenrollment, and the institution for mental disease (IMD) exclusion.

The draft rules were expected to generate thousands of comments, which were due July 27, 2015. The Texas Council submitted a letter to CMS supporting comments submitted by the National Council for Behavioral Health and the Coalition for Whole Health, but recognizing Texas' unique managed care environment. On behalf of the Centers, the Texas Council called for:

- Increased clarity and flexibility in the IMD exclusion.
- National network adequacy standards that ensure clients have timely access to the full range of mental health and substance use disorder benefits.
- Additional flexibility allowing states to set parameters for incentive payments to managed care providers.
- Longer windows for clients to select managed care plans before auto-assignment.

Summaries of the draft rules, as well as the National Council, Coalition, and Texas Council comments are available at the following link: http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/managed-care-page/

Network Access Improvement Program (NAIP)
Pending membership support and input, the Texas Council would like to present HHSC leadership with a proposal to extend the NAIP program to Community Centers. NAIP is a voluntary program that leverages intergovernmental transfers to fund provider incentive programs through Medicaid managed care organizations. NAIP currently applies to health-related institutions and public hospitals, but could be extended to Community Centers with CMS approval.

HHSC has approved a wide variety of NAIP projects, including projects to:

- Integrate adult and pediatric primary and behavioral health services.
- Expand access to primary care, coordinated chronic care, and behavioral care through new clinics, or expanded after after-hours coverage at existing clinics (note that HHSC will not approve brick-and-mortar projects).
- Establish enhanced medical homes for high-risk, chronically ill clients.
- Conduct provider training for improved care of patients with intellectual and/or developmental disabilities (IDD).
- Provide monthly case management fees or access to care bonuses for primary care provider (PCP) assignments and specialty care visits.
- Provide bonuses for quality improvements using Treo Solutions VIS composite scores.
- Recruit and hire specialty providers.
- Create nurse advice lines.
- Provide mobile outreach through community paramedics to high emergency room utilizers.

Managed Care Steering Committee and Workgroup
The Texas Council continued to facilitate the quarterly Managed Care Workgroup meetings (May and August), and monthly subgroup meetings of the Managed Care Steering Committee (May, June, July). The Managed Care Workgroup and Steering Committee meetings focused on issues common to all Centers, including:

- HHSC's utilization management guidelines, and TDI's prior authorization form for TCM/MH Rehab services.
- Medicare Medicaid Program (MMP, also known as the "Duals Demonstration Project").
- STAR Kids Program for children with disabilities (September 1, 2016, operational start).
- Claims processing, Medicaid transportation, and other challenges.

In addition, the Managed Care Steering Committee prepared a document titled: "Things Every Consortium Should be Talking about Regarding Managed Care," which will be shared with all of

the Consortia in August. A copy of this document, information concerning workgroup activities, and other managed care resources can be found at the following links:

- http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/managed-care-page/
- http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/managed-care-steering-committee/

Transition Medicine

In October 2013, the Texas Council attended the *Chronic Illness and Disability Conference: Transition from Pediatric to Adult-based Care* in Houston, and participated in a dinner hosted by Texas Children's Hospital. Board Member Jamie Travis spoke about her commitment to Transition Medicine. The conference included several sessions on the special transition needs of youth and young adults with intellectual and developmental disabilities.

This conference represents continued engagement with organizations that promote the development of an adult system of health care for persons with IDD. This engagement began in September 2012, when the Texas Council organized a meeting with the University of Texas Office of Health Affairs, UTMB Health, Texas Children's Hospital, Transition Medicine Clinic at Baylor College of Medicine and Gulf Coast Center to discuss the potential for an 1115 DSRIP project related to issues encountered by youth with special needs transitioning into the adult health care arena.

Texas Children's Hospital now has an active 1115 Waiver project related to Transition Medicine, in partnership with Baylor College of Medicine. The Texas Council has played an active role on the implementation team for this project. In July 2014, the Texas Council organized a meeting between Texas Children's, Baylor, United Health Plan, Harris County MHMRA and the Texas Council to discuss how the Health Plan might be a part of the project. The meeting was positive and there is active dialogue on creating a partnership going forward. The Texas Council also arranged a meeting with Texas Children's and Molina Health Plan for April 2015.

The Texas Council met with the Chief Medical Officer for Seton Hospital system in August 2014 to discuss the Houston project and determine if there may be opportunities for a similar project in the Central Texas area. A second meeting with Seton, Dell Children's Hospital, Texas Children's Hospital, Baylor College of Medicine and the Texas Council occurred in November 2014. In January 2015, HHSC and Texas Council staff participated in an on-site visit to better understand the program and its impact on individuals with special healthcare needs in Houston. Jamie and Christy Travis also participated in the on-site visit. The Transition Medicine project team from Texas Children's and Baylor presented at the Texas Council annual conference in June 2015.

Recently, the Texas Council was advised of legislative interest in Transition Medicine in other areas of the state and will keep membership informed as this potential unfolds.

Meadows Mental Health Policy Institute

The Meadows Foundation launched the Meadows Mental Health Policy Institute for Texas. Tom Luce, President, and Andrew Keller, Vice President for Policy and Programs, spoke with the Executive Directors at the January 2014 quarterly meeting. The official launch of the Institute was April 16, 2014.

Centers have been active participants in the launch of the Institute, with many serving as the lead for conducting stakeholder meetings in local communities. In addition, the Texas Council and Centers have been active in educating the Institute's staff and consultants on best practices at Centers, challenges in mental health in communities and our vision for a future service delivery design for mental health services in Texas. Melissa Rowan was a member of the Institute's Planning Committee prior to the launch and will be a member of the ongoing Collaborative Council. Danette Castle and Lee Johnson are active members in both the Collaborative Council and the Collaborative Council's Legislative Committee.

Meadows funded the University of Texas at Houston's School of Public Health to conduct an evaluation for the HHSC Institute for Healthcare Quality and Efficiency related to people with serious mental illness. The Texas Council coordinated efforts for UTHealth to interview a subset of Centers on relevant topics. In addition, the Texas Council served as the lead contact for UTHealth related to community based services for people with SPMI and systems of care for these individuals.

See final report on page 41 at this link:
http://www.ihcqe.org/images/reports/2014-02_2014_Appendices_Policy_Recommendations_Texas_Legislature_FINAL_121914.pdf

Mental Health Update

Learning Opportunities Page

The Learning Opportunities Page on the Texas Council website is a popular site for finding information on conferences, webinars and training opportunities of interest to Texas Council membership.

Recently added was "The Voices in My Head" training by Eleanor Longden, featured speaker at the Texas Council Conference in June. Visitors to the page can subscribe to an RSS feed to receive updates as they become available. The page is found at the following link: http://www.txcouncil.com/training_opportunities.aspx.

Personnel across the system are invited to contribute learning opportunities by contacting Karen Justice at kjustice@txcouncil.com.

10% Withhold Outcome Measures

The CAP 10% Withhold Committee and volunteer members of the Behavioral Health Consortium (BHC) continue to collaborated to revise the 10% Withhold Outcome measures in the area of crisis.

Balancing Incentive Program (BIP) LTSS

The Balancing Incentive Program is a Federal Medicaid initiative that granted Texas funds for increasing access to non-institutional long-term services and supports (LTSS). The Balancing Incentive Program requires Texas to implement structural changes, including a no wrong door/single entry point system (NWD/SEP), conflict-free case management services, and core standardized assessment instruments.

Utilizing a questionnaire survey, anyone applying for any assistance will be asked screening questions about mental health and substance use. Positive answers to three of the mental health questions result in a referral to the nearest LMHA. Certain questions about substance use that give positive replies would generate a referral to the nearest OSAR.

Both LMHA and OSARs will be held to a 70% compliance level on follow up within 15 business days of referrals.

LMHAs will be able to use server types "A" through "R" which is currently in the Service Array and would be using encounter type "D" Documentation, "F" Face-to-Face, and "T" Telephone as satisfying the encounter. The system is to go live September 1, 2015 On September 7, 2015 LMHAs will be able to monitor their effectiveness by running reports through MBOW. DSHS will identify and remove these encounters from the Uniform Assessment Completion Rate contract measure reports.

DSHS agreed to reassess the questionnaire if too many false positives occur on the mental health portion of the questionnaire.

CANS/ANSA Super User

Texas Council Staff and members selected from varying LMHAs worked on the process to develop Super Users for the Child and Adolescent Needs and Strengths (CANS) /Adult Needs and Strengths (ANSA). A CANS/ANSA Super User is an individual who is at least a Qualified Mental Health Professional – Community Services (QMHP – CS) that has met the training requirements per the Praed Foundation.

The responsibility of the LMHA is to:

- Ensure there is one Super User for the ANSA and one Super User for the CANS. One staff person can be the identified Super User for both ANSA and CANS.
- The Super User status must be kept current in accordance with the Praed Foundations requirements.
- If there is a vacancy, LMHA will submit a plan of correction to CMU to ensure the position is filled and prescribed activities performed within 6 months.
- Super User will perform an inter-rater reliability training activity at least two times annually with a minimum of 40% of the practitioners who are certified to administer the CANS/ANSA as part of their primary functions.

Veteran's Advisory Committee

Texas Council hosts monthly Military Veteran Peer Network (MVPN) Statewide calls with the Texas Veterans Commission. The calls are designed to coordinate efforts across the state with Veteran Peer Coordinators, generate new ideas and share success stories.

Network members participated for the first time in a pre-conference meeting at the 2014 Texas Council Conference. This was an opportunity for MVPN members to better understand the scope of work at Centers and vice versa.

VISN 17 and the Texas Council work together to provide services to Texas Veterans. VISN 17 engaged the Texas Council to find ways to increase participation in VISN 17 RFPs. As a result, the subsequent release of the Tele-mental Health Provision RFP included the following changes from the Veterans Administration to encourage more Centers to participate:

- Majority of restrictions from previous contract lifted.
- Contract for base year extended to four years (5-year contract total).
- VA will work closely with healthcare sites to ensure consult referrals.
- VA will work closely with healthcare sites to ensure timely invoice payments.

Five Centers – Hill Country MHDD, Pecan Valley, Camino Real, Gulf Coast Center and Center for Life Resources – secured contracts with VISN 17 to provide TeleMental Health Services at 26 sites for eligible Veterans. Communication between VISN 17 and the Community Centers is on-going.

Disaster Behavioral Health

Emergency response is a contract requirement for LMHAs. A few years ago, there was recognition that more formal disaster preparation was needed to better coordinate efforts, resources and disaster management. All LMHAs have a person designated for Emergency Response.

Texas Council attends the state Disaster Behavioral Health (DBH) meetings. Also in attendance are DSHS employees and representatives from Red Cross, Texas Department of Public Safety (TDPS) Victims Services Division and the Voluntary Organizations Active in Disaster (VOAD). Discussion topics include training requirements, conferences and preparing organizations and the general public for the event of a disaster.

Texas Council surveyed DBH responders to inquire what training they currently hold. Texas Council is working with DBH staff to bring the Incident Command System (ICS) 300/400 training at no cost to Centers. ICS 100, 200, 700 and 800 are prerequisites. These free three-hour trainings can be found on the Learning Opportunities Page on the Texas Council website.

Texas Council also participates in meetings regarding the Functional Needs Support Services Tool Kit (FNSSTK) for emergency shelters. Texas Council staff has contributed to the tool kit under development.

Peer Opportunities

The Texas Council is working with DSHS, the UT Austin School of Social Work and Via Hope to design a survey assessing all the people working within the Community Mental Health System who use their lived experience to help others. This will include Peers, Family Partners and Military Veteran Peer Coordinators.

This in-depth look at people who use their lived experience will be the basis for an updated Peer report. The objective is to give Community Centers a snapshot of how peer support specialists are using their lived experience throughout the state, which trainings are found to be helpful, and the challenges and outcomes of utilizing people with lived experience in professional settings.

Family Partners and Peers met in a summit on the last day of the 2015 Texas Council Conference. The 5-hour summit focused on how each group used their lived experience to help others and on ways to collaborate more closely in the future to assist transition-age youth.

At the summit, a Steering Committee was established to examine peer support as a new area of service delivery. The group is comprised of:

- Joyce Roy, Peer Specialist Central Counties Center
- Kevin Thompson, Peer Specialist Helen Farabee
- Melissa Knotts, Family Partner Permian Basin
- Shea Meadows, Family Partner MHMRA of Harris County

- Tammie Johnson, Peer Specialist Spindletop
- Ginger Andrews, Tri County Center
- Paula Waters, MHMRA of Harris County
- Bill Barters, Lakes Regional Community Center
- Dion White, Chief Executive Officer, Center for Life Resources

This group will meet on a monthly basis. A quarterly Peer/Family Partner remote meeting will be used to disseminate information.

Council for Planning and Advising (CAP)

CAP is the joint committee formed by the Mental Health Advisory Committee and Substance Use Advisory Committee to advise on Block Grant expenditures. The CAP advises on implementation of services on both mental health and substance use, rules and other areas of interest.

The CAP is currently working on these issues:

- SB 58 (Block Grant)
- DSHS Sunset Review
- State Hospital System
- Rules
- Program Data and Policy
- Substance Abuse Rates

The next meeting is August 13 and 14, 2015.

Via Hope Advisory Committee

Via Hope obtained a 501(c)(3) IRS designation and is now Texas Mental Health Resource (TMHR). Via Hope is a program owned by the state and currently run by TMHR. The committee has elected its first board of directors. Board members include Linda Werlein, former Executive Director of Hill Country MHDD, Maurice Dutton, NAMI Texas Board member and Nancy Speck, Ph.D., Member Emeritus of Burke Board of Directors.

Via Hope Advisory Committee consists of a diverse group of stakeholders including representation from LMHAs, consumers, veterans, family members and others. The group advises Via Hope, formerly a program under NAMI Texas and Mental Health America of Texas, funded by DSHS and the Hogg Foundation, on recovery initiatives and training for Peer Specialists and Family Partners.

Via Hope has been working to add endorsements to the Certified Peer Specialist Training. The endorsements are being developed in areas such as whole health, trauma informed care, and substance use disorders. The "whole health" endorsement is available now as is the newly developed "Trauma Informed Care."

Via Hope developed a Peer Specialist Council which met twice to facilitate recommendations for Peer Specialist professional development. The Chair of the council is Flora Releford, a certified peer specialist from MHMR Tarrant.

Protection and Advocacy of Individuals with Mental Illness (PAIMI) Council

The PAIMI Council is an advisory group of consumers, family members and professionals in the mental health field for Disability Rights Texas. The Outreach Committee for the PAIMI Council will be developing a video to promote the top five consumer rights that are often violated. The video will focus first on hospitals and then Community Centers. PAIMI members will recount their experiences involving violations to each of the five rules in both settings. Filming for this project is underway.

Mental Health First Aid

SB 133 Mental Health First Aid Initiative

SB 133 (84th Regular Session) amended HB 3793 (83rd Regular Session) to provide more assistance to LMHAs in bringing this training to public schools. HB 3793 requires DSHS to provide grants to LMHAs to train Mental Health First Aid (MHFA) trainers and to provide MHFA training to public school educators. SB 133 adds new provisions, including:

- Anyone who comes into contact with children at the school can receive training including bus drivers, safety or resource officers;
- No percentage of the allocation has to be spent on training instructors;
- Expedited trainings now allowed
- Reporting Year now aligned with State Fiscal Year.

The Texas Education Administration (TEA) adopted MHFA as acceptable training to meet legislative intent for SB 460. TEA distributed a communication to relay this change to school districts and Education Service Centers as well as posting it on their training website.

MHFA Leadership

Leadership of the ED Consortium appointed a MHFA Steering Committee to provide expertise as this initiative rolls out:

- Technical Assistance
- Identifying Best Practices
- Agency Implementation Issues

MHFA Steering Committee Membership

Andrea Richardson – Co -chair	Bluebonnet Trails
Ron Trusler – Co-chair	Central Plains Center
Catherine Carlton	MHMR Tarrant
Susan Holt	Spindletop Center
Rene Hurtado	Emergence Health Network
Laura Gold	Austin Travis County Integral Care
Lisa Boone	MHMR Tarrant

Steering Committee Members meet monthly along with DSHS. Next meeting will be August 20, 2015. The larger MHFA workgroup will meet quarterly to share ideas, concerns and techniques in a networking conference call. The next meeting is August 24, 2015.

A survey was sent to assess the training needs for the LMHAs and to assist in getting those scheduled.

For updates of new MHFA trainings opportunities, subscribe to the RSS feed available on the Texas Council website: http://www.txcouncil.com/updatementalhealthfirstaid.aspx

MHFA and the HHSC Enterprise

The Texas Council Staff negotiated a rate with HHSC to train all employees of the Enterprise. The rate is $85 per person plus the cost of the room (if there is a cost). HHSC staff will work with Community Centers to secure rooms at no cost wherever possible. The process for transacting payment for trainings is currently being finalized. HHSC departments will be contacting the local Center to schedule training for DARS (MHFA for Adults) and DFPS (both MHFA for Adults and Child).

MHFA Pre- Conference to the Texas Council Conference

Due to weather the Pre-Conference was canceled. Texas Council has created a series of webinars to bring this information to Community Centers. The webinars are then posted to the MHFA page of the Texas Council Website. The webinars were:

- **MHFA Legislation: SB 133**
  Monday, July 13, 2015, 2:00 – 4:00 p.m. CST
  Felicia Mason-Edwards, MA, CFP, Program Specialist V for DSHS Children & Adolescent Services spoke on SB 133and reviewed the bill, state amendments, reporting and requirements.

- **MHFA Strategies and Tips**
  Wednesday, July 22, 2015, 10:00 – 11:30 a.m. CST
  Suzette Sova, LPC, NCC, National MHFA Trainer provided strategies and tips on topics such as MOUs with contractors, marketing MHFA, MHFA applications and preparation to ensure staff successfully complete the new MHFA instructor certification requirements.

- **MHFA National Council Update**
  Wednesday, August 5, 2015, 10:00 -11:30 a.m. CST
  Tramaine EL-Amin, Director of Program Development and Operations, Public Education and Strategic Initiatives, Mental Health First Aid USA, National Council will cover new Curriculum Supplements for MHFA, an update on MHFA statistics, and new requirements for MHFA applications and instructor certification. She also addressed the importance of inputting data into the National Council MHFA website.

MHFA Summary

Staff & Contractors Trained FY14	Educator Trainings FY14	Non Educator Trainings FY14	Staff & Contractors to Train FY15	Educators to Train FY15
405	**7,774**	**2,688**	**206**	**11,257**

Staff & Contractor Trained FY15 as of 3rd Quarter	Educator Trainings FY15 as of 3rd Quarter	Non Educator Trainings FY15 as of 3rd Quarter	Staff & Contractors to Train FY16	Educators to Train FY16
168	**3039**	**2833**	**NA**	**NA**

Extended Observation Units (EOUs) / Crisis Stabilization Units (CSUs) UPDATE

As you are aware, DSHS proposed changes to the standards for Extended Observation Units (EOUs) included in Information Item V of the FY 2016 LMHA Performance Contract that would have prohibited EOUs from providing treatment services for people admitted on involuntary status.

The Texas Council requested DSHS establish a workgroup to discuss implications of proposed changes to EOU standards. LMHA representatives, DSHS, Disability Rights Texas, the Texas Council and other stakeholders convened June 24, 2015. In that meeting, DSHS agreed with our concerns regarding their interpretation of the statute and committed to make further revisions to Information Item V to clarify that treatment services are allowed (with appropriate consent) within the 48 hour time period an individual is in an EOU.

The EOU Stakeholder group met again at DSHS on August 3, 2015 to make further revisions to EOU standards in Information Item V. A third meeting has been tentatively scheduled for August 22, 2015 to finalize changes/comments to Information Item V.

EOU/CSU Subcommittee Appointed

During the July 15, 2015 Executive Committee meeting further discussion of EOU issues related to licensure and Rider 80 caused the Executive Committee to request that Shelley Smith (Chair

of the BH Committee) appoint a subcommittee to develop recommendations that ensure EOUs remain a sustainable model for delivery of crisis services.

Similar to Sunset Commission recommendations, Rider 80 requires DSHS to complete a comprehensive review of contract funding requirements and standards governing community-based crisis and treatment facilities and make recommendations to the 85th Legislature for changes to statutes or regulatory requirements needed to ensure the safe, effective and efficient treatment of persons with mental health disorders, substance abuse disorders, or co-occurring mental health and substance abuse disorders in community settings.

The following members have been appointed to serve on the subcommittee:

Lee Johnson, Chair	Donna Moore
Steve Schnee	Avrim Fishkind
Barbara Dawson	Terrie Mayfield
Shena Timberlake	Tewiana C. Norris
Larry Frame	Sherry Blyth
Kristen Daugherty	Evan Roberson
Diane Lowrance	Ross Robinson
Susan Rushing	

We will continue to keep you informed as these discussions unfold.

Intellectual and Developmental Disabilities

Redesign of IDD Services and Supports: FY2014-15

Following FY2014-15 timeline includes redesign activities directed by SB 7 from the 83rd Legislative Session and updated timelines directed by HB 3523 from the 84th Legislative Session. Certain implementation deadlines are directed by law while others are not* but are projected by HHSC and/or are reflected in FY2014-15 state appropriations:

Timeline	IDD Redesign Requirements and Related Activities	Status as of 08.03.15
October 1, 2013	SB 7 deadline to appoint IDD System Redesign Advisory Committee members	Recent meetings held January 20, 2015, April 30, 2015, and July 30, 2015 Next meeting: October 29, 2015.
Fall, 2013*	HHSC and DADS prepares Community First Choice (CFC) Medicaid state plan amendment for submission to CMS (CFC option implements SB 7 basic attendant and habilitation services provided through STAR + PLUS)	HHSC submitted proposed State Plan Amendment to CMS October 10, 2014. CMS approved the CFC state plan amendment, effective June 1, 2015.
Fall, 2013*	Informal consideration of pilot(s) to test managed care strategies based on capitation to be implemented "not later than September 1, 2017" per HB 3523	Pilot Request for Information (RFI) issued July 20, 2015. Request for Proposals (RFP) to follow.
September 1, 2014*	First possible date STAR + PLUS managed care can expand statewide	STAR+PLUS expansion occurred September 1, 2014.
September 1, 2014*	Estimated start date for CFC basic attendant and habilitation services through STAR + PLUS	June 1, 2015 implementation.
September 1, 2014*	First possible date to begin providing IDD acute care services through STAR + PLUS	Acute care services for people with IDD (in ICF, HCS, TxHmL, DBMD, CLASS) were rolled in to managed care September 1, 2014.
September 1, 2014	Nursing Facility carve-in to STAR + PLUS	Implemented March 1, 2015.
September 30, 2014	SB 7 deadline for annual IDD System Redesign report to legislature	Published online January 2015 at: http://www.hhsc.state.tx.us/reports/2015/sdiidd.pdf
December 1, 2014	SB 7 deadline for report to legislature on role of Local Authority as service provider	Published online: http://www.dads.state.tx.us/news_info/publications/legislative/roleofliddas2015/roleofliddas2015.pdf
September 1, 2015	IDD Comprehensive Assessment Evaluation	Stakeholder input requested by DADS via survey. RFI released August 25, 2014. A pilot of the assessment is anticipated to roll out at MHMR Tarrant and Lakes Regional MHMR Center; details forthcoming.

For frequently asked questions about managed care initiatives:
http://www.hhsc.state.tx.us/medicaid/managed-care/mmc.shtml#faq

SB 7 Implementation Activities:

- **IDD System Redesign Advisory Committee.** The committee held meetings January 20, 2015, April 30, 2015, and July 30, 2015 and anticipates meeting quarterly. Community Centers are represented by John Delaney, Executive Director, Lakes Regional MHMR Center, and Susan Garnett, CEO, MHMR Tarrant.

  Committee information is located at:
  http://www.hhsc.state.tx.us/about_hhsc/AdvisoryCommittees/iddsrac.shtml

- **Pilot to test managed care strategies.** On July 20, 2015, HHSC released an RFI for the IDD Managed Care Pilot directed by SB 7 (83rd Legislature). Responses are due August 20, 2015 by 2:00 p.m. CT.

  As directed, HHSC and DADS are required to:
  - Develop and implement a pilot program of a service delivery model involving a managed care strategy based on capitation; and
  - Ttest the model in the provision of Medicaid long-term services and supports for individuals with IDD.

  HB 3523 (84th Legislature) requires pilot implementation by September 1, 2017.

  See link below for announcement. Access RFI by clicking "RFP Documents" on left side of announcement page.

  RFI 529-16-141882: Managed Care Pilot Provisions for Individuals With Intellectual and Developmental Disabilities (HHSC)

  The Texas Council and other IDD stakeholder groups engaged over many months with representatives of Universal American (UAM), a company participating in IDD managed care initiatives in several states and Medicare Advantage plans in Texas.

  UAM initially expressed interest in an SB 7 pilot concept focused on provider partnerships and intensive coordination of long-term and acute care services implemented on a regional basis, and including Local Authority Service Coordination role. However, UAM representatives recently indicated these plans are on hold.

  In March 2015 and June 2015, the Texas Council and other IDD stakeholders met with representatives of AmeriHealth Caritas, a non-profit managed care organization potentially interested in participating in an SB 7 pilot. AmeriHealth Caritas is headquartered in Philadelphia, Pennsylvania and operates Medicaid managed care services, Medicare Advantage plans, and behavioral health services in several other states. AmeriHealth Caritas leadership is interested in learning about service delivery

models for people with IDD in Texas and may request further conversation with Texas Council and other IDD stakeholders in the future.

- **IDD acute care services carve-in to STAR+PLUS.** On September 1, 2014, acute care services for people with IDD served in the four waiver programs and ICF-IIDs were rolled into STAR+PLUS managed care. Acute care services include physician visits, short term hospital stays, urgent care and preventive care.

  Individuals who live in State Supported Living Centers and those who receive both Medicaid and Medicare Part B benefits ("dual eligibles") were not enrolled in STAR+PLUS. Children and young adults under age 21 receiving SSI or SSI-related benefits are allowed to choose whether to receive Medicaid acute care services through STAR+PLUS or to remain in fee-for-service.

  The Texas Council continues to work with HHSC, DADS, STAR+PLUS MCOs and other stakeholders to manage the transition of IDD acute care services to STAR+PLUS. Following are recent outcomes of these coordination efforts:

  - **HHSC Listening Sessions.** The Texas Council and Local Authorities assisted HHSC to host twelve listening sessions throughout the state. Several Local Authorities hosted sessions on their premises and many Local Authorities assisted with identifying appropriate venues, provided logistical support at the sessions and helped to publicize the sessions. These sessions gave people with IDD, family members, providers, MCOs and Local Authorities an opportunity to raise concerns and ask questions of HHSC. A consistent theme throughout the sessions was concern about network adequacy, especially adequacy of specialty services such as psychiatry and neurology.

  - **Service coordination activities.** Each person transitioned to STAR+PLUS for acute care has a named STAR+PLUS MCO Service Coordinator (for acute care services only). Local Authority Service Coordinators are encouraging MCO SC participation with the IDD waiver Service Planning Team, as desired by the person/LAR, to facilitate coordinated acute and long-term services and supports. HHSC requires ongoing exchange of service plan information among MCOs, LAs and providers. To facilitate this exchange of information, all Local Authorities provided names and contact information of at least three Local Authority Service Coordinators to HHSC for use by MCOs.

  - **Communications with enrollment broker (MAXIMUS) and STAR+PLUS MCOs.** Texas Council urged HHSC to implement mechanisms that allow Local Authorities and IDD service providers to communicate and coordinate with STAR+PLUS MCOs and MAXIMUS (enrollment broker) to effectively assist people in accessing necessary and timely acute care services through STAR+PLUS. MCOs and the enrollment broker sometimes refused to communicate with LAs and providers on behalf of mutually served individuals, based on perceived HIPPA limitations.

MCOs agreed to counsel their front line staff that communication with LAs and providers can be appropriate. Reports of this refusal to communicate have decreased. MCOs have also counseled their front line staff to more clearly identify themselves when they call, to avoid confusion between MCO Service Coordinators and LA service coordinators.

Questions or Complaints related to Medicaid Managed Care

HCS and TxHmL providers are encouraged to read "Frequently Ask Questions and Answers: Managed Care Organizations and HCS/TxHmL Program Providers" (PDF) to better understand the September 1, 2014, transition to managed care for acute care medical services. This document is available online at: http://www.dads.state.tx.us/providers/mcofaq.pdf

HCS and TxHmL providers and others who have questions or complaints about managed care expansion should email their questions to HPM_complaints@hhsc.state.tx.us. Providers should no longer use the ManagedCareExpansion2014@hhsc.state.tx.us.

Coordination with MCO Service Coordinators

DADS providers that serve people with IDD are reminded they must share and coordinate information and documentation regarding medical service planning with managed care organizations (MCOs). A signed release of information is not required when the information being shared among the local authorities, DADS providers and MCOs is designed to coordinate the provision of acute care services.

The release of an individual's information to an MCO by a DADS provider or local authority is covered by the following policies:

- Title 45 of the Code of Federal Regulations (CFR) includes §164.506(c)(4), Uses and disclosures to carry out treatment, payment, or health care operations. Under subparagraph (ii), disclosure of protected health information is permitted for the purpose of health care operations. The definition of 'health care operations,' is found under Privacy of Individually Identifiable Health Information, at 45 CFR 164.501.
- DADS Information Letter 14-38, Expansion of Medicaid Acute Care Services - Role of STAR+PLUS Acute Care Service Coordinator in Long-term Support Services Planning (PDF format).

For additional information regarding the managed care expansion, please visit the HHSC Medicaid managed care initiatives website.

Community First Choice

Community First Choice (CFC) was implemented across the state on June 1, 2015. It is such a significant initiative for LIDDAs that it could merit its own report. This report will hit some highlights.

Highlights

- Certain services for people enrolled in 1915(c) waivers, such as HCS and TxHmL, automatically transitioned to CFC Personal Assistance Services and Habilitation Services on June 1, 2015.
- Upon receipt of a final list of CFC candidates on June 17, 2015, LIDDAs began intake and enrollment processes for adults and children with IDD served in managed care. For many of these adults and children, CFC will be the first long-term service and support they can access in their own homes as an entitlement.
- LIDDAs are also conducting CFC intake and enrollment processes for children served in Fee for Service (traditional) Medicaid.

Background

SB 7 directs HHSC to implement the most cost-effective option for delivery of basic attendant and habilitation services through STAR+PLUS or a similar managed care program. CFC provides a 6% enhanced federal match for qualifying Medicaid attendant and habilitation services.

For purpose of obtaining enhanced federal match, the proposed Texas CFC design includes current attendant and habilitation services provided by existing 1915(c) waiver programs (such as HCS and TxHmL), as well as future CFC services provided as a STAR+PLUS and STAR Health benefit.

Rules and Rates

Rules related to the CFC programs and rates were proposed in November 2014, published in the Texas Register in December 2014, and became effective June 1, 2015:

Agenda Item 5c. Community First Choice Program
(1 TAC, Part 15, Chapter 354, Subchapter A, Division 27)

Agenda Item 5c published as proposed: 12/5/14 Available at: http://www.sos.state.tx.us/texreg/archive/december52014/index.html	Agenda Item 5c published as adopted:	Effective date: 6/1/15

Agenda Item 5d. Reimbursement Methodology for Community First Choice Program
(1 TAC, Part 15, Chapter 355, Subchapter M, Division 7)

Agenda Item 5d published as proposed:12/5/14 Available at: http://www.sos.state.tx.us/texreg/archive/december52014/index.html	Agenda Item 5d published as adopted:	Effective date: 6/1/15

These rules establish CFC rates using pre-existing attendant and habilitation, consumer directed services, support consultation, financial management services agency and emergency response services rates.

Role of LIDDAs
SB 7 directs DADS to contract with Local IDD Authorities (LIDDAs) for independent service coordination for adults with IDD receiving CFC through STAR+PLUS. The LIDDA assesses whether an individual needs attendant and/or habilitation services based on individual's functional need, risk factors and desired outcomes. The LIDDA also assists with developing individual CFC plans of care under STAR+PLUS, including necessary revisions and annually provide the MCO and DADS with a description of outcomes based on the plan of care.

SB 7 prohibits the LIDDA—in conducting the independent Service Coordination function for CFC in STAR+PLUS and STAR Health—from also serving as an MCO network provider of the new CFC benefit. This requirement does not affect the Local Authority Service Coordination/Local Safety Net role as a limited provider of HCS and TxHmL waiver services.

The Texas Council, MCOs and representatives from Local Authorities met to develop standard elements for Memoranda of Understanding (MOUs) between LIDDAs and MCOs to guide the respective CFC roles and responsibilities. Four of five CFC MCOs have sent MOUs to LIDDAs for review and signature.

HHSC submitted a proposed SPA to CMS on October 10, 2014. On April 6, 2015, HHSC announced that the state plan amendment had been approved by CMS, effective June 1, 2015.

CFC Allocation
In March 2015, DADS allocated $5 million to Local Authorities for costs related to eligibility determinations, including determinations associated with CFC. Each Local Authority should have received a performance contract amendment related to these funds. The allocation followed the same percentage as the base General Revenue funds for FY2015.

In response to questions from the field, the Texas Council and Local Authority representatives requested clarification from DADS regarding appropriate use of these funds.

DADS response indicated:

- Funds must be expended in Fiscal Year 2015 for activities related to eligibility determinations.

- Eligibility determination activities may include administrative support and related expenses for intake and other functions under Strategy A.1.1 of Report III.

- Specific activities may include conducting Determinations of Intellectual Disability (DIDs), validating eligibility, and completing paperwork for eligibility.

- Funds are not limited to eligibility determinations for CFC; they may also be expended on eligibility determinations for HCS and TxHmL.

- Activities related to the functional assessment for CFC (H6516) will be billed to Targeted Case Management and are not covered by this appropriation.

PASRR and Related Local IDD Authority Responsibilities

Beginning May 23, 2013 Local Authorities began complex new responsibilities to support people with IDD in or at risk of admission to nursing facilities in Texas. Civil rights requirements to services provided in the most integrated setting form the foundation of Pre-Admission Screening and Resident Reviews (PASRR) and additional related responsibilities delegated to Local Authorities on behalf of the state (per Performance Contract Attachment G).

The additional Local Authority functions are in response to the two-year *Steward v. Perry* interim settlement agreement. As statutorily directed entities responsible for access and intake, eligibility and enrollment, safety net/crisis intervention, service coordination and local planning functions for people with IDD, the Local Authority network now serves as the statewide system actively supporting civil rights related to nursing facility diversion and community alternatives for this population.

To view the Steward Interim Settlement Agreement:
http://www.ada.gov/olmstead/documents/steward-settlement.pdf

LA Requirements Related to PASSR Quality Service Reviews

Beginning January 2015, DADS is conducting reviews of the PASRR process and the processes described in Attachment G of the current Performance Contract. DADS contracted with Kathryn du Pree to conduct quality service reviews (QSRs) of the implementation of federal requirements relating to PASRR and the Americans with Disabilities Act (ADA). Ms. du Pree has extensive experience with services for individuals with intellectual and developmental disabilities (IDD).

Quality Service Reviews (QSR)

Ms. du Pree (the Expert Reviewer) and her team members conducting QSRs of nursing facilities, community-based Medicaid service providers and LIDDAs that are providing service coordination and other services for individuals with IDD who:

1. reside in a nursing facility; or
2. have been diverted from admission to a nursing facility into a community-based Medicaid services program; or
3. have transitioned from a nursing facility into a community-based Medicaid services program.

The purpose of the QSR process is to ensure individuals are receiving:

1. federally-required PASRR screening and evaluation;
2. services in the most integrated residential settings consistent with choice; and
3. if residing in a nursing facility, the services, including specialized services, needed to maintain level of functioning and increase independence.

DADS hosted a webinar on July 20, 2015 to provide information to LIDDA staff on how PASRR program compliance is being reviewed and measured and to provide opportunity for a question and answer session and discussion of the Quality Service Review processes. The archived webinar should be available shortly.

LIDDA Specialized Services for PASRR Residents

Recently adopted PASRR rules (40 TAC, Chapter 17) include the following LIDDA specialized services:

- Service coordination, which includes alternate placement assistance;
- Employment assistance;
- Supported employment;
- Day habilitation;
- Independent living skills training; and
- Behavioral support.

The PASRR rules also provide a definition of each LIDDA specialized service. The definitions are consistent with those used for the TxHmL program and for general revenue funded services. For example, behavioral support, employment assistance, and supported employment, and day habilitation use the TxHmL definitions. And independent living skills training uses the general revenue service definition of community support.

A LIDDA is required to arrange for all LIDDA specialized services agreed upon in the IDT meeting for a "designated resident," which is defined in the PASRR rules as "a Medicaid recipient with ID or DD who is 21 years of age or older, and who is a [nursing facility] resident ..."

DADS has funds dedicated to reimburse LIDDAs for LIDDA specialized services, excluding service coordination that is funded by targeted case management. A LIDDA requests reimbursement by submitting a completed Form 1048 (Summary Sheet for Services to Individuals with IDD in a

Nursing Facility). The rates for each specialized service as well as a determination of intellectual disability (DID) assessment and non-HCS or TxHmL service coordination face-to-face contact are embedded in the form and appear when the service is entered. DADS reimburses a LIDDA after reviewing encounter data to verify the services were provided.

Please note the LIDDA is responsible for ensuring the provision of LIDDA specialized services by providing services directly or by contracting. But only the LIDDA may request reimbursement.

Because DADS reimburses a LIDDA for specialized services, a LIDDA must provide specialized services to a designated resident without delay.

Use of Nursing Facility Alternatives
As previously reported, the 83rd Legislature appropriated funds for community waiver program services to serve as nursing facility alternatives. According to DADS FY2014-2015 HCS enrollment data as of July 1, 2015, following is status of the use of nursing facility alternatives:

- Individuals moving from nursing facilities:
  - 249 authorizations released (Total 360 allocated for FY14-15: 120 FY14, 240 FY15)
  - 117 enrolled
  - 71 pre-enrolled/pending

- Individuals diverted from nursing facility admission:
  - 159 authorizations released (Total 150 allocated for FY14-15: 75 FY14, 75 FY15)
  - 121 enrolled
  - 30 pre-enrolled/pending

PASRR Rate Issues
Although PASRR-related rates continue to be a concern for Local Authorities, funding for Intensive Service Coordination in the FY16-17 budget may alleviate some of the pressure on PASRR-related service coordination.Texas Council and a workgroup composed of Local Authority representatives (Executive Directors, IDD leadership and CFOs) continue to monitor these concerns.

Discontinuation of Alerts for "Potential PASRR Eligibility"
DADS and DSHS have made a decision to discontinue the Minimum Data Set (MDS) alert for "potential PASRR eligibility" "Individual potentially PASRR Positive – Conduct PE" based upon the review of data received and input from local authorities.

Effective, January 9, 2015, local authorities are no longer required to complete PE evaluations for MDS alerts marked "Individual potentially PASRR Positive – Conduct PE."
In addition, LAs will not be required to address any backlog of MDS alerts marked "Individual potentially PASRR Positive – Conduct PE" that are currently in the LTC portal system.

Local authorities should be aware that the change to the LTC automation system which generates this alert will take time to delete this alert. LAs will continue to receive this alert until all system changes have been completed.

Any future MDS alerts for "potential positive PASRR eligibility "Individual potentially PASRR Positive – Conduct PE" should be disregarded.

DADS Money Follows the Person (MFP) Proposal: Overview

CMS has approved a DADS proposal for MFP funding to provide enhanced, better-coordinated services for people with IDD relocating from institutional settings, including State Supported Living Centers (SSLCs) and nursing facilities (NFs). Local IDD Authorities will play a crucial role in this effort, which enhances: 1) medical, behavioral and psychiatric supports, and 2) community coordination, as follows:

1. Eight medical, psychiatric and behavioral support regional teams will support all 254 counties, including all 39 Local IDD Authorities and all community waiver providers within a designated region. These teams will provide, in general:
    - Educational activities focused on increasing expertise of Local Authorities and providers in supporting individuals in the targeted groups
    - Technical assistance upon request from Local Authorities and program providers on specific conditions, with examples of best practices and evidence-based services for individuals with significant challenges
    - Case and peer review support to service planning teams to provide effective care for an individual.

2. Community coordination will (in part):
    - Enhance current Local Authority responsibilities for service planning and continuity (pre- and post-relocation), crisis and critical care help to access behavioral and/or medical supports, ensure uniquely designed supports through person-centered process, and increase responsibility to ensure services are delivered as planned and intervene as needed to adapt care to meet individual needs.
    - Once a person relocates to community, Local Authority will monitor for up to one year.
    - For persons in institutions, strengthen information about community options and participation in the planning process.
    - Designated funds to enhance natural supports and promote successful community integration, including one-time emergency assistance, special needs not funded by other sources and resources for diversion from institutions.

Medical, Behavioral, and Psychiatric Support Teams: 8 Regions & LIDDA Hubs

In March 2015, DADS Local Authority Section staff requested that Local Authorities work together through the Local Authority Workgroup (LAW) to identify eight regions and eight Local Authorities to serve as "hubs" for each region. This structure would form the basis of the eight medical, behavioral, and psychiatric support teams through the MFP demonstration. The LAW shared its proposal with the Executive Directors' Consortium in April 2015 for review and recommendation to DADS. Ultimately, the eight LIDDAs selected as "hubs" and the LIDDAs they serve are:

Region	Covered LIDDA Service Areas	LIDDA HUB
1	Concho Valley , Emergence, Permian Basin, West Texas	Emergence
2	Central Plains, StarCare, Texas Panhandle	StarCare
3	Betty Hardwick, Center for Life Resources, Helen Farabee, Pecan Valley, MHMR Tarrant	MHMR Tarrant
4	ACCESS, Andrews, Burke, Community Healthcore, Metrocare, Denton Lakes Regional, LifePath, Spindletop, Texoma	Metrocare
5	ATCIC, Bluebonnet, Brazos Valley, Central Counties, Heart of Texas	ATCIC
6	Alamo COG, Camino Real, Gulf Bend, Hill Country	Hill Country
7	Border Region, Coastal Plains, BHC of Nueces County, Tropical Texas	BHC of Nueces County
8	Gulf Coast, MHMRA of Harris County Texana, Tri-County	Texana

Changes to HCS and TxHmL Interest List Manual, Effective January 1, 2015

DADS generated a Texas Home Living (TxHmL) Interest List effective January 1, 2015. All individuals on the Home and Community-based Services (HCS) Interest List without a TxHmL status as of December 31, 2014, are included on the newly generated TxHmL Interest List.

As of January 1, 2015, LAs began using the revised Form 8648 (*Identification of Preferences*), which is available on DADS Forms web page (http://www.dads.state.tx.us/forms/). The revised Form 8648 includes a choice of TxHmL services. The *Explanation of IDD Services and Supports* has been revised to delete language which stated that TxHmL services are offered to individuals on the HCS Interest List.

The new *HCS and TxHmL Interest List Manual* was also effective January 1, 2015. The new manual is based on the HCS Interest List Manual. LAs will maintain the TxHmL Interest List in

The new *HCS and TxHmL Interest List Manual* was also effective January 1, 2015. The new manual is based on the HCS Interest List Manual. LAs will maintain the TxHmL Interest List in the same manner as they maintain the HCS Interest List with some exceptions. For example, conducting the *Questionnaire for HCS/CLASS Interest Lists* (Form 8577) and responding to types of preferred HCS residences will not be done for individuals being registered on the TxHmL Interest List.

A new provision has been added to the manual. The provision relates to the LA's preparation for the biennial contact and requires the LA to ensure the individual's record contains documentation supporting the primary contact's request to add the individual's name to the HCS interest list or an explanation of why documentation does not exist (e.g., individual's name was added to the HCS interest list automatically when the individual was under 22 years and residing in an institutional setting or another LA has the documentation because the other LA registered the individual on the interest list).
The *HCS and TxHmL Interest List Manual* is part of the Local Authority Handbook located on the DADS website at: http://www.dads.state.tx.us/handbooks/lah/
However, there may be a delay in posting the new *HCS and TxHmL Interest List Manual*.

HHSC Issues HCS and ICF Rate Adjustments

Texas Council provided public comment at an HHSC rate hearing on July 15, 2015 related to HCS and ICF rates.

Background

The Texas Council met with HHSC Rate Analysis staff on June 4, 2015 to discuss implementation of DADS Riders 39 (HCS) & 40 (ICF) passed by the 84th Legislature relating to rate increases contingent upon establishment of an accountability system that ensures 90% of Medicaid revenues are expended on Medicaid services, as captured by cost reports (see riders below for detail). PPAT and PACSTX representatives were also involved in this meeting.

The effective date of new rates and associated rules is September 1, 2015 so HHSC is moving expeditiously. The HHSC Executive Commissioner must sign off on the rules by June 9, 2015 with potential for change based on public comment and stakeholder input as the process unfolds:

1. Medical Care Advisory Committee (MCAC) June 9, 2015
2. DADS Agency Council June 11, 2015
3. Texas Register 30-day comment, post publication
4. Public Hearing (potential dates) July 15, 2015

Although Texas Home Living did not receive funds for a rate increase and the HCS rider does not apply to Texas Home Living, HHSC stated the rules related to the 90% spending requirement will apply to Texas Home Living. This decision is based on the fact that providers submit these funds within a single report and requiring separate reports would be administratively burdensome for both providers and HHSC.

Rate Discussion: HCS
According to rider direction, the rate increases may be targeted to any service or services determined not fully funded by HHSC analysis, but rate increases must be at the same level in each fiscal year. HCS rates that are 'not fully funded' according to cost report data include Nursing, Day Habilitation and several therapies. For example, the current rate for Day Habilitation (Intermittent) is $24.65/per day; 2012 cost report data indicates providers are spending more than this, hence the rate is underfunded and should be $32.11.

HHSC indicated that a case could be made to address specific cost centers, such as direct services, particularly since HCS did not receive additional funds for the Attendant Rate Enhancement program.

In the discussion, Texas Council and other stakeholders confirmed with HHSC that nursing and day habilitation are two rates frequently raised as not adequately covering the cost of services. Additional challenges include direct service providers in 3 and 4 person homes. HHSC raised concern regarding nursing rates as HCS nursing rates are now commensurate with nursing rates in other waivers, such as CLASS (legislature did not direct a rate increase for CLASS). However, stakeholders in the meeting described that unlike programs licensed under HCSSA which allows RN delegation, the BON has made it extremely difficult for providers to use a combination of RNs and LVNs. HHSC agreed to consider this issue, requesting a written brief.

Rate Discussion: ICF/IID
The ICF/IID Rider does not direct HHSC to apply rate increase to rates identified as "not fully funded." HHSC was open to hearing suggestions on how funds should be allocated. Due to varying opinions, HHSC agreed to offer several scenarios for consideration.

90% Spending Requirement
The ICF/IID and HCS/TxHmL rules state the spending requirement will be applied to costs and revenues accrued on or after September 1, 2015.

- **Cost Reports:** As cost reporting periods vary across providers, many, if not most, cost reports submitted during the first year after the effective date of the rule will include a combination of costs not subject and costs subject to the 90% spending requirement. The group discussed provider preference in reporting these costs. For example HHSC asked if providers want to include all in one report or do 2 separate reports? No decision was made with stakeholders opting to report back to HHSC.

- **Aggregation of Component Codes Across Programs:** HHSC was open to allowing aggregation of component codes across the HCS and ICF/IID programs for purposes of calculating the 90% spending requirement.

- **Calculating recoupment for providers that participate in rate enhancement**, HHSC would first ensure providers met the rate enhancement cost requirements and settle on the rate enhancement level, then would recalculate based upon any adjustments, then

apply the new 90% spending requirement. Any adjustment required would be recouped from future payments.

- **Calculating Requirement Over 3 Year Cost Report Period:** Concern was expressed about the spending requirement prohibiting providers from accumulating reserves for future expansion. Example: The 84th Legislature funded HCS expansion by a little over 5,000 'service slots." In anticipation of expanding services based on the roll out process, many providers are already saving money to assist in opening homes and purchasing additional vehicles. Under the new spending requirement the potential is high for these reserve funds to place providers at risk of recoupment, thereby limiting expansion capacity. Although HHSC understood the concept, it needed additional time to consider whether it would accept this suggestion. HHSC requested stakeholders present the concept in writing for its further review and consideration.

- **Opt In/Opt Out:** HHSC was asked if it would consider allowing providers the option of taking the rate increase and being held to the 90% spending requirement or not taking the increase, thus not being held to the requirement. HHSC stated the riders direction did not contemplate an option approach.

- **Other Suggestions & Questions**: Most other suggestions, such as including federal taxes in the 90% calculation, how Room & Board be handled, how Billing & Payment audits resulting in recoupment would impact the 90% calculation were either not accepted or noted as being handled as they are today. In response to the impact of costs being 'edited out', HHSC stated 'auditors should not be doing this and that any edits HHSC makes are only for rate setting purposes. In other words, while a provider's food costs may be higher than an 'economical and efficient' provider, the full costs reported would be included in the 90% calculation.

Note: Effective June 1, 2015 the OIG auditors moved under Rate Analysis (per Sunset recommendation). Ray Wilson will supervise the auditors.

DADS CONTINGENCY RIDERS

39. Contingency for Rate Increases in the Home and Community-based Services Waiver Program. *(a) Included in amounts appropriated above in Strategy A.3.1., Home and Community-based Services (HCS), is $3,312,029 in General Revenue Funds and $4,428,165 in Federal Funds in fiscal year 2016 and $3,499,872 in General Revenue Funds and $4,584,840 in Federal Funds in fiscal year 2017 to provide for rate increases in the HCS Waiver Program. The rate increases may be targeted to any service or services determined to not be fully funded, but must be at the same level in each fiscal year.*

(b) The appropriation of the amounts described in subsection (a) is contingent upon a certification by the commissioner submitted to the Legislative Budget Board and the Comptroller of Public Accounts that a system of spending accountability has been established that ensures each provider expends at least 90 percent of all funds received through the HCS Medicaid payment rates (not limited to those receiving a rate increase) on HCS Medicaid services as captured by the provider's Medicaid cost report or is subject to a recoupment of the difference between 90 percent of funds received through the HCS Medicaid payment rates and the provider's actual expenditures providing HCS services to Medicaid recipients.

40. Contingency for Rate Increases for Non-State-Owned Intermediate Care Facilities for Individuals with Intellectual or Developmental Disabilities. *(a) Included in amounts appropriated above in Strategy A.7.1., Intermediate Care facilities for Individuals with Intellectual Disabilities (ICFs/IID), is $2,582,604 in General Revenue Funds and $3,452,280 in Federal Funds in fiscal year 2016 and $2,605,495 in General Revenue Funds and $3,412,900 in Federal Funds in fiscal year 2017 to provide for a 2.2 percent rate increase to non- state-owned ICFs/IID.*

(b) The appropriation of the amounts described in subsection (a) is contingent upon a certification by the commissioner submitted to the Legislative Budget Board and the Comptroller of Public Accounts that a system of spending accountability has been established that ensures each provider expends at least 90 percent of all funds received through the ICF/IID Medicaid payment rates of ICF/IID Medicaid services as captured by the provider's Medicaid cost report or is subject to a recoupment of the difference between 90 percent of funds received through the ICF/IID Medicaid payment rates and the provider's actual expenditures providing ICF/IID services to Medicaid recipients.

Employment Services Initiatives

Employment First Task Force (EFTF)

- S.B. 1226, 83rd Legislature, Regular Session, 2013, created this advisory committee to promote competitive, integrated employment of Texans with disabilities. The committee includes stakeholders (i.e. people with disabilities, family members of people with disabilities, advocates, providers of employment services, and employers or potential employers), and representatives from HHSC, DADS, DARS, DSHS, DFPS, TEA, and TWC.
- The EFTF met monthly since April 2014.
- The EFTF created recommendations to the legislature, HHS agencies, TEA and TWC around increasing competitive, integrated employment of Texans with disabilities. These recommendations were submitted to the Executive Commissioner, Office of the Governor, and legislature on October 1, 2014.

Employment Assistance and Supported Employment Services in Medicaid Waivers

- Employment assistance (EA) and supported employment (SE), including the consumer-directed services option, have been added to or revised in HCS, TxHmL, CLASS, DBMD, and MDCP waivers.
- DADS and HHSC developed further guidance regarding provision of EA and SE services, and are working to incorporate guidance into relevant program manuals.

Data Collection and Reporting

- The annual data exchange between DADS, DARS, and TWC for calendar year 2013 has been completed.
- DADS plans to use this information, in combination with service and billing records, to identify employment outcomes, track success of the employment initiative, and make aggregate data available to stakeholders.

Money Follows the Person Employment Pilot

- The project is providing funding to three DADS providers (Bluebonnet Trails, Hill Country MHDD Centers and Thomas and Lewin Associates) to create systems change within their organizations, including implementing Employment First policies and practices that improve employment outcomes for people served. The State Employment Leadership Network (SELN) conducted in-person provider assessments. The information collected was used to assist providers in developing work plans for the pilots. Work plans were completed by the three providers and submitted to DADS on August 1, 2014.

DADS Guide to Employment for People with Disabilities

- The purpose of the guide is to provide information on how to support and assist working-age people with disabilities who are receiving DADS services to obtain and maintain competitive, integrated employment.

- The guide implements and expands on a recommendation from the workgroup established by HB 1230, 80th legislative session, 2007, enacted to improve services provided to Texas youth with disabilities as they transition from school to adult living with an emphasis on transition into successful employment, for DADS and DARS to develop an employment manual for people in ICF-IIDs.
- The guide has been completed and was posted on the DADS website July 1, 2014.

Co-occurring Intellectual/Developmental Disability and Mental Illness

Capacity of community resources to support people with IDD who have challenging behavior is a long-standing barrier to people remaining in their homes in the community and returning to community from institutional settings. More recently, the need for community resources for people with dual IDD and mental illness is receiving attention due to increasing recognition that people with IDD respond successfully to behavior support and mental health interventions.

Information for Law Enforcement Personnel Called to DADS Residential Provider Sites

On February 18, 2015, DADS released information letter 15-14: Requests for Law Enforcement Intervention from DADS Providers Serving Individuals in Certain Residential Settings. This information letter provided information to law enforcement personnel about responding to calls outside the scope of law enforcement duties and how to report concerns about supervision or care of individuals.

DADS also created a website to provide law enforcement personnel with additional information about small residential settings and about individuals with physical, medical, intellectual or developmental disabilities. The website is available at: dads.state.tx.us/law.

Medicaid Home and Community-based Settings Requirements

On March 17, 2014, a final rule amending certain Medicaid regulations became effective. This rule creates new requirements for the settings in which states may provide home and community-based services (HCBS). Prior to enactment of this rule, "community" was defined by what it was *not*: nursing facilities, institutions for mental disease, ICF/IIDs, and hospitals. In this rule, a "community" setting is defined as a setting that exhibits certain specific qualities. Texas will be expected to meet or transition to the new requirements for HCBS settings in accordance with timelines laid out in the rule.

Purpose and Scope

The rule is designed to enhance the quality of HCBS, to add protections for people receiving services, and to clarify the qualities that make a setting a home and truly integrated in the broader community. The rule defines, describes, and aligns, home and community-based settings requirements across three Medicaid authorities: **1915(c)-HCBS waivers, 1915(i)-State Plan HCBS, and 1915(k)-Community First Choice.** The rule also defines person-centered planning requirements for people in HCBS settings 1915(c) waiver and 1915(i) HCBS state plan authorities and implements regulations for 1915(i) HCBS State Plan benefit.

Compliance Timeline
New waiver or state plans must meet the new requirements to be approved. CMS is allowing a transition period for states to evaluate service systems and determine what aspects of existing programs meet the requirements and which may need to be transitioned. Existing programs must be evaluated by the state. After a period of public input, the state must submit a transition plan for programs that do not fully meet the HCBS settings requirements. A joint HSC-DADS stakeholder meeting on October 13, 2014 was a first step in the process of public input.

CMS does not expect states to transition to full compliance immediately, but does expect states to transition to compliance with the new settings requirements as quickly as possible and demonstrate substantial progress toward compliance during the transition period. CMS provides a maximum of a one-year period for states to submit a transition plan and the plan itself may cover a period of up to five years to achieve full compliance.

Statewide Transition Plan
DADS submitted the Home and Community Based Services (HCBS) Statewide Transition Plan in December 2014. The final plan is now available on the DADS website. Approval from CMS for the HCBS Statewide Transition Plan is pending.

Updated Settings Assessment
DADS updated the Impact of Federal HCBS Rules on DADS 1915(c) Waiver Programs in March 2015. The revision reflects that Continued Family Support and Support Family Services are settings that may not be compliant with the new federal regulations.

Application to Day Programs
Requirements for HCBS settings apply to all settings where people receive HCBS, including employment and training settings. CMS released further guidance in December 2014 related to the implications of the settings regulations on non-residential settings, such as day habilitation programs and sheltered workshops. The guidance be found at: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Home-and-Community-Based-Services.html.

Qualities of HCBS Settings
According to the rule, a home and community-based setting:

- Is integrated in and supports access to the greater community
- Provides opportunity to seek employment and work in competitive, integrated settings, engage in community life, and control personal resources
- Ensures the individual receives services in the community to the same degree of access as people not receiving Medicaid home and community-based services
- Is selected by the individual from among setting options including non-disability specific settings and an option for a private unit in a residential setting
- Ensures an individual's rights of privacy, dignity, respect and freedom from coercion and restraint

- Optimizes individual initiative, autonomy and independence in making life choices
- Facilitates individual choice regarding services and supports, and who provides them

Additional Requirements

The rule includes additional, more specific requirements, including:

- Specific unit/dwelling is owned, rented or occupied under legally enforceable agreement
- Same responsibilities/protections from eviction as all tenants under landlord tenant law of state, county, city or other designated entity
- If tenant laws do not apply, state ensures lease, residency agreement or other written agreement is in place providing protections to address evictions processes and appeals comparable to those provided under the jurisdiction's landlord tenant law
- Each individual has privacy in the sleeping or living unit
- Units have lockable entrance doors, with the individual and appropriate staff having keys to doors as needed
- Individuals sharing units have a choice of roommates
- Individuals have the freedom to furnish and decorate their sleeping or living units within the lease or other agreement
- Individuals have freedom and support to control their schedules and activities and have access to food any time
- Individuals may have visitors at any time
- Setting is physically accessible to the individual

Exceptions to Additional Requirements

Modifications of the additional requirements must be supported by specific assessed need, justified in the person-centered service plan and documented in the person-centered service plan.

Recent Court Decisions Regarding Amended United States Department of Labor Regulations

Recent litigation has stalled implementation of the amended U.S. Department of Labor's regulations known as the "Home Care Final Rule." The amended regulations made changes regarding the companionship services exemption in the Fair Labor Standards Act and were to go into effect on January 1, 2015. These changes, if implemented, would potentially affect consumer directed services (CDS) employers and providers of HCS and TxHmL, among other programs, by requiring minimum wage and overtime protection for home care workers who would otherwise be exempt.

In late December 2014 and early January 2015, a U.S. District Court judge issued opinions and orders vacating parts of the Home Care Final Rule. These actions meant that the rule is not in effect. Based on these decisions, DADS rescinded DADS Bulletin, dated December 2, 2014, and Information Letter 14-66, dated October 17, 2014, regarding the Impact of Department of Labor Companionship Exemption on Financial Management Services Agencies and Consumer Directed Services Employers.

On January 22, 2015, the DOL appealed the ruling. The DOL stated its enforcement schedule, announced Oct. 9, 2014, would not change. The appeal is proceeding on an expedited schedule and a decision could be made as early as this summer.

If the Court of Appeals issues a decision favorable to the DOL on or after July 1, 2015, the DOL stated it immediately will implement the selective enforcement process as outlined in the enforcement schedule. Providers and CDS employers should continue to assess the budgetary, staffing and administrative impact of the Home Care Final Rule, if any, and be prepared to alter the budgets or hire additional staff to meet compliance should the DOL win its appeal.

For information about this rule, please see the following DOL website at http://www.dol.gov/whd/homecare/; call DOL's toll-free information and helpline, 1-866-4USWAGE (1-866-487-9243), available 8am to 5pm; or consult your legal counsel.

Nursing Topics

DADS, BON Hosting 4-part Webinar Series

DADS and the Texas Board of Nursing (BON) are hosted a 4-part webinar series on nursing topics in the HCS, TxHmL, and ICF/IID programs. The series is composed of four, 90-minute modules:

- Jan. 28, 2015
  Register for Part 1 – Nursing in Community IDD Programs, Part I - Texas Board of Nursing: Requirements for Documentation and BON rules
- Feb. 5, 2015
  Register for Part 2 – Nursing in Community IDD Programs, Part II - Texas Board of Nursing: Requirements for Documentation and BON rules
  The focus of this webinar includes RN delegation in community settings and the roles for RN and LVN. **Note:** CNEs are not approved for this webinar as it is considered basic nursing knowledge.
- April 22, 2015
  Nursing in Community IDD Programs, Part III - Nursing Practice Related to ICF/IID Policies and Regulations
- April 27, 2015
  Nursing in Community IDD Programs, Part IV - Nursing and HCS and TxHmL Policies and Regulations

Licensed Vocational Nurse (LVN) On-Call Pilot Project Ends September 1, 2015

On March 26, 2015, DADS announced the expiration of the LVN On-Call Pilot. Effective September 1, 2015, an LVN may no longer provide on-call telephone services to individuals receiving services in the HCS or TxHmL programs or in an ICF-IID with a capacity of 13 or fewer beds. An RN is authorized to provide on-call telephone services and will continue to be authorized to do so after the pilot program ends. For more information, see DADS Information Letter 15-24/Provider Letter 15-05 March 26, 2015.

Outreach

A game-changer for Texans with disabilities. That's the Texas Tribune lead in its TribTalk release of an Op-Ed by Associate Director of IDD Services Erin Lawler. Follow the link to discover how Senator Charles Perry (R-Lubbock) and Representative Cindy Burkett (R-Sunnyvale) moved Texas one step closer to a day when all Texans with disabilities will have the opportunity to contribute to their own economic independence and the prosperity of our great state!

http://tribtalk.org/2015/05/29/a-game-changer-for-texans-with-disabilities/

Ms. Lawler presented a workshop on "Negotiation Skills for Leaders" at the July 17, 2015 meeting of the IDD Systems Improvement Workgroup, a diverse stakeholder group composed of agency representatives, providers, association representatives, LIDDA representatives, and advocates. The presentation was very well-received.

In June 2015, Ms. Lawler was appointed by the President of the State Bar of Texas to the position of Chair of the Disability Issues Committee of the State Bar. In this role, Ms. Lawler leads a volunteer committee of attorneys dedicated to making legal services and the legal profession more accessible to clients and attorneys with disabilities

To commemorate the 25th anniversary of the Americans with Disabilities Act, the July 2015 Texas Bar Journal features six articles. Included is an article, "The Americans with Disabilities Act: Celebrating 25 years of a more equal society" by Erin Lawler.

The article highlights Texas Bar initiatives that increase access to legal services for people with disabilities and emphasizes the importance of an evolving understanding of equal access under law in the face of our ever-changing society.

The ***Texas Bar Journal*** is the official publication of the State Bar of Texas and the only legal publication mailed to every member of the Texas Bar. This monthly publication has a circulation of 102,000 readers. Visit TexasBar.com to access a digital edition of the publication.

ECI: Funding Issues and Other Updates

Funding

Early Childhood Intervention (ECI) providers currently face two major funding challenges:

- Reductions in General Revenue funding from DARS; and
- Proposed rate cuts for Medicaid acute care therapy services (physical therapy, occupational therapy, and speech therapy).

Texas Council staff and representatives of the ECI Consortium are actively engaged on both issues, providing input to leadership at HHSC and DARS and organizing public testimony at an HHSC rate hearing on Monday, July 20, 2015.

Additionally, representatives of Texas Council, ECI Consortium, and Texas Pediatric Society met yesterday with HHSC Executive Commissioner Traylor, DARS Commissioner Durden, and agency staff to discuss concerns about ECI funding for the FY 2015-FY 2016 biennium. Danette Castle and ECI Consortium representatives led by Randy Routon reviewed the statewide and local impact of funding cuts, collections expectations and therapy rate reductions after several years of ongoing changes and challenges in the system. Dr. Richard Adams, Medical Director of Pediatric Developmental Disabilities at Texas Scottish Rite Hospital for Children added Texas Pediatric Society's regard for ECI and the difference these services make in a child's life. The discussion lasted over an hour and demonstrated the high value Commissioner Traylor places on the ECI Program and his receptiveness to our concerns.

Commissioner Traylor expressed his commitment to work with ECI providers and DARS to maintain a viable system. He emphasized, however, that an infusion of General Revenue funds to mitigate FY2016 cuts is not immediately possible. Instead, Commissioner Traylor stated that HHS agencies and ECI providers must work together to lay the groundwork to request a reallocation of funds or a supplemental appropriation as the year unfolds. While the request to exempt the ECI Program from upcoming therapy rate cuts was not denied, this did not seem a likely path the agency would take in light of cost containment measures directed by the 84th Legislature.

A major piece of laying the groundwork for securing funds necessary to provide services for eligible children and meet DARS expectations will be addressing a perception among Legislative leadership that ECI providers can more efficiently provide services and can secure significant other third-party revenues. We expressed that ECI providers and leaders are committed to supporting ongoing efforts that advance efficient, effective operations in providing services to children with developmental disabilities and will work with HHSC to evaluate any possible revenue enhancements.

The discussion was positive and solidified a commitment for collaboration among the parties. Unfortunately as expected, however, the discussion did not result in an immediate funding

increase, but we did receive a strong commitment from Commissioner Traylor to address the funding issue throughout the coming months of this fiscal year.

Family Cost Share

ECI Family Cost Share requirements changed significantly, effective January 1, 2014 based on FY2014-2015 state budget direction (DARS Rider 31). The $63 million General Revenue appropriation for ECI was made contingent upon DARS modifying rules to require the monthly family cost share amount for ECI services by families with adjusted gross income greater than 400% of the Federal Poverty Level to be equal to the cost of services, but not to exceed 5% of the family's adjusted gross monthly income.

The new Family Cost Share Fee Scale can be found at:
http://www.dars.state.tx.us/ecis/FCSFeeScale.pdf

Details of the new Family Cost Share can be found at:
http://www.dars.state.tx.us/ecis/FCS_booklet_Jan%201.pdf

In addition, SB 1060 (83rd Session) requires DARS to collect data and evaluate the cost-effectiveness of family cost share provisions in the Early Childhood Intervention program, and to implement changes to those provisions to improve the cost-effectiveness of the program. Data analysis is currently underway.

Agenda Item: Approve July 2015 Financial Statements **Committee:** Business	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: July 2015 Financial Statements	
Recommended Action: **Approve July 2015 Financial Statements**	

July 2015 Financial Summary

Revenues for July 2015 were $2,434,874 and operating expenses were $2,291,161 resulting in a gain in operations of $143,713. Capital Expenditures and Extraordinary Expenses for July were $173,267 resulting in a loss of $29,554. Total revenues were 98.56% of the monthly budgeted revenues and total expenses were 97.21% of the monthly budgeted expenses.

Year to date revenues are $26,203,465 and operating expenses are $24,721,247 leaving excess operating revenues of $1,482,217. YTD Capital Expenditures and Extraordinary Expenses are $973,226 resulting in a gain YTD of 508,991. Total revenues are 99.63% of the YTD budgeted revenues and total expenses are 98.05% of the YTD budgeted expenses

REVENUES

YTD Revenue items that are below the budget by more than $10,000:

Revenue Source	YTD Revenue	YTD Budget	% of Budget	$ Variance
Client Fees- ICF	184,931	198,590	93.12%	13,659
EHR Medicaid Incentive	21,250	0	0	21,250
ICF Program – Title XIX	1,894,188	2,035,241	93.06%	141,053
ICF Admin Fee	66,891	78,144	85.59%	11,253
Rehab – Title XIX	1,797,510	1,871,634	96.03%	74,124
DSHS – Gen Rev - NGM	654,001	688,094	95.04%	34,093

Client Fees – ICF – This revenue line relates to our ICF Program. It will move in direct correlation to ICF revenue. If ICF revenue is up so are our client fees and the reverse is true as in this case. We continue to have issues with Medicaid coverage for our ICF clients.

EHR Medicaid Incentive – This line item shows a refund of the electronic Health Record Medicaid Incentive payment that we received for prescribers in past fiscal years. We received the payment in error for a Nurse Practitioner position which was not eligible for this incentive payment.

ICF Program – Title XIX – This line item is back on the variance listing mainly due to clients that we were unable to bill for services due to problems with Medicaid coverage. When these problems are resolved, we should be able to back bill for their services. Since this is a cost reimbursement program, there will also be an offset in the expense side of the program.

ICF Admin Fee – This line item is also related to our ICF Program and also moves in the direction that the ICF revenue does. Tri-County receives an administrative fee based on program revenue.

Rehab – Title XIX – This line item is also back on the variance report due to the adult rehab programs that have had numerous vacant positions for the past couple of months. The children's program is over budget and providing more services than ever due to the ever increasing demand in that population. We are in the process of interviewing for the vacant positions and hopefully we will have new staff on board very soon.

DSHS – Gen Rev – NGM – This line item pays for medication and is also used to fund numerous staff positions across the agency. For over half of the fiscal year, we have had a vacancy in an APN position which has caused the lapse in this line item. We have recently filled this position so this amount should not continue into the new fiscal year.

EXPENSES

YTD Individual line expense items that exceed the YTD budget by more than $10,000:

Expense Source	YTD Expenses	YTD Budget	% of Budget	$ Variance
Building Repair & Maintenance	304,386	280,747	106.15%	23,639
Equipment Repair & Maintenance	20,992	7,145	2.94%	13,847
Principal & Interest-Prosperity	28,071	0.00	0%	28,071

Building Repair & Maintenance – This line item is over budget due numerous projects that were completed over the summer. We finally completed the foundation leveling in our Huntsville ICF house and we have also completed some of the safety items at the PETC facility.

Equipment Repair & Maintenance – This line item reflects a charge to replace a copier that was damaged due to a roof leak at out Liberty facility. The copier was not covered under our insurance policy. We did dispute their initial denial and had the facility inspected to try and get this covered but to no avail.

Principal & Interest-Prosperity – This is a new line item which is the payment for the Liberty property that we recently purchased. This amount will be included in the year end budget revision as well as our new FY 2016 annual budget.

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended July 31, 2015

	TOTALS COMBINED FUNDS July 2015	TOTALS COMBINED FUNDS June 2015	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	5,365	5,290	75
Cash on Deposit-General Fund	7,768,413	8,654,165	(885,752)
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,457,224	1,504,647	(47,422)
Inventory	8,839	9,009	(170)
TOTAL CURRENT ASSETS	9,239,841	10,173,111	(933,270)
FIXED ASSETS	5,487,590	5,487,590	-
OTHER ASSETS	34,165	17,934	16,232
TOTAL ASSETS	**$ 14,761,597**	**$ 15,678,636**	**$ (917,038)**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	778,164	915,360	(137,196)
NOTES PAYABLE	536,765	536,765	-
DEFERRED REVENUE	(108,952)	509,559	(618,511)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	690,302	710,087	(19,785)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	508,991	538,545	(29,554)
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(690,302)	(710,087)	19,785
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	5,487,590	5,487,590	-
Reserved for Vehicles & Equipment Replacement	327,871	327,871	
Reserved for Facility Improvement & Acquisitions	2,104,759	2,242,704	
Reserved for Board Initiatives	1,500,000	1,500,000	
Reserved for 1115 Waiver Programs	516,833	516,833	
ASSIGNED			
Reserved for Workers' Compensation	183,620	183,620	-
Reserved for Current Year Budgeted Reserve	67,833	61,666	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	
UNASSIGNED			
Unrestricted and Undesignated	2,331,257	2,331,257	-
TOTAL LIABILITIES/FUND BALANCE	**$ 14,761,597**	**$ 15,678,636**	**$ (779,094)**

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended July 31, 2015

	General Operating Funds	TOTALS Memorandum Only July 2015	Final August 2014
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	5,365	5,365	4,350
Cash on Deposit-General Fund	7,768,413	7,768,413	7,523,501
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,457,224	1,457,224	1,634,194
Inventory	8,839	8,839	8,787
TOTAL CURRENT ASSETS	9,239,841	9,239,841	9,170,832
FIXED ASSETS	5,487,590	5,487,590	5,487,590
OTHER ASSETS	34,165	34,165	42,111
		-	-
	$ 14,761,597	**$ 14,761,597**	**$ 14,700,532**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	778,164	778,164	908,243
NOTES PAYABLE	536,765	536,765	536,765
DEFERRED REVENUE	(108,952)	(108,952)	(195,556)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	690,302	690,302	905,707
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	508,991	508,991	391,867
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(690,302)	(690,302)	(905,708)
Reserved for Debt Retirement	963,631	963,631	963,631
COMMITTED		-	-
Net Assets-Property and Equipment-Committed	5,487,590	5,487,590	5,487,590
Reserved for Vehicles & Equipment Replacement	327,871	327,871	387,871
Reserved for Facility Improvement & Acquisitions	2,104,759	2,104,759	2,426,254
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
ASSIGNED		-	-
Reserved for Workers' Compensation-Assigned	183,620	183,620	274,409
Reserved for Current Year Budgeted Reserve -Assigned	67,833	67,833	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	(536,765)
UNASSIGNED			
Unrestricted and Undesignated	2,331,257	2,331,257	1,939,391
TOTAL LIABILITIES/FUND BALANCE	**$ 14,761,597**	**$ 14,761,597**	**$ 14,700,532**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
For the Month Ended July 2015
and Year To Date as of July 2015

INCOME:	MONTH OF July 2015	YTD July 2015
Local Revenue Sources	240,505	1,664,730
Earned Income	838,065	11,425,250
General Revenue-Contract	1,356,303	13,113,485
TOTAL INCOME	**$ 2,434,874**	**$ 26,203,465**
EXPENSES:		
Salaries	1,265,168	13,574,163
Employee Benefits	244,896	2,749,944
Medication Expense	57,770	523,567
Travel-Board/Staff	35,323	404,955
Building Rent/Maintenance	60,884	320,701
Consultants/Contracts	405,641	4,952,949
Other Operating Expenses	221,480	2,194,968
TOTAL EXPENSES	**$ 2,291,161**	**$ 24,721,247**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 143,713**	**$ 1,482,217**
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	137,945	712,946
Capital Outlay-Debt Service Bonds	35,322	260,280
TOTAL CAPITAL EXPENDITURES	**$ 173,267**	**$ 973,226**
GRAND TOTAL EXPENDITURES	**$ 2,464,428**	**$ 25,694,473**
Excess (Deficiency) of Revenues and Expenses	**$ (29,554)**	**$ 508,991**

Debt Service and Fixed Asset Fund:		
Bond Payments Receipts	35,322	260,280
Bond Payments Disbursements		
Interest Income		
Excess(Deficiency) of revenues over Expenses	**35,322**	**260,280**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
Year to Date as of July 2015

	YTD July 2015	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,664,730	1,668,913	(4,183)
Earned Income	11,425,250	11,508,997	(83,747)
General Revenue-Contract	13,113,485	13,121,692	(8,207)
TOTAL INCOME	**$ 26,203,465**	**$ 26,299,602**	**$ (96,137)**
EXPENSES:			
Salaries	13,574,163	13,629,057	(54,894)
Employee Benefits	2,749,944	2,763,205	(13,261)
Medication Expense	523,567	530,121	(6,554)
Travel-Board/Staff	404,955	405,860	(905)
Building Rent/Maintenance	320,701	302,289	18,412
Consultants/Contracts	4,952,949	5,207,449	(254,500)
Other Operating Expenses	2,194,968	2,348,933	(153,965)
TOTAL EXPENSES	**$ 24,721,247**	**$ 25,186,914**	**$ (465,667)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 1,482,217**	**$ 1,112,688**	**$ 369,529**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	712,946	786,205	(73,259)
Capital Outlay-Debt Service Bonds	260,280	232,755	27,525
TOTAL CAPITAL EXPENDITURES	**$ 973,226**	**$ 1,018,960**	**$ (45,734)**
GRAND TOTAL EXPENDITURES	**$ 25,694,473**	**$ 26,205,874**	**$ (511,401)**
Excess (Deficiency) of Revenues and Expense	**$ 508,991**	**$ 93,728**	**$ 415,263**

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	260,280	232,755	**27,525**
Bond Payments Disbursements		-	**-**
Interest Income			
Excess(Deficiency) of revenues over Expense	**260,280**	**232,755**	**27,525**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
For the Month Ended July 2015

INCOME:	MONTH OF July 2015	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	240,505	261,568	(21,063)
Earned Income	838,065	878,937	(40,872)
General Revenue-Contract	1,356,303	1,329,948	26,355
TOTAL INCOME	**$ 2,434,874**	**$ 2,470,453**	**$ (35,579)**
EXPENSES:			
Salaries	1,265,168	1,272,975	(7,807)
Employee Benefits	244,896	245,953	(1,057)
Medication Expense	57,770	51,557	6,213
Travel-Board/Staff	35,323	37,539	(2,216)
Building Rent/Maintenance	60,884	23,041	37,843
Consultants/Contracts	405,641	460,420	(54,779)
Other Operating Expenses	221,480	227,089	(5,609)
TOTAL EXPENSES	**$ 2,291,161**	**$ 2,318,574**	**$ (27,413)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 143,713**	**$ 151,879**	**$ (8,166)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	137,945	195,445	(57,500)
Capital Outlay-Debt Service Bonds	35,322	21,160	14,162
TOTAL CAPITAL EXPENDITURES	**$ 173,267**	**$ 216,605**	**$ (43,338)**
GRAND TOTAL EXPENDITURES	**$ 2,464,428**	**$ 2,535,179**	$ (70,751)
Excess (Deficiency) of Revenues and Expenses	**$ (29,554)**	**$ (64,726)**	**$ 35,172**

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	35,322	21,160	14,162
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expenses	**35,322**	**21,160**	**14,162**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With July 2014 Comparative Data
Year to Date as of July 2015

INCOME:	**YTD July 2015**	**YTD July 2014**	**Increase (Decrease)**
Local Revenue Sources	1,664,730	1,288,727	376,003
Earned Income	11,425,250	9,227,465	2,197,785
General Revenue-Contract	13,113,485	13,351,947	(238,462)
TOTAL INCOME	**$ 26,203,465**	**$ 23,868,139**	**$ 2,335,326**
EXPENSES:			
Salaries	13,574,163	11,887,608	1,686,555
Employee Benefits	2,749,944	2,318,649	431,295
Medication Expense	523,567	377,775	145,792
Travel-Board/Staff	404,955	382,336	22,619
Building Rent/Maintenance	320,701	358,622	(37,921)
Consultants/Contracts	4,952,949	5,116,939	(163,990)
Other Operating Expenses	2,194,968	2,396,208	(201,240)
TOTAL EXPENSES	**$ 24,721,247**	**$ 22,838,137**	**$ 1,883,110**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 1,482,217**	**$ 1,030,002**	**$ 452,215**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	712,946	157,440	555,506
Capital Outlay-Debt Service Bonds	260,280		260,280
TOTAL CAPITAL EXPENDITURES	**$ 973,226**	**$ 157,440**	**$ 815,786**
GRAND TOTAL EXPENDITURES	**$ 25,694,473**	**$ 22,995,577**	**$ 2,698,896**
Excess (Deficiency) of Revenues and Expense	**$ 508,991**	**$ 872,562**	**$ (363,571)**

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	260,280	-	260,280
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expense	**260,280**	**-**	**260,280**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With July 2014 Comparative Data
For the Month Ended July 2015

INCOME:	MONTH OF July 2015	MONTH OF July 2014	Increase (Decrease)
Local Revenue Sources	240,505	107,042	133,463
Earned Income	838,065	1,399,745	(561,680)
General Revenue-Contract	1,356,303	1,253,971	102,332
TOTAL INCOME	**$ 2,434,874**	**$ 2,760,758**	**$ (325,884)**
EXPENSES:			
Salaries	1,265,168	1,158,073	107,095
Employee Benefits	244,896	225,649	19,247
Medication Expense	57,770	42,723	15,047
Travel-Board/Staff	35,323	36,473	(1,150)
Building Rent/Maintenance	60,884	46,928	13,956
Consultants/Contracts	405,641	530,440	(124,799)
Other Operating Expenses	221,480	229,554	(8,074)
TOTAL EXPENSES	**$ 2,291,161**	**$ 2,269,840**	**$ 21,321**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 143,713**	**$ 490,918**	**$ (347,205)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	137,945	100	137,845
Capital Outlay-Debt Service Bonds	35,322		35,322
TOTAL CAPITAL EXPENDITURES	**$ 173,267**	**$ 100**	**$ 173,167**
GRAND TOTAL EXPENDITURES	**$ 2,464,428**	**$ 2,269,940**	**$ 194,488**
Excess (Deficiency) of Revenues and Expenses	**$ (29,554)**	**$ 490,818**	**$ (520,372)**
Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	35,322	-	35,322
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	**35,322**	**-**	**35,322**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With June 2015 Comparative Data
For the Month Ended July 2015

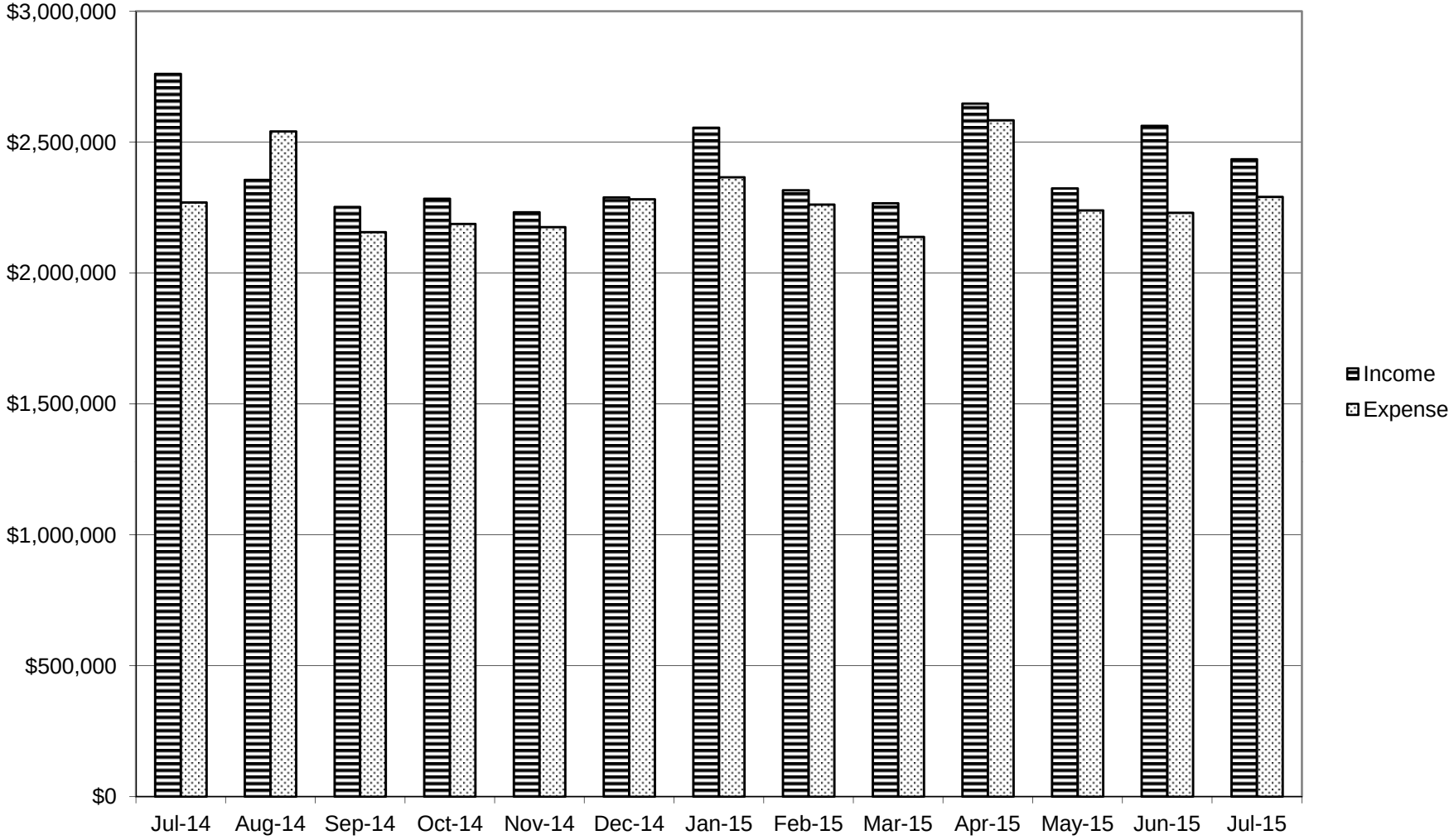
INCOME:	MONTH OF July 2015	MONTH OF June 2015	Increase (Decrease)
Local Revenue Sources	240,505	306,740	(66,235)
Earned Income	838,065	1,068,396	(230,330)
General Revenue-Contract	1,356,303	1,187,255	169,048
TOTAL INCOME	**$ 2,434,874**	**$ 2,562,391**	**$ (127,517)**
EXPENSES:			
Salaries	1,265,168	1,254,037	11,131
Employee Benefits	244,896	243,680	1,215
Medication Expense	57,770	57,220	550
Travel-Board/Staff	35,323	34,808	515
Building Rent/Maintenance	60,884	40,279	20,605
Consultants/Contracts	405,641	408,231	(2,590)
Other Operating Expenses	221,480	192,029	29,451
TOTAL EXPENSES	**$ 2,291,161**	**$ 2,230,285**	**$ 60,876**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 143,713**	**$ 332,106**	**$ (188,393)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	137,945	291,566	(153,622)
Capital Outlay-Debt Service Bonds	35,322	34,469	853
TOTAL CAPITAL EXPENDITURES	**$ 173,267**	**$ 326,035**	**$ (152,768)**
GRAND TOTAL EXPENDITURES	**$ 2,464,428**	**$ 2,556,320**	**$ (91,893)**
Excess (Deficiency) of Revenues and Expenses	**$ (29,554)**	**$ 6,071**	**$ (35,624)**

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	35,322	34,469	853
Bond Payments Disbursements			-
Interest Income			
Excess(Deficiency) of revenues over Expenses	**35,322**	**34,469**	**853**

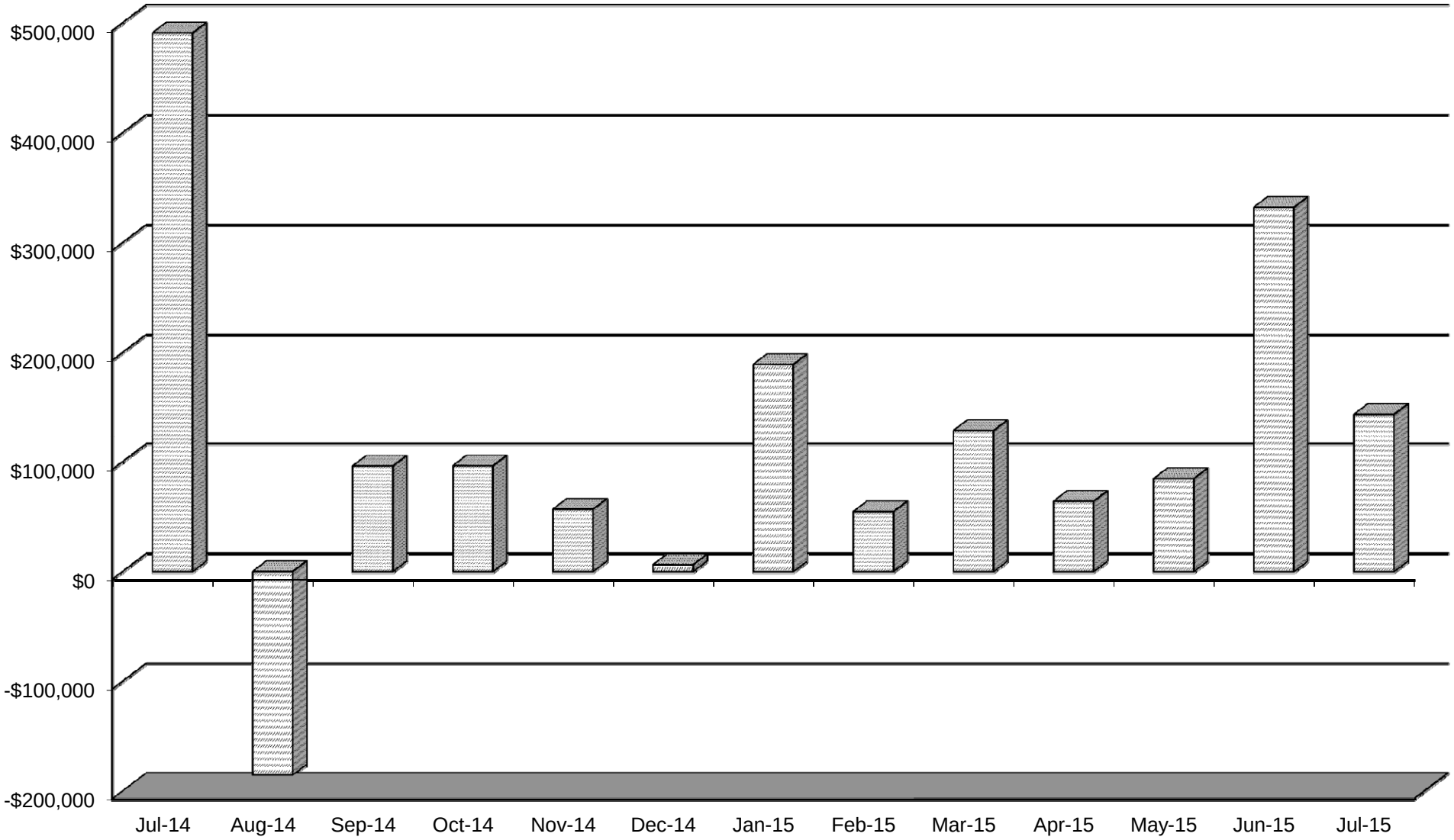
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary by Service Type
Compared to Budget
Year To Date as of July 2015

INCOME:	YTD Mental Health July 2015	YTD IDD July 2015	YTD Other Services July 2015	YTD Agency Total July 2015	YTD Approved Budget July 2015	Increase (Decrease)
Local Revenue Sources	1,238,935	309,242	116,553	1,664,730	1,668,913	(4,183)
Earned Income	2,982,056	5,072,063	3,371,131	11,425,251	11,508,997	(83,746)
General Revenue-Contract	11,266,345	1,673,937	173,203	13,113,485	13,121,692	(8,207)
TOTAL INCOME	**$ 15,487,336**	**$ 7,055,242**	**$ 3,660,887**	**$ 26,203,466**	**$ 26,299,602**	**$ (96,136)**
EXPENSES:						
Salaries	8,828,588	2,555,176	2,190,399	13,574,163	13,629,057	(54,894)
Employee Benefits	1,800,994	544,848	404,102	2,749,944	2,763,205	(13,261)
Medication Expense	403,061		120,506	523,567	530,121	(6,554)
Travel-Board/Staff	252,473	103,977	48,506	404,956	405,860	(904)
Building Rent/Maintenance	198,323	90,573	31,805	320,701	302,289	18,412
Consultants/Contracts	1,808,536	2,950,120	194,293	4,952,949	5,207,449	(254,500)
Other Operating Expenses	1,350,987	535,936	308,043	2,194,966	2,348,933	(153,967)
TOTAL EXPENSES	**$ 14,642,962**	**$ 6,780,630**	**$ 3,297,654**	**$ 24,721,246**	**$ 25,186,914**	**$ (465,668)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 844,374**	**$ 274,612**	**$ 363,233**	**$ 1,482,220**	**$ 1,112,688**	**$ 369,532**
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	325,423	156,773	230,749	712,946	786,205	(73,259)
Capital Outlay-Debt Service Bonds	249,052	7,860	3,369	260,281	232,755	27,526
TOTAL CAPITAL EXPENDITURES	**$ 574,475**	**$ 164,633**	**$ 234,118**	**$ 973,227**	**$ 1,018,960**	**$ (45,733)**
GRAND TOTAL EXPENDITURES	**$ 15,217,437**	**$ 6,945,263**	**$ 3,531,772**	**$ 25,694,473**	**$ 26,205,874**	**$ (511,401)**
Excess (Deficiency) of Revenues and Expenses	**$ 269,899**	**$ 109,979**	**$ 129,115**	**$ 508,991**	**$ 93,728**	**$ 415,265**
Debt Service and Fixed Asset Fund:						
Bond Payments Receipts	249,052	7,860	3,369	260,281	232,755	16,297
Bond Payments Disbursements		-	-	-	-	-
Interest Income		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	**249,052**	**7,860**	**3,369**	**260,281**	**232,755**	**16,297**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Income and Expense
without Capital Expenditures



TRI-COUNTY BEHAVIORAL HEALTHCARE
Income after Expense
without Captial Expenditures



Agenda Item: Approve FY 2015 Year End Budget Revision **Committee:** Business	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Summary FY 2015 Year End Budget Revision	
Recommended Action: **Approve FY 2015 Year End Budget Revision**	

Tri-County MHMR Services
Proposed Year-End FY 2015 Budget Compared to
Current FY 2015 Approved Budget

Explanation of line items that have material changes from Proposed Year-End FY 2015 Budget compared to the Current FY 2015 Approved Budget.

REVENUES:

Local Revenue – This line item shows an overall increase due to transfers from reserve for the Liberty building renovation and also all the preliminary work for the Montgomery County building consolidation project. This line also reflects increases in private insurance and client fees. There are also decreases in some areas such as ICF Client fees and HOGG Foundation Peer Support grant.

Earned Income – This line item shows an overall decrease based mainly on the timing of the 1115 Waiver funding which will be received in the next fiscal year and also decreases in ICF, Rehabilitation, TCOOMMI and Medicare. The ICF program has an offsetting expense reduction. Also in this line, there is a positive adjustment for Medicaid Regular and HCS program.

General Revenue – This line item reflects an overall increase based on an increase in the GR Match that was miscalculated at the beginning of the fiscal year.

EXPENSES:

Salaries – This line shows an overall decrease based on year to date lapse and the delay in hiring key positions this fiscal year.

Employee Benefits – This line shows a decrease based on the above lapse in positions as well as the year end retirement forfeiture that comes back to the center.

Travel – Board/Staff – This line shows a slight decrease based on actual travel expenses this fiscal year.

Medication Expense – This line shows a slight decrease based a refund notification that we have received from the ETBHN Pharmacy.

Building Rent/Maintenance – This line item shows an increase based on maintenance projects for the ICF homes as well as safety replacements in the PETC facility.

Consultants/Contracts – This line item shows a decrease based mainly on year to date trends of the ICF Program and other center Non-Clinical contracts.

Other Operating Expenses – This line has an overall decrease due to many different accounts trending lower for the fiscal year.

Capital Outlay-FF&E, Automobiles – This item reflects an increase due to the renovation of the Liberty Building and the Montgomery County building consolidation project.

Capital Outlay - Debt Service Bonds – This line item shows an increase based on the reclass of the Tradition Bank loan as well as the first payments for the Liberty building that was purchased this fiscal year.

TRI-COUNTY MHMR SERVICES
PROPOSED YEAR END FY 2015 BUDGET COMPARED TO
CURRENT FY 2015 APPROVED BUDGET

	PROPOSED YEAR-END FY 2015 BUDGET	CURRENT FY 2015 APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	2,547,193	1,515,597	1,031,595
Earned Income	12,041,499	13,324,730	(1,283,231)
General Revenue	14,296,272	13,973,738	322,535
TOTAL INCOME	**28,884,964**	**28,814,065**	**70,899**
EXPENSES:			
Salaries	14,820,423	14,949,109	(128,686)
Employee Benefits	2,903,297	2,966,972	(63,675)
Travel-Board/Staff	440,276	466,947	(26,671)
Medication Expense	561,567	585,690	(24,123)
Building Rent/Maintenance	353,001	325,330	27,671
Consultants/Contracts	5,467,369	5,662,883	(195,514)
Other Operating Expenses	2,414,210	2,846,908	(432,698)
TOTAL EXPENSES	**26,960,143**	**27,803,840**	**(843,697)**
Excess (Deficiency) of Revenues over Expenses before Capital Expenditures	**1,924,820**	**1,010,225**	**914,595**
CAPITAL EXPENDITURES			
Capital Outlay - FF&E, Automobiles	1,128,425	690,225	438,200
Capital Outlay - Debt Services Bonds	295,602		295,602
TOTAL CAPITAL EXPENDITURES	**1,424,028**	**690,225**	**733,803**
GRAND TOTAL EXPENDITURES	**28,384,171**	**28,494,065**	**(109,894)**
Excess (Deficiency) of Revenues and Expenses	**$ 500,793**	**$ 320,000**	**$ 180,793**

Agenda Item: Approve Proposed FY 2016 Operating Budget **Committee:** Business	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: Copy of Proposed FY 2016 Operating Budget with Narrative of Increases or Decreases of More than $10,000	
Recommended Action: **Approve Proposed FY 2016 Operating Budget**	

Tri-County MHMR Services
Proposed Beginning FY 2016 Budget Compared to
Current FY 2015 Approved Budget

Explanation of line items that have material changes from Proposed Beginning FY 2016 Budget compared to the Current FY 2015 Approved Budget.

REVENUES:

Local Revenue – This line item shows an overall decrease based on FY 2015 Transfer from reserves for building projects. This may change as we continue to proceed with the Montgomery project.

Earned Income – This line item shows an overall increase mainly due to the 1115 programs and receiving revenue from DY 4 that was delayed during FY 2015. This line also shows an increase in the Rehabilitation line based on projections to be fully staffed in the next few months. We also project a slight increase in ICF revenue due to Medicaid coverage being back billed.

General Revenue – This line item reflects a decrease due to the one time payments on both the DSHS and DADS contracts in FY 2015. We do anticipate getting an increase of DSHS funding in a contract amendment sometime in late October at which time we will do a budget revision.

EXPENSES:

Salaries – This line shows an increase due to projections for the fiscal year. We did include a 2% raise to staff, we have not had an across the board increase in over 3 years. We also have included in the budget a lapse projection of 3%. We normally have lapse that far exceeds this amount but we adjust throughout the fiscal year based on actual.

Employee Benefits – This line shows an increase for the fringe associated with the above referenced beginning salary budget amount.

Travel – Board/Staff – This line show an increase based on the anticipated travel projections mostly on the program side. We also budget for travel associated with annual state conferences as well as the annual National conference for board and staff members.

Medication Expense – This line shows an increase based on potential increases in medication costs that we have seen in the last few months of FY 2015.

Building Rent/Maintenance – This line item shows a decrease based on the one time projects that were completed in FY 2015.

Consultants/Contracts – This line item shows an increase based on various contractors being lower than expected in the prior year, such as ICF.

Other Operating Expenses – This line has an overall increase based on operational needs throughout the fiscal year.

Capital Outlay-FF&E, Automobiles – This item reflects a decrease based on the completion of the Liberty building project that were near completion at the beginning of FY 2016. We do anticipate more costs for the Montgomery project but that will continue over the next few months. Also, we will have the final payment to purchase the mobile unit for the 1115 Integrated Care program.

Capital Outlay - Debt Service Bonds – No change.

TRI-COUNTY MHMR SERVICES
PROPOSED BEGINNING FY 2016 BUDGET COMPARED TO
CURRENT FY 2015 APPROVED BUDGET

INCOME:	**PROPOSED BEGINNING FY 2016 BUDGET**	**CURRENT FY 2015 APPROVED BUDGET**	**Increase (Decrease)**
Local Revenue Sources	$ 1,248,012	$ 2,547,193	$ (1,299,181)
Earned Income	$ 14,449,554	$ 12,041,499	$ 2,408,056
General Revenue	$ 14,078,952	$ 14,296,272	$ (217,321)
TOTAL INCOME	**$ 29,776,517**	**$ 28,884,964**	**$ 891,553**
EXPENSES:			
Salaries	$ 16,501,461	$ 14,820,423	$ 1,681,038
Employee Benefits	$ 2,974,652	$ 2,903,297	$ 71,355
Travel-Board/Staff	$ 457,050	$ 440,276	$ 16,774
Medication Expense	$ 615,440	$ 561,567	$ 53,873
Building Rent/Maintenance	$ 221,500	$ 353,001	$ (131,501)
Consultants/Contracts	$ 5,526,290	$ 5,467,369	$ 58,922
Other Operating Expenses	$ 2,580,608	$ 2,414,210	$ 166,398
TOTAL EXPENSES	**$ 28,877,002**	**$ 26,960,143**	**$ 1,916,859**
Excess (Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 899,515**	**$ 1,924,820**	**$ (1,025,305)**
CAPITAL EXPENDITURES			
Capital Outlay - FF&E, Automobiles	$ 478,800	$ 1,128,425	$ (649,625)
Capital Outlay - Debt Services Bonds	$ 420,715	$ 295,602	$ 125,113
TOTAL CAPITAL EXPENDITURES	**$ 899,515**	**$ 1,424,028**	**$ (524,513)**
GRAND TOTAL EXPENDITURES	**$ 29,776,517**	**$ 28,384,171**	**$ 1,392,346**
Excess (Deficiency) of Revenues and Expenses	**$ (0)**	**$ 500,793**	**$ (500,793)**

Agenda Item: Approve Purchase of Dodge Grand Caravan and Ford Focus **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

DSHS has awarded $75,000 for the YES Waiver Network Development which must be used by August 31, 2015. The Management Team has determined that this funding would best benefit staff by purchasing vehicles to complete network development activities, provide direct services out of the office, as well as provide non-medical transportation of our clients. Therefore, staff recommends the purchase of a Dodge Grand Caravan and a Ford Focus, each to be purchased at the dealership chosen by the Board.

Due to the tight timeline, bids will be available for review at Board Meeting.

Supporting Documentation:

Bids Available for Review at the Board Meeting

Recommended Action:

Approve the Purchase of Dodge Grand Caravan and Ford Focus as Recommended

Agenda Item: Approve Transfer of Funds from Reserved for 1115 Programs **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

As a part of the audit preparation work, we are reviewing all of our accounts. During this process, we have reviewed the 1115 Waiver programs and the timing of the receipt of funding. From the start, this has been an unusual source of funding and the timing of the payments does not match up with the expenditures in the programs.

The DSRIP year 4 will end on September 30, 2015. We had a delay in our Extended Observation program at the PETC which delayed out the first half payment for that program. At the end of the fiscal year, we will have a large accounts receivable for these programs that will not be paid to Tri-County until the middle of January. According to our Auditor, these funds will not be allowable on our Governmental Financial Statements. In order to be valid, they must be measurable and available within 120 days of the end of our fiscal year. That would mean we must receive them prior to the end of December of 2015.

Staff are recommending that we transfer $500,000 from the Reserve for 1115 Waiver programs to offset the delay in funding. This account was set up in FY 2014 for this purpose and future years timing of payments.

Supporting Documentation:

None

Recommended Action:

Approve Transfer of Funds from Reserved for 1115 Programs

Agenda Item: Approve Recommendation for Increase in Employer Contribution Toward Employee Health Insurance Premium **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

In July 2008, Tri-County set a maximum contribution amount that would be paid toward employee health insurance premiums. This maximum amount was set at a rate of $360 per employee, per month. This cap was set in an effort to help stabilize Tri-County annual expenditure, as health insurance premiums were increasing every year.

Any premium amount due over the cap would be paid for by the employee. It was also hoped that this cost-share arrangement would encourage employee ownership in helping to keep claims down, which in turn would keep premiums from rising further. Over the past seven years, Tri-County premiums have increased, but at a lower rate than prior years.

Tri-County offers employees four Health Insurance plan options to choose from. For FY 2016, monthly premiums for employee only coverage on these plans range from $386.91 to $665.95 per employee, per month. The contribution amount would be based on the basic plan so FY 2016 employer-paid will be capped at $386.91 for this fiscal year.

It is the recommendation that Tri-County increase the employer-paid contribution maximum amount to $400 per employee, per month beginning in FY 2016.

Supporting Documentation:

None

Recommended Action:

Approve Recommendation to Increase the Employer Contribution Toward Employee Health Insurance Premiums to $400 per Employee, per Month

Agenda Item: Approve DSHS Enterprise Agency Contract #537-16-0124-00035 **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

As a part of the transition of the Department of State Health Services into the Health and Human Services Commission (HHSC), all mental health contracts are now being released by the Health and Human Services Contracting Department. HHSC has combined seven (7) of our contracts into a new contract format. This document, which was received as the Board packet was being finalized, will require additional review prior to presentation to the Board.

Staff will provide a verbal update of any significant contract changes to the Board at the meeting on August 27th after analysis is complete.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve DSHS Enterprise Agency Contract #537-16-0124-00035

Agenda Item: Approve DSHS Mental Health-PATH Contract #2016-048162-001 **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County has contracted with the Department of State Health Services (DSHS) for the Projects for Assistance in Transition from Homelessness (PATH) for many years. The PATH program serves persons with serious mental illness, or those with substance use disorders, who are homeless or at risk of being homeless. The goal of the program is to engage homeless persons with a mental illness into ongoing psychiatric services.

Tri-County employs two staff that work with homeless individuals in camps and other environments in Montgomery County.

For this contract, DSHS has required us to focus on 1) outreach; 2) case management; and, 3) services not supported by mainstream mental health programs. This does not represent a change in service offered, but we have not seen this prioritization of service provision in previous contracts.

In addition, the contract requires that all services must be entered into the Homeless Management Information System (HMIS) by the end of FY 2016. HMIS is used by HUD to track the activities of the homeless population. While we are currently entering some data into HMIS, we will need to work to make this data entry more timely and consistent.

The DSHS funding of $141,776 (with a required match of $41,294) is essentially unchanged from FY 2015. We are required to outreach to 420 homeless individuals and to enroll 320 of these individuals in the PATH program. The enrollment number represents an increase of 62% from FY 2015; however, our PATH manager helped set these targets and feels that they are achievable.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the DSHS Mental Health-PATH Contract #2016-048162-001

Agenda Item: Approve DSHS Youth Prevention-Selective Contract #2016-048029-001 **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County has contracted with the Department of State Health Services (DSHS) to provide substance abuse prevention education to children and youth ages 6-18. These services are primarily provided in area schools during the school year.

There are no significant changes between the FY 2016 and the FY 2015 contracts and staff recommend approval.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the DSHS Youth Prevention-Selective Contract #2016-048029-001

Agenda Item: Approve FY 2016-2017 Texas Correctional Office on Offenders with Medical or Mental Impairments Contract #696-TC-14-15-L037 **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

The Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) contract is issued by the Texas Department of Criminal Justice. The program serves mental health consumers who are also engaged in the legal system. Case managers work with adults consumers who are eligible for ongoing services in collaboration with a designated metal health probation or parole officer. Continuity of care services for any individual returning from prison into our catchment area is also a service which is provided. The overall goal of the TCOOMMI program is to provide comprehensive services to help keep these consumers from re-offending and having to go to prison.

The FY 2016-2017 contract includes additional funding to add a case manager for Liberty County that will have a mixed intensive/transitional caseload of probation/parole clients. Funding for the remaining portion of the contract is essentially unchanged.

Programmatically, there has been a change to how caseload compliance (Intensive=25, Transitional=75) is calculated, and the State will now do a 'snapshot' of the caseload size at the end of each month. If the snapshot does not show 25/75 on the caseload, a corrective action plan will have to be submitted. This population of clients can be fairly unstable, so this new requirement will require close monitoring while we learn this new process.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the FY 2016-2017 Texas Correctional Office on Offenders with Medical or Mental Impairments Contract #696-TC-14-15-L037

Agenda Item: Approve FY 2016 ICF/IID Services Contract with Educare Community Living Corporation **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County Behavioral Healthcare (Tri-County) has eight Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) in our service area. There are three homes in Montgomery County, four in Liberty County and one in Walker County. Following the closure of Empowerment Options, Inc. last year, Educare Community Living Corporation (Educare) has been the provider of these services under contract with Tri-County. As you know, the Board put the contract out for bid this year in an attempt to explore additional options but there has been been no interest from other providers to date.

Tri-County and Educare staff have agreed upon contract language for the FY 2016 contract period with minor adjustments. This contract was developed by Jackson Walker and the changes have been reviewed by Educare. New to this year's contract is the addition of the Data Use Agreement which is required to be entered into by our contractors by Health and Human Services.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the FY 2016 ICF/IID Services Contract with Educare Community Living Corporation

Agenda Item: Approve FY 2016 Avail Solutions, Inc. Contract **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Avail Solutions, Inc. has performed crisis hotline assessment services for many years for our Center. They are the major contract provider of crisis hotline services for community centers in Texas. They answer our crisis hotline 24 hours per day, 7 days per week and have bilingual Spanish speaking staff available at all times. When a face-to-face crisis assessment is required, they contact our Center staff to conduct the assessment.

The total contract amount for FY 2016 is $66,000, the same amount that we paid in FY 2015.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve FY 2016 Avail Solutions, Inc. Contract for Crisis Hotline Assessment Services

Agenda Item: Approve FY 2016 Cypress Creek Hospital Contract **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County Behavioral Healthcare has utilized Cypress Creek Hospital for inpatient psychiatric services when programs at the Psychiatric Emergency Treatment Center (PETC) are at capacity or the individual's acuity demonstrates a need for a higher level of care. This includes persons in need of longer-term inpatient treatment than what is permitted at the PETC.

Similar to prior years, Tri-County has executed a Statement of Work with the Department of State Health Services (DSHS) for five private psychiatric beds intended for state hospital diversion.

For FY 2016, the Cypress Creek contract for inpatient hospital beds is $650,000. This figure is consistent with utilization trends observed in FY 2015. Cypress Creek Hospital provides inpatient psychiatric care for adult and youth populations.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the FY 2016 Cypress Creek Hospital Contract for Inpatient Psychiatric Services

Agenda Item: Approve FY 2016 Kingwood Pines Hospital Contract **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County Behavioral Healthcare has utilized Kingwood Pines Hospital for inpatient psychiatric services when programs at the Psychiatric Emergency Treatment Center (PETC) are at capacity or the individual's acuity demonstrates a need for a higher level of care. This includes persons in need of longer-term inpatient treatment than what is permitted at the PETC.

Similar to prior years, Tri-County has executed a Statement of Work with the Department of State Health Services (DSHS) for five private psychiatric beds intended for state hospital diversion.

For FY 2016, the Kingwood Pines contract for inpatient hospital beds is $650,000. This figure is consistent with utilization trends observed in FY 2015. Kingwood Pines Hospital is unique in that it not only serves adults and youth but children under the age of 12. In the last year, hospital level of care need for children in Liberty, Montgomery, and Walker County catchment areas has significantly increased.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the FY 2016 Kingwood Pines Hospital Contract for Inpatient Psychiatric Services

Agenda Item: Approve FY 2016 Contract for Dr. Frank Chen **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County Behavioral Healthcare has utilized Dr. Frank Chen, a psychiatrist affiliated with Cypress Creek Hospital for many years. Dr. Chen is the primary contractor at Cypress Creek Hospital that works with individuals that are funded through the Department of State Health Services (DSHS) for state hospital diversion.

Dr. Chen provides inpatient psychiatric care to youth and adult populations. His contract maximum allowance for FY 2016 is $65,000 for physician services. This figure is consistent with his utilization trends observed in FY 2015.

Tri-County's standard Community-based Services Agreement was used to draft this contract.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the FY 2016 Contract for Dr. Frank Chen

Agenda Item: Approve FY 2016 Contract for Dr. Jerri Sethna **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County Behavioral Healthcare has utilized Dr. Jerri Sethna, a psychiatrist affiliated with Kingwood Pines Hospital for many years. Dr. Sethna is the primary inpatient contractor at this hospital that is assigned to Tri-County individuals that are funded through the Department of State Health Services (DSHS) for state hospital diversion.

Dr. Sethna treats children, youth and adult populations. Her contract maximum allowance for FY 2016 is $75,000 for physician services. This figure is consistent with utilization trends observed in FY 2015.

Tri-County's standard Community-based Services Agreement was used to draft this contract.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Approve the FY 2016 Contract for Dr. Jerri Sethna

Agenda Item: Approve Hogg Foundation for Mental Health Peer Program Grant **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

Tri-County was initially awarded a Hogg Foundation for Mental Health Peer Program grant as part of a collaborative application with the East Texas Behavioral Healthcare Network (ETBHN). This grant was initially awarded to a group of Centers in East Texas (Cohort I), and Tri-County was selected to participate in an expansion of the grant (Cohort II) in 2012.

In the last year, the Hogg Foundation began contracting directly with participating Centers rather than through ETBHN.

This grant award, which provides reimbursement for training, is for $19,674 and includes reimbursement for training costs incurred in FY 2015 and reimbursement for additional training until March 30, 2016.

Supporting Documentation:

Hogg Foundation for Mental Health Peer Program Grant Statement of Agreement

Recommended Action:

Approve the Hogg Foundation for Mental Health Peer Program Grant

Statement of Agreement

between
the Hogg Foundation for Mental Health
and
Tri-County Behavioral Healthcare

Project number:	ELN-013
Project director:	Evan Roberson, Executive Director
Organization:	Tri-County Behavioral Healthcare
Hogg Foundation contact:	Stephany Bryan Consumer and Family Liaison, Program Officer

Award of Funds
The Hogg Foundation for Mental Health agrees to award a grant of $19,674 to Tri-County Behavioral Healthcare (the grantee) to complete the proposed "East Texas Coalition for Mental Health Recovery Group II Participant Initiative" project. The grant period begins November 1, 2014 and ends March 30, 2016. The foundation must receive a countersigned copy of this agreement prior to the release of grant funds.

Grant Requirements
By accepting this grant funding, the grantee agrees to complete the project as described in the foundation's request for proposals and in the grantee's proposal and to comply with the grant requirements in this statement of agreement. If the grantee does not comply with all grant requirements, the foundation may initiate a corrective action plan or terminate the grant and recoup grant funds.

- **Communications with Foundation:** The grantee's primary point of contact at the foundation is listed at the top of this statement of agreement. The grantee must include the assigned project number ELN-013 in all email and regular mail correspondence regarding this grant.

- **Public Charity Status:** The grantee certifies that it is currently a public charity as defined in Section 501(c)(3) or a governmental unit described in Section 170(c) of the Internal Revenue Code of 1986. The grantee must immediately notify the foundation if the organization's status or name changes. Change in the grantee's status may result in the termination of this grant and the return of grant funds to the foundation.

- **Nondiscrimination:** In the application of its resources to serve the public interest, the foundation gives high priority to the realization of equal opportunity for all members of society. Accordingly, the foundation expects that, in implementing this grant, the grantee will not discriminate with respect to race, color, religion, sex, national origin, mental or physical disability, age, citizenship status, veteran status, gender identity, gender expression, or sexual orientation.

- **Project Changes:** The grantee must submit a written request to the foundation before making any significant changes that affect implementation of the grant project and differ from the approved proposal. Requested changes are subject to approval by the foundation.

The grantee must report in a timely manner any unforeseen circumstances that impact the grantee's ability to carry out the grant or meet the project's timeline or deliverables. In this situation, the foundation may require the submission and approval of a revised proposal and a status report of activities to date.

- **Budget Changes:** The grantee must expend grant funds awarded by the foundation as designated in the approved budget.

  Budget Amendments: A budget amendment is required when there is a proposed change of 10 percent or more in the total approved budget. The grantee must notify the foundation contact in advance and submit a proposed amended budget and a written request describing the proposed change. All proposed budget amendments must be approved by the foundation in advance.

  For this grant, 10 percent of the total budget is $1,967 of $19,674.

  Budget Variances: The foundation generally allows grantees to reallocate grant funds of less than 10 percent of the total approved budget without prior approval. This is called a budget variance and allows the grantee to move grant funds without prior approval from existing budget categories to any other existing budget categories except the overhead category. All budget variances must be identified in the fiscal report submitted at the end of the grant period.

  If a budget variance is likely to result in a significant change to the grant project, the grantee must receive advance written approval from the foundation, even though the amount is less than 10 percent of the total budget.

- **Reporting Requirements and Due Dates:** The grantee must submit the following reports by the designated due dates. To receive a due date extension, the grantee must submit a written request to the foundation prior to the due date. Requested due date extensions are subject to approval by the foundation.

Due Date	Required Reports
April 30, 2016	Narrative report
April 30, 2016	Fiscal report

  Narrative Report: The narrative report includes a project summary and a description of project activities and outcomes. The narrative report should include a project evaluation if specified in the proposal. The narrative report also should include any plans for continued work related to the project.

  Fiscal Report: The fiscal report is submitted on a template provided by the foundation and includes a financial summary of grant expenditures and justification of any variances from the approved budget.

- **Unexpended Funds:** If there are unexpended funds of $25 or more at the end of the final grant period, the grantee may either return the unspent funds to the foundation or submit a request at least 30 days in advance for a no-cost extension to complete the project.

Execution of Agreement

If the terms and conditions of this statement of agreement are acceptable, the grantee representatives named below should sign two copies of this agreement, scan and email the signed document to hogg-grants@austin.utexas.edu, and return one signed document to the Hogg Foundation for Mental Health, Office of Grants Management, 3001 Lake Austin Boulevard, 4th Floor, Austin, Texas 78703-4200. This executed agreement supersedes the prior statement of agreement dated December 17, 2012.

Approved by:

[redacted]

Octavio N. Martinez, Jr., M.D., M.P.H., M.B.A., F.A.P.A.
Executive Director, Hogg Foundation for Mental Health

Date: [redacted]

Accepted and agreed to by:

Evan Roberson
Executive Director, Tri-County Behavioral Healthcare

Date: _____

Brad Browder
Board Chair, Tri-County Behavioral Healthcare

Date: _____

Agenda Item: Board of Trustees' Unit Financial Statement for July 2015 **Committee:** Business	**Board Meeting Date** August 27, 2015
Background Information: None	
Supporting Documentation: July 2015 Board of Trustees' Unit Financial Statement	
Recommended Action: **For Information Only**	

Unit Financial Statement

FY 2015

	July 2015 Actuals	July 2015 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	$ 2,440.00	$ 2,440.00	$ -	$ 29,240.00	$ 29,240.00	$ -	100.00%	$ 31,680.00
Total Revenue	$ 2,440.00	$ 2,440.00	$ -	$ 29,240.00	$ 29,240.00	$ -	100.00%	$ 31,680.00
Expenses								
Food Items	$ 300.20	$ 167.00	$ 133.20	$ 2,273.81	$ 1,833.00	$ 440.81	124.05%	$ 2,000.00
Insurance-Worker Compensation	$ 10.44	$ 19.00	$ (8.56)	$ 87.87	$ 211.00	$ (123.13)	41.64%	$ 230.00
Legal Fees	$ 1,500.00	$ 1,500.00	$ -	$ 16,500.00	$ 16,500.00	$ -	100.00%	$ 18,000.00
Postage-Express Mail	$ -	$ 4.00	$ (4.00)	$ -	$ 46.00	$ (46.00)	0.00%	$ 50.00
Supplies-Office	$ -	$ 4.00	$ (4.00)	$ 12.00	$ 46.00	$ (34.00)	0.00%	$ 50.00
Training	$ -	$ -	$ -	$ 2,285.00	$ 3,600.00	$ (1,315.00)	63.47%	$ 3,600.00
Travel - Local	$ 161.58	$ 63.00	$ 98.58	$ 847.51	$ 687.00	$ 160.51	123.36%	$ 750.00
Travel - Non-local Mileage/Air	$ -	$ 167.00	$ (167.00)	$ 1,173.56	$ 1,833.00	$ (659.44)	64.02%	$ 2,000.00
Travel - Non-local Hotel	$ -	$ 317.00	$ (317.00)	$ 2,040.87	$ 3,483.00	$ (1,442.13)	58.60%	$ 3,800.00
Travel - Meals	$ -	$ 100.00	$ (100.00)	$ 710.04	$ 1,100.00	$ (389.96)	64.55%	$ 1,200.00
Total Expenses	$ 1,972.22	$ 2,341.00	$ (368.78)	$ 25,930.66	$ 29,339.00	$ (3,408.34)	88.38%	$ 31,680.00
Total Revenue minus Expenses	$ 467.78	$ 99.00	$ 368.78	$ 3,309.34	$ (99.00)	$ 3,408.34	11.62%	$ -

Agenda Item: Cleveland Supported Housing, Inc. Monthly Update **Committee:** Business	**Board Meeting Date** August 27, 2015

Background Information:

The Cleveland Supported Housing, Inc. Board (CSHI) held the Grand Opening of Independence Oaks Apartments on Friday, July 31st. Members from the Cleveland Supported Housing, Inc. Board, Tri-County Behavioral Healthcare Board, City of Cleveland Officials, Cleveland Chamber of Commerce and McDougal Property Management were in attendance.

On July 15th, the Project Team met at the property to complete the substantial completion package as required by HUD. The City of Cleveland issued the Certificate of Occupancy on July 13th for all buildings on the property. The Substantial Package was submitted to HUD on July 21st and approved on July 29th.

McDougal Property Management has been working on contacting the approved applicants and scheduling move-ins to begin on September 1st. Upon the move-in date, we anticipate the property to be at full capacity, and McDougal is still accepting applications to begin the wait list.

The next scheduled Board meeting is August 28, 2015.

Supporting Documentation:

Recent Project Pictures

Recommended Action:

For Information Only

Independence Oaks Apartments
Photos Taken July 31, 2015

Grand Opening

Independence Oaks Apartments
Photos Taken July 31, 2015

Independence Oaks Apartments
Photos Taken July 31, 2015

Independence Oaks Apartments
Photos Taken July 31, 2015

Independence Oaks Apartments
Photos Taken July 31, 2015

Interior of Unit

Independence Oaks Apartments
Photos Taken July 31, 2015

ADA Compliant Restroom

UPCOMING MEETINGS

September 24th, 2015 – Board Meeting

- Approve Minutes from August 27, 2015 Board Meeting
- Reappoint Mental Health Planning Network Advisory Committee Members
- Reappoint Intellectual/Developmental Disabilities Planning Network Advisory Committee Members
- Community Resources Report
- Consumer Services Report for August 2015
- Program Updates
- Annual Corporate Compliance & Quality Management Report
- 1st Quarter FY 2016 Corporate Compliance Training
- Annual Planning Network Advisory Committee Reports
- Final FY 2015 Goals & Objectives Progress Report
- Appoint Texas Council Representative & Alternate for FY 2016
- Board of Trustees Reappointments & Oaths of Office
- Personnel Report for August 2015
- Texas Council Risk Management Fund Claim Summary for August 2015
- Analysis of Board Members Attendance for FY 2015 Regular & Special Called Board Meetings
- 401(a) Account Review
- Review August 2015 Financial Statements
- Board of Trustees Unit Financial Statement for August 2015
- Montgomery Supported Housing, Inc. Update
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues

October 22nd, 2015 – Board Meeting

- Longevity Recognition Presentations
- Approve Minutes from September 24, 2015 Board Meeting
- Community Resources Report
- Consumer Services Report for September 2015
- Program Updates
- Regional Planning Network Advisory Committee's FY 2016 Budget Review
- Personnel Report for September 2015
- Texas Council Risk Management Fund Claim Summary for September 2015
- Program Presentation
- Approve September 2015 Financial Statements
- Cast Election ballot for the Texas Council Risk Management Fund Board of Trustees
- 4th Quarter FY 2015 Investment Report
- Board of Trustees Unit Financial Statement for September 2015
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues