Tri-County Behavioral Healthcare Board of Trustees Meeting

December 8, 2016

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, December 8, 2016. The Business Committee will convene at 9:00 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at River Plantation Country Club, 550 Country Club Dr, 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. Chair Calls Meeting to Order
   - B. Public Comment
   - C. Quorum
   - D. Review & Act on Requests for Excused Absence

II. **Program Presentation - Huntsville Life Skills Christmas Carolers**

III. **Presentation of Awards to Consumer Christmas Card Contest Winners**

IV. **Approve Minutes - October 27, 2016**

V. **Executive Director's Report - Evan Roberson**
   - A. DADS
     1. First Quarter Payment
     2. Day Habilitation Updates
   - B. Crisis Services
   - C. Building Updates
     1. Herpin Building
     2. River Pointe

VI. **Chief Financial Officer's Report - Millie McDuffey**
   - A. FY 2016 Audit
   - B. Cost Accounting Methodology (CAM)
   - C. FY 2016 HCS, TxHmL, ICF & MEI Cost Reports
   - D. Worker's Compensation Audit
   - E. Surplus Sale of Excess Furniture & Equipment
   - F. Budget Revision

VII. **Program Committee**

Information Items

- A. Community Resources Report ..... *Pages 9-11*
- B. Consumer Services Report for October 2016 ..... *Pages 12-13*
- C. Program Updates ..... *Pages 14-17*

VIII. **Executive Committee**

Action Items

- A. Approve Revisions to General Administration Board Policies ..... *Pages 18-40*

Information Items

- B. Personnel Report for October 2016 ..... *Pages 41-43*
- C. Texas Council Risk Management Fund Claims Summary for October 2016 ..... *Pages 44-45*
- D. Texas Council Quarterly Board Meeting Update ..... *Pages 46-119*

Cont.

IX. Business Committee

Action Items

Information Items

X. Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney & Section 551.072, Real Property, in regards to the sale of Tri-County Behavioral Healthcare's eight (8) ICF/IID homes.

Posted By:

Stephanie Eveland
Executive Assistant

Tri-County Behavioral Healthcare

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES MEETING

October 27, 2016

Board Members Present:
Patti Atkins
Sharon Walker
Richard Duren
Cecil McKnight
Gail Page
Jacob Paschal

Board Members Absent:
Tracy Sorensen
Morris Johnson
Janet Qureshi

Tri-County Staff Present:
Evan Roberson, Executive Director
Millie McDuffey, Chief Financial Officer
Annette Adams, Behavioral Health Director
Amy Foerster, Director of Human Resources
Kathy Foster, Director of IDD Provider Services
Catherine Prestigiovanni, Director of Strategic Development
Breanna Robertson, Director of Crisis Services
Kelly Shropshire, Director of IDD Authority Services
Mary Lou Flynn-DuPart, Legal Counsel
Ginger Andrews, Family Partner
Peggy Dunning, IDD Continuity of Care Coordinator
Lavira Green, MH Case Coordinator
Kelly Greggerson, Coordinator of C&A Rural Services
Anna King, Administrator of IDD Intakes & Enrollments
Sean McElroy, Rural Clinic Administrator
Brandi Moss, Psychosocial Rehabilitation Specialist
Alicia Wilson, Family Partner

Guests:
Mike Duncum, WhiteStone Realty
Robert Ham, D&S Community Services
Jon Moore, D&S Community Services
Terry Hill, ISC Group Advisors
Mannix Smith, ISC Group Advisors

Call to Order: Board Chair, Patti Atkins, called the meeting to order at 10:08 a.m. at 1506 FM 2854, Conroe, Texas.

Public Comment: There were no public comments.

Cont.

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

Resolution #10-16-01

Motion Made By: Richard Duren
Seconded By: Jacob Paschal, with affirmative votes by Patti Atkins, Sharon Walker, Cecil McKnight and Gail Page that it be...

Resolved: That the Board excuse the absences of Tracy Sorensen and Janet Qureshi.

Action taken to excuse the absence of Morris Johnson was recorded in a separate motion during the Program Committee as he was expected to arrive late but was unable to attend.

Resolution #10-16-02

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Patti Atkins, Richard Duren, Gail Page and Jacob Paschal that it be...

Resolved: That the Board approve the minutes of the September 22, 2016 meeting of the Board of Trustees.

Longevity Recognitions were presented to Tri-County staff.

Board Chair, Patti Atkins, suspended the agenda to move to Business Committee Information Item VIII-G, Building Consolidation Update. Mike Duncum, from WhiteStone Realty, presented the report.

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:

Resolution #10-16-03

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Patti Atkins, Richard Duren, Gail Page and Jacob Paschal that it be...

Resolved: That the Board excuse the absence of Morris Johnson.

Cont.

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Report for September 2016 was reviewed for information purposes only.

The Program Updates were reviewed for information purposes only.

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

EXECUTIVE COMMITTEE:

Resolution #10-16-04

Motion Made By: Sharon Walker
Seconded By: Gail Page, with affirmative votes by Patti Atkins, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board cast the election ballot for the Texas Council Risk Management Fund Board of Trustees as follows:

- Place 1: Ms. Mary Lou Flynn-DuPart (Incumbent)
- Place 2: Mr. Clead Cheek (Incumbent)
- Place 3: Judge Dorothy Morgan (Incumbent)

The Oath of Office was recited by Jacob Paschal.

The Board Calendar for 2017 was reviewed for the discussion and consideration of holding a Board meeting on the 1st Thursday following Thanksgiving instead of on the 2nd Thursday in December.

The Personnel Report for September 2016 was reviewed for information purposes only.

The Texas Council Risk Management Fund Claims Summary for September 2016 was reviewed for information purposes only.

BUSINESS COMMITTEE:

Resolution #10-16-05

Motion Made By: Sharon Walker
Seconded By: Gail Page, with affirmative votes by Patti Atkins, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved: That the Board approve the September 2016 Financial Statements.

Resolution #10-16-06

Motion Made By: Gail Page
Seconded By: Cecil McKnight, with affirmative votes by Patti Atkins, Sharon Walker, Richard Duren and Jacob Paschal that it be...

Resolved: That the Board ratify the FY 2017 ICF/IID Services Contract with Educare Community Living Corporation.

Business Committee Action Item VIII-C, Approve Sale of ICF/IID Licenses was tabled until the next Board meeting.

Resolution #10-16-07

Motion Made By: Richard Duren
Seconded By: Gail Page, with affirmative votes by Patti Atkins, Sharon Walker, Cecil McKnight and Jacob Paschal that it be...

Resolved: That the Board approve an additional $103,050 for a total of $753,050 for Kingwood Pines Hospital Bed Days in FY 2016.

The 401(a) Retirement Plan Account Review was reviewed for information purposes only. Terry Hill and Mannix Smith, from ISC Group Advisors, presented the report.

The Board of Trustees Unit Financial Statement for September 2016 was reviewed for information purposes only.

The regular meeting of the Board of Trustees recessed at 12:01 p.m. to go into Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney regarding advice on legal matters regarding contemplated litigation (Kathryn Banks VS Tri-County Behavioral Healthcare), Section 551.074, Personnel Matters and Section 551.072, Real Property in regards to the sale of Tri-County Behavioral Healthcare's eight (8) ICF/IID homes.

Cont.

The meeting of the Board of Trustees reconvened at 12:33 p.m. to go into regular session.

No action was taken during Executive Session.

The regular meeting of the Board of Trustees adjourned at 12:35 p.m.

Adjournment:

[redacted]

Patti Atkins Date
Chair

Attest:

[redacted]

Sharon Walker Date
Secretary

Tri-County Behavioral Healthcare
Healthy Minds. Meaningful Lives.

Executive Director's Report

December 8, 2016

Announcements

- The next regularly scheduled Board meeting is on January 26, 2017. It is possible that this meeting will be held at either the old Administration building, the new building located at 233 Sgt. Ed Holcomb Blvd. South, or at a location that is yet to be determined contingent upon the move date for the Center. As a reminder, this is the Board meeting where we review the annual financial audit for the Center.

- Regardless of the actual move date, a Grand Opening Ceremony for the new facility will be held between the December Board meeting and the January Board meeting. I will make a decision on the date for the Grand Opening Ceremony before the Christmas break and will be communicating with you about that date then. We look forward to showing the new building to our community.

- Dr. Sneed is expected to be back at work later this month. We are so grateful for the work he has done over the years and are eager to have him back.

- Reminder: The National Council Conference will be held on April 3-5th in Seattle, Washington. Conference registrations will need to be submitted by the end of the year, so please be thinking about whether you would like to attend. If you know that you are interested in attending, please let Ms. Patti Atkins or I know.

- Today's cake is in honor of Ms. Gail Page who will have a birthday on December 27th.

Department of Aging and Disability Services (DADS)

- With the 'transition' that is going on as the staff at DADS join the Health and Human Services Commission (HHSC), there have been issues in receiving our General Revenue payments. Our **first quarter payment**, due September 1st, was not received until November 10th, and our second quarter payment, due December 1st, has yet to be received. We are hopeful that HHSC will be able to work through their internal issues related to payment and contract management in the coming months.

- One of the pressing topics for our Intellectual and Developmental Disabilities (IDD) staff right now is the status of the **HCS Final Rule and its impact on Day Habilitation**. Our

Day Habilitation sites in Liberty, Cleveland and Huntsville provide services to clients with IDD, 9:00-3:30, Monday through Friday for a maximum of 30 hours per week.

In order to receive Medicaid reimbursement from the Centers for Medicare and Medicaid Services (CMS) for providing home and community-based services, states must ensure that the services are delivered in settings that meet the new definition of home and community-based (HCB) 'setting'. CMS has determined that Day Habilitation sites, like ours, are not 'integrated' with the community and are no longer in compliance with CMS guidelines. CMS' stated intention in disseminating the Final Rule was to maximize opportunities for people to have access to the benefits of community living, including receiving services in the most integrated setting and to ensure that Medicaid funding and policy support needed strategies for states in their efforts to meet their obligations under the ADA and the Supreme Court decision in Olmstead v. L.C., 527 U.S. 581 (1999).

The State of Texas is currently recommending that a new service called 'Community Integration' replace Day Habilitation. Community Integration would be allowed for 15 hours a week rather than the 30 hours a week of Day Habilitation and would involve workers taking clients into community settings of the client's choice one on one or in small groups. Many families rely on this service to provide a much-needed break from their daily care of a loved one with IDD and several family members are able to work during the day because of Day Habilitation availability. The impact on these families could be significant.

Centers remain hopeful that there will be a change in heart by the Federal Government before the final implementation date of March 17, 2019, but the State of Texas does not currently have much choice but to develop a replacement service.

Crisis Services

- As I mentioned last month, Crisis Services remains very busy. At one point in November, we set a record for the number of persons in the hospital at the same time who were funded by General Revenue (18), had a full PETC, and still had someone needing hospitalization in a local Emergency Room.

- I may ask for your advocacy with our local legislative contingent as we work through this issue in the 85th Legislative Session. With the State Hospitals essentially closed to civil admissions and the increasing population in our community, we are likely to run out of resources to meet these needs very quickly.

Building Updates

- Mike Duncum will provide the Board with updates on the progress of the new building later today.

- Listed below are additional updates regarding the buildings that we have on the market.

    - We sold the building at 2221 Commerce in Liberty (**Herpin Building**) on November 22nd. After closing costs and realtor fees, we received $191,000 for the building, which will now become a mortuary.

    - We have a $1,750,000 offer for the **River Pointe** facilities in Conroe and have countered at $1,850,000. If the counter offer is accepted, we believe that the buildings would sell just after we move the staff to the new facility. The prospective buyer has plans to remodel the facilities and rent them as commercial space.

    - A couple of buyers have looked at the William E. Hall facility on North Thompson. Also, believe it or not, one person has looked at the Administration building. We remain hopeful that we will be able to sell the buildings quickly. If you are aware of anyone in need of real estate in Conroe or Cleveland, please send them our way.

CHIEF FINANCIAL OFFICER'S REPORT
December 8, 2016

FY 2016 Audit – We are continuing to work on the audit with the Scott, Singleton, Fincher and Company and should be in the final stages of completing the audit schedules. The auditors were on site the week of November 1st through the 4th. This visit was more focused on our financial statements and our fixed assets. We have not received information of areas of concern so we are hoping to have a clean audit again this year.

Below I am listing a few of the items that were discussed in more detail.

- **1115 Waiver Funding** - A significant amount of time was spent discussing the 1115 Waiver projects and how the revenue continues to be delayed compared to the actual expenditures for the five programs that we are operating in this Waiver. As long as this waiver is renewed we will need to be diligent in cash flow management to ensure the IGT is available and submitted to HHSC by the deadline.
- **Managed Care** – Services in Managed Care has increased over the past couple of years. The auditor has requested that we do an analysis of the allowance for doubtful accounts to ensure the amount booked is still adequate.
- **HUD Housing Accounts Receivable** – We continue to monitor all Accounts Receivable amounts held by Tri-County for the ICI, MSHI and CSHI HUD Housing projects. It has been a couple years since we have written off amounts that were determined by the auditors to be uncollectable. Our current balances have not reached that threshold as of this time.

Cost Accounting Methodology (CAM) – We have started pulling the service data for the FY 2016 CAM report. With the move coming during the normal due date period, we are trying to get this completed prior to the end of the calendar year. As was the requirements the last few years we are only required to submit the CAM to DSHS. The due date for the preliminary report is January 27, 2017 and the final report is due on February 28, 2017. Over the next couple of weeks we will be spending time with program managers to review their service areas to ensure that accurate data is reflected in the cost centers. Prior to submission we will analyze the cost data and research any costs that have significant variances as compared with prior year's data.

FY 2016 HCS, TxHmL & ICF Cost Reports and MEI Cost Reports – We are also working on the HCS, Texas Home Living, ICF and MEI cost reports for FY 2016. These are due in the Spring but as with the CAM report we want to get at least a preliminary report completed prior to the big move.

Worker's Compensation Audit – We have had our initial Worker's Compensation auditor visit the beginning of October. At this meeting we gave them all the following information: Payroll Journals for FY 2016, Individual earnings records, Quarterly Payroll Tax returns (941 & State Unemployment Reports), Amounts paid to subcontractors and Certificates of Insurance for Subcontractors. We will not have the final results of the audit for about 60 days.

Surplus Sale of Excess Furniture and Equipment – With the move into the new facility coming in January we will be preparing for surplus sales of all excess furniture left in the Conroe buildings that are being vacated. Prior to any sale we will be moving some of the decent furniture to Huntsville and Cleveland to replace items that have out lived their useful life span. As a part of cleaning out these buildings we will be calling used furniture dealers that with any luck may buy everything and haul it away.

Budget Revision – We are still planning the first budget revision to come to the Board for approval in about February. This revision will have the approved furniture purchases, the sale of the vacated Liberty Life Skills building and all the restructured staffing and services that are implemented in the new facility.

Agenda Item: Community Resources Report **Committee:** Program	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: Community Resources Report	
Recommended Action: **For Information Only**	

Community Resources Report
October 28, 2016 – December 8, 2016

Volunteer Hours:

Location	October
Conroe	222.5
Cleveland	0
Liberty	33
Huntsville	19
Total	**274.5**

COMMUNITY ACTIVITIES:

11/1/16	Anadarko From The Heart Family Choices Day	The Woodlands
11/2/16	American Legion Board Meeting	Conroe
11/2/16	Veterans of Foreign Wars Meeting	Conroe
11/2/16	Conroe Noon Lions Club Luncheon	Conroe
11/3/16	Cleveland Chamber of Commerce Luncheon	Cleveland
11/4/16	Veterans Meeting with Texas A&M AgriLife Extension Service	Conroe
11/5/16	Veterans Fishing Tournament – Seven Coves Bass Club	Conroe
11/5/16	Out of the Darkness Suicide Awareness Walk	The Woodlands
11/7/16	Trauma Affected Veterans Training	Houston
11/7/16	Montgomery County Homeless Coalition Board Meeting	Conroe
11/8/16	Huntsville Chamber of Commerce Breakfast	Huntsville
11/8/16	Youth Mental Health First Aid – Peet Junior High School	Conroe
11/9/16	Veterans Treatment Court Meeting	Conroe
11/9/16	The Woodlands Taste of the Town 2017	The Woodlands
11/10/16	Red, White & You Hiring Veterans Event/Benefits Fair	Houston
11/10/16	Montgomery County Business Women's Mixer	Conroe
11/10/16	Anadarko Veteran's Day Luncheon	The Woodlands
11/11/16	American Legion Veteran's Day Ceremony	Conroe
11/11/16	Veterans of Foreign Wars Veteran's Day Ceremony	Conroe
11/15/16	Magnolia Park Chamber of Commerce Luncheon	Magnolia
11/15/16	Montgomery County Community Resource Coordination Group	Conroe
11/16/16	Conroe Noon Lions Club Luncheon	Conroe
11/16/16	Montgomery County Homeless Coalition Community Appreciation Luncheon	Conroe
11/16/16	Liberty Chamber of Commerce Luncheon	Liberty
11/17/16	Montgomery County Homeless Coalition Meeting	Conroe
11/17/16	Veterans Affairs Advisory Board Meeting	Huntsville
11/19/16	Veterans Wags and Warriors Event	Magnolia
11/21/16	The Woodlands Chamber of Commerce Community Outreach Team Meeting	The Woodlands
11/22/16	Montgomery County Women's Association Luncheon	Conroe

COMMUNITY ACTIVITIES (cont'd):

11/23/16	Conroe Noon Lions Club Luncheon	Conroe
11/28/16	Outpatient Competency Restoration Hospital Meeting	Conroe
11/29/16	Grace After Fire Women's Veterans Group Meeting	Conroe
11/29/16	Accessible Space Geriatric Facility Suicide Prevention Presentation	The Woodlands
11/30/16	Liberty County Health Awareness Coalition Meeting/Holiday Luncheon	Liberty
11/30/16	Veterans Treatment Court Meeting	Conroe
11/30/16	Conroe Noon Lions Luncheon	Conroe
12/1/16	Veterans Holiday Planning Event Meeting	Liberty
12/1/16	Cleveland Chamber of Commerce Luncheon	Cleveland
12/1/16	Parent Night for the Special Education Program	Huntsville
12/5/16	Trauma Affected Veteran Training – Beaumont Law Enforcement	Beaumont
12/5/16	Montgomery County Homeless Coalition Board Meeting	Conroe
12/6/16	Montgomery County United Way Health & Wellness Impact Council Meeting	The Woodlands
12/7/16	Conroe Noon Lions Club Luncheon	Conroe
12/8/16	Huntsville Chamber of Commerce Breakfast	Huntsville

UPCOMING ACTIVITIES:

12/14/16	The Woodlands Taste of the Town Team Meeting	The Woodlands
12/14/16	Conroe Noon Lions Club Luncheon	Conroe
12/14/16	Outreach, Screening, Assessment and Referral Meeting	League City
12/15/16	Montgomery County Homeless Coalition Meeting	Conroe
12/20/16	Montgomery County Community Resource Coordination Group	Conroe
1/5/17	Cleveland Chamber of Commerce Luncheon	Cleveland
1/12/17	Huntsville Chamber of Commerce Breakfast	Huntsville
1/17/17	Conroe ISD Employee Fair	Conroe
1/17/17	Montgomery County Community Resource Coordination Group	Conroe
1/18/17	Quarterly Multidisciplinary Behavioral Heath Team Meeting – Huntsville Memorial Hospital	Huntsville
1/19/17	Montgomery County Homeless Coalition Meeting	Conroe
2/2/17	Cleveland Chamber of Commerce Luncheon	Cleveland
2/9/17	Huntsville Chamber of Commerce Breakfast	Huntsville
2/16/17	Montgomery County Homeless Coalition Meeting	Conroe
2/20/17	Youth Mental Health First Aid – Conroe ISD School Counselors	Conroe
2/21/17	Montgomery County Community Resource Coordination Group	Conroe

Agenda Item: Consumer Services Report for October 2016 **Committee:** Program	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: Consumer Services Report for October 2016	
Recommended Action: **For Information Only**	

Consumer Services Report
October 2016

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	547	43	32	58	**680**
Crisis and Transitional Services (LOC 0, LOC 5)	45	1	0	0	**46**
Psychiatric Emergency Treatment Center (PETC) Served	62	4	1	4	**71**
Psychiatric Emergency Treatment Center (PETC) Bed Days	264	8	2	19	**293**
Contract Hospital Admissions	12	0	0	0	**12**
Diversion Admits	12	0	0	1	**13**
Total State Hospital Admissions	4	0	0	0	**4**
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	1058	130	83	80	**1351**
Adult Medication Services	822	76	57	97	**1052**
Child Service Packages (LOC 1-4 and YC)	418	48	27	57	**550**
Child Medication Services	223	17	12	21	**273**
TCOOMMI (Adult Only)	108	18	14	10	**150**
Adult Jail Diversions	5	0	0	0	**5**
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	3	0	0	0	**3**
Service Coordination	636	42	54	65	**797**
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	40	5	19	23	**87**
Contractor Provided ICF-MR	18	11	11	6	**46**
Substance Abuse Services					
Children and Youth Prevention Services	83	35	0	33	**151**
Youth Substance Abuse Treatment Services/COPSD	0	0	0	0	**0**
Adult Substance Abuse Treatment Services/COPSD	31	0	0	0	**31**
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1330	124	132	140	**1726**
October Served by County					
Adult Mental Health Services	1429	157	111	182	**1879**
Child Mental Health Services	514	53	29	60	**656**
Intellectual and Developmental Disabilities Services	677	46	54	70	**847**
Total Served by County	**2620**	**256**	**194**	**312**	**3382**
September Served by County					
Adult Mental Health Services	1423	170	129	184	**1906**
Child Mental Health Services	484	45	23	65	**617**
Intellectual and Developmental Disabilities Services	680	47	60	71	**858**
Total Served by County	**2587**	**262**	**212**	**320**	**3381**
August Served by County					
Adult Mental Health Services	1446	160	109	191	**1906**
Child Mental Health Services	501	48	23	61	**633**
Intellectual and Developmental Disabilities Services	677	47	57	70	**851**
Total Served by County	**2624**	**255**	**189**	**322**	**3390**

Agenda Item: Program Updates **Committee:** Program	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: Program Updates	
Recommended Action: **For Information Only**	

Program Updates
October 28, 2016 – December 8, 2016

Crisis Services

1. The Texas Department of State Health Services completed a survey at the Psychiatric Emergency Treatment Center (PETC) in November. No deficiencies were cited.
2. The Crisis Intervention Response Team (CIRT) is now being notified by dispatch at The Conroe Police Department when individuals on Criminal Trespass Warrants (CTW) show up at local area businesses. The majority of individuals on CTW's have mental health and housing concerns. The hope in involving CIRT is that individuals in need of mental health services will be diverted from jail.
3. The PETC, Cypress Creek Hospital and the Montgomery County Attorney's Office worked closely with one another on initiating an outpatient mental health commitment for a Tri-County consumer with a history of psychiatric hospitalizations. This process has not been pursued locally for many years. This intervention was recommended for this consumer since she has been non-compliant with outpatient services in the past and as a result quickly deteriorates.

MH Adult Services

1. Negotiations are under way with Lone Star College for their nursing students to complete clinical rotations at the PETC and Outpatient clinic in the spring semester.
2. The Adult Outpatient Clinical Team have scheduled training in November provided by the state for Motivational Interviewing, Person-Centered Recovery Planning, Assertive Community Treatment Team Approach, and Supported Permanent Housing.
3. Newly hired Adult Outpatient nurses are learning their roles on their new teams and are taking on additional responsibilities to make the team change successful.
4. We are in the process of making changes to scheduling and staffing to allow for coverage following changes to walk-in clinic hours, which impacts availability of same day assessments. We are working to determine the most efficient staffing pattern that balances ability to provide same day evaluation with the needs of the Center.

MH Child Services

1. We are in the process of training many new Child and Youth (C&Y) Rehab Specialists, especially in the rural areas. We expect our services in all rural clinics to increase significantly in 2017 as we've focused on growing and developing this team.
2. It can be challenging to engage children, youth and families during the holiday season because of busy, disrupted schedules but staff have implemented strategies to keep individuals scheduled and focused on recovery.
3. C&Y is very excited about moving into the new building and is very focused on preparing for the transition.

Criminal Justice Services

1. Jail Liaison assessed 40 individuals and coordinated the treatment of 75 others in Montgomery County Jail in September.
2. The Jail Diversion program admitted three (3) individuals in October.
3. TCOOMMI adult caseloads are at Contracted numbers and program metrics remain strong.
4. The Outpatient Competency Restoration (OCR) program admitted one (1) in October to make seven (7) served and two (2) admitted in FY 2017.

Substance Abuse Services

1. The Substance Abuse Treatment program is actively working to increase caseload sizes by offering more same day assessments, integrating comprehensive case management services into treatment to engage the client, and making changes to the discharge policies to allow for greater consistency in discharge practices as well as to seek to retain individuals in treatment.
2. The program has recently started implementation of a marketing strategy designed to raise awareness of program offerings both internally and with external entities with a goal of forming relationships both with agencies in the community and with internal staff in an attempt to facilitate movement into other programs to address client needs.
3. This is a busy time of year for our Substance Abuse Prevention team as their schedules are full of school groups in all three (3) counties. They are working closely with Children and Youth mental health staff to reach out to the parents of children and youth who are at risk for Substance and Tobacco Use.
4. An LCDC has been hired to fill our vacant Youth Substance Abuse Treatment Manager position. She brings a wealth of experience and ideas for structuring our program to provide more services.

IDD Services

1. IDD staff received required training for Person-Centered Thinking on November 15-16th.
2. IDD Provider staff has begun serving individuals in the Pre-Admission Screening and Resident Review (PASRR) program in the rural portion of our service area and staff hopes to begin serving qualifying individuals in Montgomery County in December.
3. The Home and Community-based Services (HCS) program has one (1) vacancy at this time.
4. A full-time LVN has been hired in the IDD Provider area to replace a part-time vacancy. We plan to implement an improved process of monitoring the health needs of those enrolled in HCS and Texas Home Living (TxHmL) IDD Provider programs.

Support Services

1. **Quality Management:**
    a. The Department of State Health Services (DSHS) Quality Management has implemented a new process where each LMHA must conduct a comprehensive self-review and submit results two times per year. The Administrator of Quality Management has been working on completing a Mental Health and Substance Abuse Self-Reviews which are due on December 16th and December 30th respectively.
    b. The Quality Management Department is currently interviewing for a Clinical Trainer position that will be focused on increasing clinical competency in areas such as Trauma Informed Care and Person Directed Planning.
2. **Veteran Affairs:**
    a. Veteran Affairs staff took part in a Veteran's Day Ceremony held at the Historical Flag Park in Conroe, Texas on November 11th.
    b. A Wags and Warriors event was held on November 19th and featured dogs on site for adoption as well as classes and trainers for veterans with pets.

Community Activities

1. The "Out of Darkness" Suicide Awareness Walk had 34 registered participants who together raised $580.00. There were nine (9) licensed therapists who offered support to over 100 walk participants during the event.
2. We have over 330 families this year needing assistance during the holidays. The number of those in need have decreased this year, but so has the number of agencies and individuals adopting families.

Agenda Item: Approve Revisions to General Administration Board Policies **Committee:** Executive	**Board Meeting Date** December 8, 2016

Background Information:

As staff continues to update Board Policy statements, sixteen (16) General Administration Policy changes are recommended for approval by the Board. In addition to formatting changes, the following modifications are recommended:

C.3-Administration by Board-*Formerly Administrative Structure*-This policy was rewritten by Jackson Walker. Staff and Jackson Walker believe the old policy was based on a contract document that no longer exists.

C.4-Program Administration/Certification-The primary change was to tie the program review process to the Quality Management Plan that is approved by the Board.

C.7-Meetings of the Board of Trustees-Formatting and minor changes only.

C.8-Preparation of Agenda-Minor changes related to who receives the Board Agenda.

C.9-Appointment of Executive Director-Section G added language about using Center system salary surveys for salary administration.

C.10-Records Retention-Section C added language regarding confidential records management.

C.11-Establishment and Maintenance of Board Policies-*Formerly Establishment and Maintenance of the Manual of Board Policies*-Changes made to allow for an 'electronic manual' rather than a physical manual. Added language affirming a signed electronic copy is as good as an original.

C.13-Government Relations-Removed a reference to the 'Boards Government Relations Committee' and the requirement to report to commissioner's courts annually.

C.14-Tri-County Relationship with Non-Profit Corporations-Added language related to staff relationships with non-profit corporations.

C.17-Availability/Accessibility of Services-Primary changes related to locations and mechanisms for advertising Center contact information.

C.18-Planning Network Advisory Committee-*Formerly the Public Responsibility Committee*-Removed references to the Public Responsibility Committee and added references to the successor committee, the Planning Network Advisory Committee.

Background Information (cont'd):

C.21-Utilization of Volunteer at Tri-County Behavioral Healthcare-Formatting changes only.

C.22-Environmental Quality and Safety-Contract required the addition of language related to the Texas Accessibility Standards and ADA requirements, and requirements for safety drills.

C.23-Services to Board, Employees, and Families-A clause was added to acknowledge that the Board would not attempt to influence services offered to persons they know.

C.25-Contraband Items-Revised language to ensure compliance with Texas Open Carry laws.

C.26-Local Planning-Language added to reflect LMHA and LIDDA requirements for local planning.

Supporting Documentation:

Revised Board Policies (Markup Versions)

Recommended Action:

Approve Revisions to General Administration Board Policies: C.3, C.4, C.7, C.8, C.9, C.10, C.11, C.13, C.14, C.17, C.18, C.21, C.22, C.23, C.25, C.26

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): September 27, 2007; December 8, 2016

SUBJECT: ~~Administrative Structure~~ Administration by Board

~~It is the policy of the Board to establish formal administrative procedures and practices which will assure that all officials are informed of federal, state and county operating requirements. The administrative structure and Board functions will, of necessity, undergo changes to reflect modifications in public laws and in response to continuing efforts to improve the effectiveness and efficiency of program service. While delegating specified authority and responsibility to the Executive Director, the Board remains ultimately accountable for all areas of operations under its administrative director.~~

I. The Board of Trustees is responsible for the effective administration of the community center (Health and Safety Code Section 534.008).

II. Statement of Functions

~~A. To provide the basis for program planning including:~~

~~1. The development of information concerning the characteristics and needs of the community relative to mental health and mental retardation services.~~
~~2. An analysis of need which identifies high risk and/or underserved populations as targets for special emphasis.~~
~~3. A statement of program objectives, ordered by priority in response to identified needs as related availability of funding sources.~~
~~4. A budget to structure the utilization of available resources necessary to fund the proposed programs.~~
~~5. To establish and maintain a Public Responsibility Committee as mandated by Senate Bill 700.~~
~~6. To establish other advisory committees as deemed necessary by the Board.~~

~~7. To provide to the public at least annually general information concerning the Center's programs and costs of operation.~~

~~B. To establish mental health and mental retardation services directly and/or through contractual arrangements stressing accessibility, availability, acceptability, and continuity of care, based on the financial capability of the Center.~~

~~C. To establish and maintain a set of policies which gives guidance for Tri-County and provides the Executive Director with a format for the establishment of procedures for operation.~~

~~D. To assure that program operations, policies and procedures are in compliance with local, state and federal statutes and regulations.~~

~~E. To develop and execute plans for the continued financial stability and the acquisition of adequate resources to accomplish the purposes and objectives for the Center.~~

~~F. To establish an ongoing quality assurance program that provides for appropriate review systems which monitor client care.~~

~~G. To develop and undertake a plan for the periodic training of Board Members which will enable them to carry out the functions of policy planning and administration of TriCounty.~~

~~H. To assure effective coordination with other health and social service providers in the community to avoid unnecessary duplication of services and achieve maximum benefit from existing resources.~~

~~I. To promote the objectives of Tri-County to the community by utilizing the media and other forms of communication.~~

J. To recruit, select, and retain an Executive Director.

K. To review and approve an annual budget which allows for the establishment and maintenance of Tri-County Behavioral Healthcare ("Tri-County" or "Center") programs.

L. To review and approve at least quarterly, monthly reports of ~~programmatic~~ program census and fiscal activities.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): December 8, 2016

SUBJECT: Program Accreditation/Certification

It is ~~a~~ the policy of the Board of Trustees that Tri-County ~~MHMR Services~~ Behavioral Healthcare ("Tri-County" or "Center") will operate in compliance of minimum standards as published by the ~~Texas Department of Aging and Disability Services and the Texas Department of State Health Services~~, Texas Health and Human Services Commission and as stated by the Performance Contracts under which Tri-County receives ~~is presently receiving~~ funds.

I. To seek and maintain approval from all other funding sources, Tri-County is committed to maintaining a high quality of service. Tri-County policies and procedures are an expression of that intention.

II. Tri-County will have a program to ensure that staff are regularly reviewing programs to ensure compliance with expectations from funders. This review will be further described in the Quality Management Plans which are reviewed and approved by the Board of Trustees.

III. ~~In developing its criteria and standards, Tri-County considered a wide variety of information on professional practice and service delivery. Adherence to those criteria and standards should result in a program which can meet the standards promulgated by the Texas Department of Aging and Disability Services, the Texas Department of State Health Services and other approved funding sources.~~

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): December 8, 2016

SUBJECT: Meetings of Board of Trustees

I. It is the policy of the Board of Trustees that:

A. The Board shall meet at least six (6) times per annum.

B. A majority of the members of the Board of Trustees constitute a quorum for the transaction of business.

C. Special meetings may be called by the Chair~~person~~. Such calls shall specify the time, place, and subjects to be considered and shall comply with all aspects of the Texas Open Meetings Act.

D. It shall be the Chair~~person~~'s duty to call a meeting of the Board of Trustees when requested in writing to do so by two (2) or more members.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): December 8, 2016

SUBJECT: Preparation of Agenda

I. It is the policy of the Board of Trustees that:

A. Agendas for all Board Meetings shall be prepared and posted in compliance with the Texas Open Meetings ~~Law~~ Act and other appropriate laws and regulations.

B. The responsibility for the preparation of each Board agenda rests with the Board Chair~~person~~ and the Executive Director.

C. The preparation of the Board agenda and appropriate supporting document materials shall be completed and distributed to the individual Board Members and appropriate staff sufficiently ahead of time to allow the Board Members to prepare for the meeting.

D. The agenda shall be distributed to at least the following:
1. Individual Board Members;
2. Executive Director and other directors;
3. Sponsoring Agencies (County Judges);
4. Legal Counsel; and,
5. Tri-County Behavioral Healthcare's ("Tri-County" or "Center") service locations.

E. The agenda is available to other stakeholders upon request, including the Health and Human Services Commission or other funders.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): December 8, 2016

SUBJECT: Appointment of Executive Director

I. It is the policy of the Board of Trustees that:

A. The Executive Director exercises sole authority and responsibility for the management of the affairs of Tri-County ~~MHMR~~ Behavioral Healthcare ("Tri-County" or "Center") in accordance with the established Board aims, policies and resolutions.

B. The Executive Director, preferably, should have a graduate level degree; at least five years experience as a successful administrator in a health care environment; the ability to interface effectively with mental health and health care professionals and the community at large; proven skills focused on the non-clinical areas of fiscal management, community relations, policy and program development, development and implementation of management information systems, knowledge of State and Federal grants and their application and compliance and overall personnel performance.

II. The responsibilities of the Executive Director include:

A. The implementation of programs, policies, and priorities established by the Board of Trustees.

B. Performance of management functions which will assure that program services will be available, accessible, and acceptable to the citizens served by Tri-County and coordinated to promote continuity of care.

C. Delegation of authority and accountability for program functions to Tri-County staff who are assigned managerial responsibilities.

D. Coordination of activities with other governmental, public, private groups and agencies concerned with the planning and delivery of health and social services.

E. Performance and administrative functions which will provide accountability for funds received and expended and assure that all fiscal regulations are satisfied.

F. Implementation of an integrated clinical record system for all Tri-County programs and contract agencies which is designed to provide access to all past and current information regarding the health and treatment status of any consumer and which maintains safeguards to preserve confidentiality and protects the rights of consumers.

G. Implementation of a personnel management program which would address such functions as recruitment, staff development, salary structure, termination, complaint procedures, pension and related employee benefits. Salaries and benefits provided should be comparable to those prevailing in the community, or based upon like positions in other Community Centers for similar services.

H. Utilization of statistical information for determining needs, planning services, monitoring staff and program activity and evaluating the attainment of objectives.

I. Preparation of operational plans and procedures for project implementation which will enable the measurement of progress towards objectives.

J. Implementation of an effective community relations function including community information and education.

K. Ensures compliance with House Bill 3, of the 59th Texas Legislature, as amended, Rules of the Commissioner governing Texas Community Mental Health Mental Retardation Center, and other applicable federal and state rules, regulations and standards.

L. Preparation of Tri-County procedures to ensure compliance with Board policies.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): October 31, 1996; December 8, 2016

SUBJECT: Records Retention

I. It is the policy of the Board of Trustees that the Executive Director shall be responsible for insuring that:

A. A retention schedule shall be maintained by Tri-County ~~MHMR Services~~ Behavioral Healthcare ("Tri-County" or "Center") in compliance with state, local and federal authorities and accrediting agencies.

B. All Tri-County ~~MHMR~~ records shall be kept in accordance with the retention schedule. ~~developed by Tri-County MHMR Services~~.

C. Confidential records which are no longer required to be kept will be disposed of using a mechanism that is compliant with the Health Insurance Portability and Accountability Act of 1996 and other related laws. ~~The procedures for retention and destruction of records shall be followed as developed by Tri-County MHMR Services.~~

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: November 16, 1983

REVISION DATE(S): December 8, 2016

SUBJECT: Establishment and Maintenance of Board Policies

It is the policy of the Board of Trustees of Tri-County ~~Mental Health and Mental Retardation Services~~ Behavioral Healthcare ("Tri-County" or "Center") to establish and maintain ~~a Manual of~~ Board Policies in order to provide a systematic method for issuing administrative policies, rules and regulation within the Agency.

I. It is the responsibility of the Board to establish Tri-County Administrative and Operational policies. The Board will:

A. Direct the Executive Director to assess all current policies annually and review any proposed Policy(s) with the Board Chair.

B. Direct the development of ~~Issue~~ new or revised existing policies as appropriate.

C. These Policy Statements will approved by the Board and signed by a Board Officer (typically the Chair).

D. Policies will be kept in a manner that is easy to access by Center staff.

II. It is the responsibility of the Executive Director to develop and implement procedures for assuring compliance with Tri-County ~~wide~~ policy and to recommend additions and/or amendments to policies for Board action as appropriate. The Executive Director will:

A. Maintain and/or update policies.

B. Assist in the interpretation of Tri-County policy.

C. Refer to the Board concerns, issues and problems which require policy formulation.

D. Will interpret policy for administrative operations.

III. An electronic scan of the signed documents is considered as good as the original.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: March 28, 1984

REVISION DATE(S): December 8, 2016

SUBJECT: Government Relations

I. It is the policy of the Board of Trustees that:

A. The Tri-County ~~MHMR~~ Behavioral Healthcare ("Tri-County" or "Center") Board will initiate and maintain communication with government officials on the national, state, county and municipal level.

B. Board Members will be responsible for taking the lead in their local communities. They will report~~, as directed in the by-laws, at least once a year~~ to the Commissioner's Court of their respective counties as requested by the Court. They will be the primary contact with local governing boards.

~~C. The Board's Government Relations Committee will take the lead in communicating at the state level and will assist at the local level.~~

D. The Board's Executive Director will provide the staff assistance necessary to enable good communications. However, ~~the~~ staff will make presentations only with the approval of the Executive Director.

E. The Board members will keep the Executive Director informed as to both opportunities and problems that surface through these communications in their respective counties.

F. The Executive Director will keep the Board members informed as to both opportunities and problems that surface in their respective counties.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: January 29, 1987

REVISION DATE(S): December 8, 2016

SUBJECT: Tri-County Relationship with Non-Profit Corporations

I. It is the policy of Tri-County ~~MHMR~~ Behavioral Healthcare ("Tri-County" or "Center") to cooperate formally and informally with non-profit corporations and their Boards ~~of Trustees~~ in providing the best possible programs in communities within the Tri-County service area.

II. The Executive Director shall direct staff to participate in meetings with these non-profit corporations to ensure that non-profit corporations are aware of Tri-County's services and to ensure best value in the community by avoiding duplication of similar services.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: October 17, 1985

REVISION DATE(S): December 8, 2016

SUBJECT: Availability/Accessibility of Services

I. Services will be available to all residents of the Tri-County ~~Mental Health Mental Retardation Services~~ Behavioral Healthcare ("Tri-County" or "Center") service area without regard to service area without regard race, color, disability, national origin, sex, religion, or age. ~~race, sex, creed, national origin, religion, or handicapping condition.~~

II. ~~Mental Health and Mental Retardation~~ Services are to be available on a scheduled and emergency basis throughout the service area. Procedures will be developed which ensure that waiting time for admission to services is minimized.

III. Service sites will be located in various population centers throughout the service area and will be advertised in appropriate manner for the service area including advertisement on the Center website, internet search engines, social media and/or listed in print media including ~~all~~ telephone directories in the service area. The Executive Director will assure public knowledge of services through the use of a variety of public and media presentations.

IV. ~~Counseling and therapy~~ Services will be available on a flexible schedule, including evenings, to meet the needs of the consumers. Emergency services will be available at all times.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: April 9, 1988

REVISION DATE(S): December 8, 2016

SUBJECT: ~~Public Responsibility~~ Planning Network Advisory Committee(s)

~~It is the policy of the Board of Trustees of Tri-County that a Public Responsibility Committee will be established and maintained in accordance with the rule on Public Responsibility Committees in Facilities and Center, Chapter 403, Sub-Chapter P of the Rules of the Commissioner of the Texas Department of Mental Health/Mental Retardation.~~

The Planning Network Advisory Committee(s) ~~Public Responsibility Committee~~ shall be an independent, impartial third party mechanism(s) which is/are charged with protecting, preserving, promoting, and advocating for the health, safety, welfare, and other legal and human rights of clients served by Tri-County Behavioral Healthcare ("Tri-County" or "Center").

~~The Public Responsibility Committee shall consist of seven members with at least one member from each county in Tri-County's catchment area. All activities engaged in by or pertaining to the Public Responsibility Committee shall be conducted in accordance with the Rules of the Commissioner of TDMHMR.~~

I. The Tri-County Board of Trustees shall appoint, charge and support one or more Planning and Network Advisory Committees (PNACs) necessary to perform the committee's advisory functions, as follows:

   A. The PNAC shall be composed of at least nine members, 50 percent of whom shall be clients or family members of clients, including family members of children or youth, or another composition approved by HHSC;

   B. PNAC members shall be objective and avoid even the appearance of conflicts of interest in performing the responsibilities of the committee;

C. The Center may develop alliances with other LMHA/LIDDAs to form regional PNACs; and
   1. The Center may develop a combined mental health and Intellectual and Developmental Disability (IDD) and Mental Health (MH) PNAC.
   2. If the Center develops such a PNAC, the 50 percent client and family member representation shall consist of equal numbers of mental health and IDD clients and family members. Expanded membership may be necessary to ensure equal representation.

II. The Executive Director of Tri-County shall appoint a staff liaison to the PNAC(s) ~~PRC~~, whose responsibility it shall be to provide training for the Committee, obtain needed support services for the Committee and serve as the primary interface between the Committee and Tri-County Board of Trustees.

A. The Center PNAC liaison(s) shall establish outcomes and reporting requirements for each PNAC;

B. The Center PNAC liaison(s) shall ensure all PNAC members receive initial and ongoing training and information necessary to achieve expected outcomes. Contractor shall ensure that the PNAC receives training and information related to 25 TAC Chapter 412, Subchapter P (Provider Network Development) and that the PNAC is actively involved in the development of the Consolidated Local Service Plan and the Provider Network Development Plan;

C. The Center PNAC liaison(s) shall ensure the PNAC has access to all information regarding total funds available through this Statement of Work for services in each program area and required performance targets and outcomes;

D. The Center PNAC liaison(s) shall ensure the PNAC receives a written copy of the final annual budget and biennial plan for each program area as approved by Contractor's Board of Trustees, and a written explanation of any variance from the PNAC's recommendations; and

E. The Center PNAC liaison(s) shall ensure that the PNAC has access to and reports to Center's Board of Trustees at least quarterly on issues related to: the needs and priorities of the LSA; implementation of plans and contracts; and the PNAC's actions that respond to special assignments given to the PNAC by the local board.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: March 20, 1985

REVISION DATE(S): December 8, 2016

SUBJECT: Utilization of Volunteers ~~Staff in~~ at Tri-County Behavioral Healthcare

I. It is the policy of the Tri-County Behavioral Healthcare ("Tri-County" or "Center") Board of Trustees, that volunteers ~~staff~~ shall be utilized in every possible and practical phase of Tri-County's operations and programs.

II. The Board recognizes that a well defined volunteer ~~Staff~~ program develops and enhances strong community awareness and support of individual Tri-County programs as well as the Tri-County system of services.

III. Further, the Board values the financial impact a developed volunteer ~~staff~~ program can have on Tri-County's budget.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: October 17, 1985

REVISION DATE(S): December 8, 2016

SUBJECT: Environmental Quality and Safety

It is the policy of the Board that services should be provided using facilities, equipment, methods and procedures which promote the health, safety and well-being of staff and consumers. Procedures will be developed which address housekeeping, maintenance and preventive maintenance of facilities and equipment, emergency and disaster plans for each program site and other safety issues.

I. Whenever possible, programs will be housed in facilities which enhance the intent of the program and reflect implementation of the Principle of Normalization.

A. Building and associated properties will be made compliant with the Texas Accessibility Standards (TAS), Texas Health and Safety Code, Texas Department of Licensing and Regulation requirements, National Fire Protection Association (NFPA) Life Safety Code or the International Fire Code.

B. The Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan (ADA Plan) will be reviewed by Center staff at least annually and updated as necessary, and will ensure that the following information is posted prominently at each service location:

1. The name, address, telephone number, Telecommunications Device for the Deaf (TDD) telephone number, fax number and e-mail address of the ADA and the Rehabilitation Act of 1973 Coordinator(s);
2. The location at which the ADA Plan may be viewed; and
3. The process for requesting and obtaining copies of the ADA Plan.

II. Safety drills will be practiced on a regular basis to ensure client and staff readiness for facility emergencies.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: September 25, 1986

REVISION DATE(S): April 30, 2007; December 8, 2016

SUBJECT: Services to Board, Employees, and Families

I. The Board of Trustees recognizes the ethical and clinical issues involved in providing therapeutic and psychiatric services to Board of Trustee members, employees, and their families and directs the Executive Director to develop procedures which provide adequate safeguards (which includes making information available regarding alternate services), such that professional ethics and the clinical process are not compromised by the dual relationships.

II. The Board of Trustees further recognizes that services may be sought by Board members, their families or relatives, or friends. In these situations, it is the Policy of the Board that Board members refrain from attempting to influence treatment decisions or care.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: December 7, 1995

REVISION DATE(S): December 8, 2016

SUBJECT: Contraband Items

I. It is the policy of the Board of Trustees that:

A. ~~Firearms,~~ Weapons, alcoholic beverages, and/or illicit drugs of any type shall not be brought onto the ground or into any of Tri-County Behavioral Healthcare's ("Tri-County" or Center") facilities by any person except for persons with appropriate licenses, persons with the right to carry, or law enforcement officials in the performance of their duties.

~~B. The Executive Director will be responsible for ensuring procedures are developed as appropriate and that the required posting (per Texas Concealed Handgun Permit Law, Texas Civil Statutes, Article 4413 (29ee) are in place at all facilities of Tri-County.~~

C. For the purpose of this policy, weapons may include, but not be limited to, the following:

1. Handguns;
2. Machine guns;
3. Firearms of any kind;
4. ~~Firearm silencers;~~
5. Explosive weapons and/or devices;
6. Knuckles;
7. Knives 4 inches in length or longer; or
8. ~~Chemical-dispensing devices (for illegal use of);~~
9. Any other item used in a threatening manner.

D. Persons bringing contraband items into Center facilities may be asked to take the item to their vehicle or may be asked to leave the property.

E. Center procedure shall exist to guide staff in interactions with persons related to contraband items.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

December 8, 2016
Date

ORIGINAL EFFECTIVE DATE: February 27, 1997

REVISION DATE(S): December 8, 2016

SUBJECT: Local Planning

It is the policy of the Board of Trustees that, as part of their Local Mental Health Authority (LMHA) and Local Intellectual and Developmental Disability Authority (LIDDA) responsibilities, local planning efforts shall focus on the comprehensive functions of mental health and intellectual/developmental disability services for people ~~mental retardation services~~ in Montgomery, Walker and Liberty Counties. ~~Such local planning ensures a highly participatory process exists to identify local needs and priorities which shall guide program development, resource development, and resource allocation.~~

I. Plans will be in a format as directed by the Health and Human Services Commission (HHSC).

II. Local Planning is a leadership responsibility which shall be formulated through input from staff, consumers, families, and community leaders. Stakeholder input shall be gathered through the use of a Planning Network ~~and~~ Advisory Committee(s), community meetings, and customer satisfaction surveys. ~~and Leadership Forums.~~

III. Plans will be submitted to the state and will be posted on Tri-County Behavioral Healthcare's ("Tri-County" or Center") website with revision dates noted as appropriate for each plan revision.

IV. Information gathered through these processes shall guide the Board of Trustees in Strategic Planning efforts, as well as in the effective and efficient use of resources.

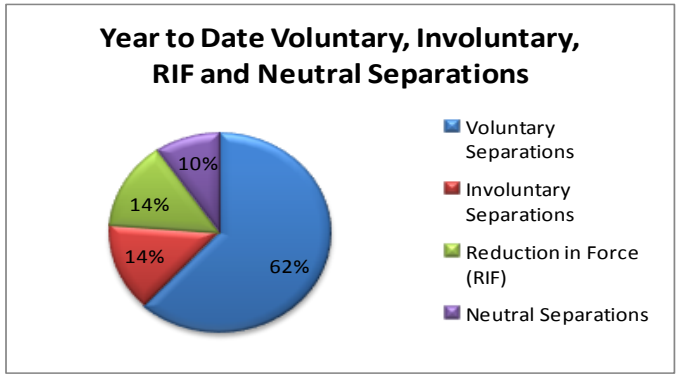
Agenda Item: Personnel Report for October 2016 **Committee:** Executive	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: Personnel Report for October 2016	
Recommended Action: **For Information Only**	

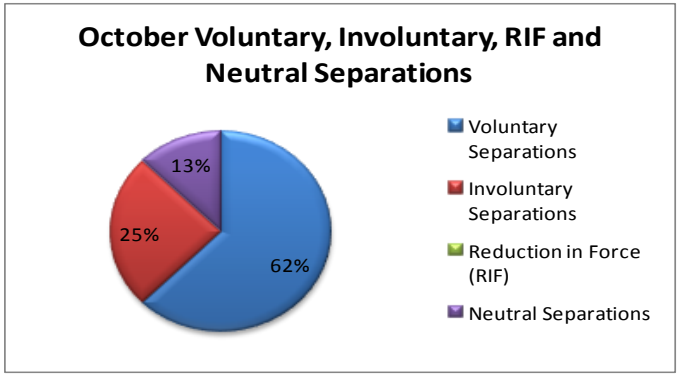
Personnel Report October 2016

Total Applications received in October = 345
Total New Hires for the month of October = 9
Total New Hires Year to Date = 21

Oct-16	FY17	FY16
Number of Active Employees	327	331
Number of Monthly Separations	8	8
Number of Separations YTD	21	13
Year to Date Turnover Rate	6%	4%
October Turnover	2%	2%

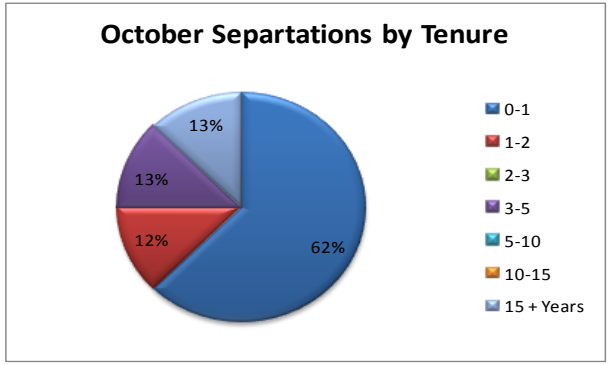
Separations by Reason	October Separations	Year to Date
Retired	0	2
Involuntarily Terminated	2	3
Neutral Termination	1	2
Dissatisfied	0	0
Lack of Support from Administration	0	0
Micro-managing supervisor	0	0
Lack of growth opportunities/recognition	0	0
Difficulty learning new job	0	0
Co-workers	0	0
Work Related Stress/Environment	0	0
RIF	0	3
Deceased	0	0
Pay	0	0
Health	0	0
Family	0	1
Relocation	1	1
School	0	0
Personal	0	1
Unknown	0	2
New Job	4	6
Total Separations	8	21

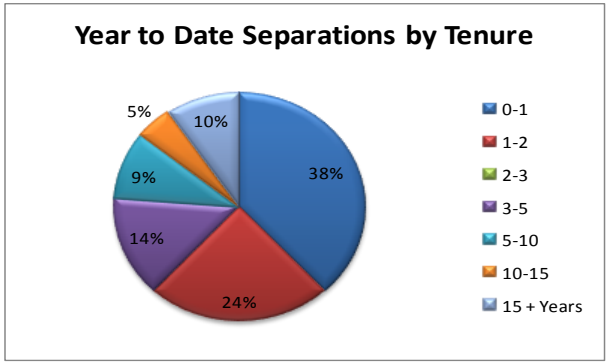




Management Team	# of Employees	Monthly Separations	Year to Date Separations	% October	% YTD
Evan Roberson	15	1	1	7%	7%
Millie McDuffey	41	3	5	7%	12%
Amy Foerster	6	0	0	0%	0%
Tanya Bryant	8	0	0	0%	0%
Behavioral Health Director	127	2	9	2%	7%
Breanna Robertson	53	0	1	0%	2%
Kelly Shropshire	32	0	1	0%	3%
Kathy Foster	38	2	3	5%	8%
Kenneth Barfield	7	0	1	0%	14%
Total	327	8	21		

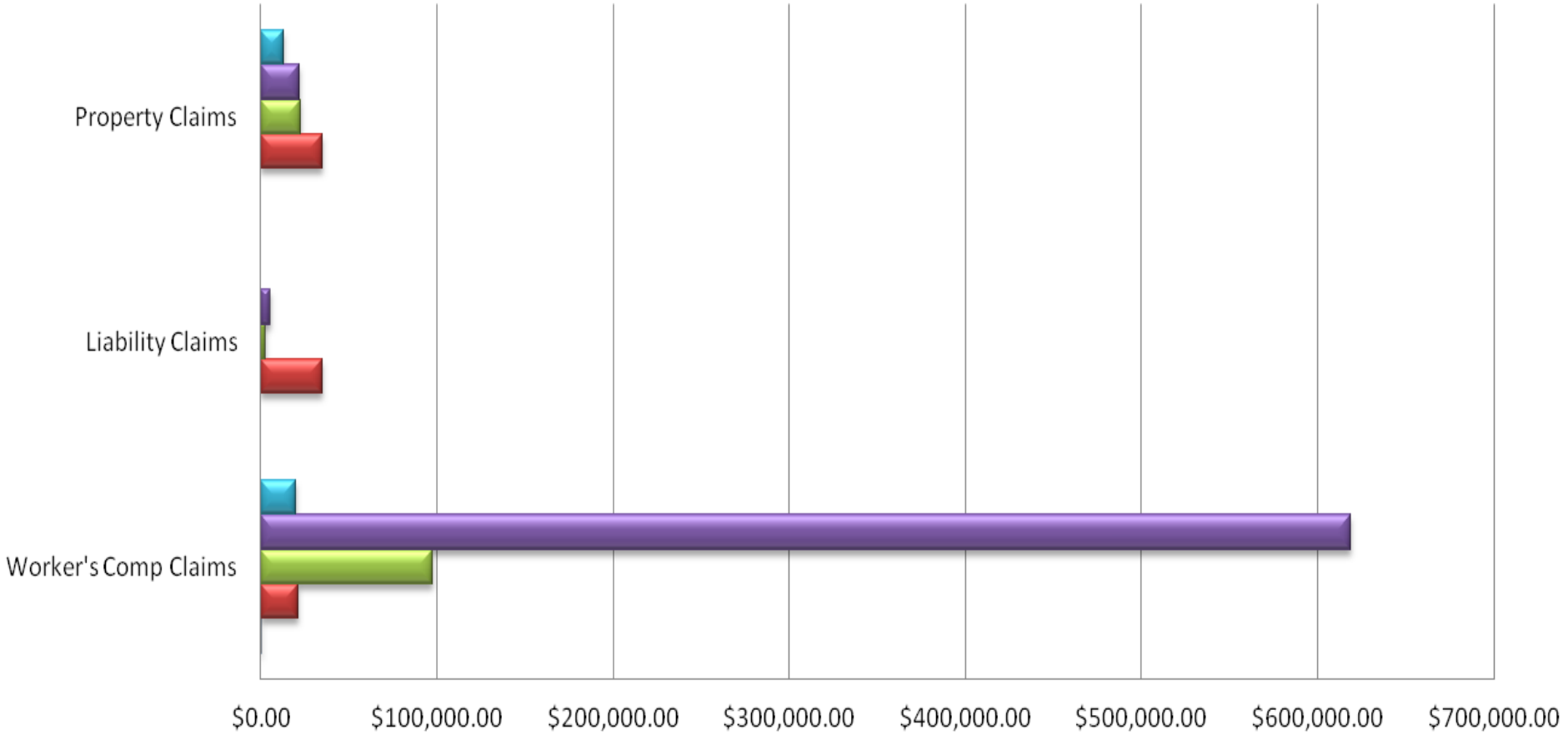
Separation by EEO Category	# of Employees	Monthly Separations	Year to Date	% October	% Year to Date
Supervisors & Managers	23	0	2	0%	9%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	34	1	1	3%	3%
Professionals (QMHP)	89	2	8	2%	9%
Professionals (QIDP)	26	0	1	0%	4%
Licensed Staff (LCDC, LPC…)	21	0	0	0%	0%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	26	0	0	0%	0%
Program Support(Financial Counselors, QA, Training, Med. Records)	32	3	6	9%	19%
Nurse Technicians/Aides	19	0	0	0%	0%
Service/Maintenance	20	1	1	5%	5%
Direct Care (HCS, Respite, Life Skills)	26	1	2	4%	8%
Total	327	8	21		





Agenda Item: Texas Council Risk Management Fund Claims Summary for October 2016 **Committee:** Executive	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: Texas Council Risk Management Fund Claims Summary for October 2016	
Recommended Action: **For Information Only**	

TCRMF Claims Summary October 2016



	Worker's Comp Claims	Liability Claims	Property Claims
2013	$20,263.00	$0.00	$12,869.00
2014	$618,699.00	$5,295.00	$21,931.00
2015	$97,371.00	$2,556.00	$22,505.00
2016	$21,270.00	$35,260.00	$35,036.00
2017	$12.00	$0.00	$0.00

Agenda Item: Texas Council Quarterly Board Meeting Update **Committee:** Executive	**Board Meeting Date:** December 8, 2016
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
Board of Directors Meeting
August 12-13, 2016

Issues & information from Chief Executive Officer, Danette Castle – pp. 3-17

1. Engagement in key initiatives & priorities -- p. 3:
   Meetings/negotiations with state officials & legislative offices and
   Meetings with advocacy organizations & associations
2. Drug Enforcement Agency (DEA) & Telemedicine – pp. 3-4
3. HB 910 (Open Carry) –p. 5
4. SB 1507 (Forensic Director, Regional Allocations of Inpatient Beds, Local Utilization Review Protocol, Training for Judges and Attorneys and OSAR) – pp. 5-6
5. Legislative Budget Board Review: LMHA/Local Jail Interface Survey – pp. 7-9
6. State Budget FY2016-17 – pp.10-12
7. Health and Human Services Agencies Transformation, Transition Legislative Oversight Committee – pp. 12-15
8. Continue Engaging Local and State Elected Officials – p. 15
9. Federal Update – pp. 15-16
10. Public Information – Special Interest Group – p. 17

OVERVIEW of TEXAS COUNCIL STAFF REPORT:

- Table of Contents on p. 2 identifies specific topics for quick access by reader
- Three major areas covered: Healthcare Policy, Mental Health & Substance Use Disorders, & Intellectual and Developmental Disabilities
    1. 1115 Waiver – Gov. Abbott requested a five-year extension from Centers for Medicare and Medicaid Services (CMS). HHSC website with renewal application on p. 18.
       Requirement by CMS of HHSC -- Evaluation of Texas uncompensated care costs and Medicaid hospital payments; draft report findings; & work Texas Council conducting regarding 1115 Waiver extension
    2. Texas Council Executive Directors' Consortium reviewed & approved an Endorsed Measurement Strategy approach to clinical quality measures
    3. SAMHSA Grant – identified as a legislative priority by Texas Council, 84th Leg. Included Rider 79 in state budget
    4. Focus of quarterly meetings with Managed Care Workgroup & monthly meetings with Managed Care Steering Committee was common member issues, including re-enrollment challenges, claim processing & utilization management guidelines, and preparing for the STAR Kids Program for children with disabilities. *Quick Reference Guide for Managed Care* development, update plans and present chapters found on p. 24. Two web-sites for more detail information listed. Medicaid Managed Care Rules identified & discussed. Note:

extension of deadline for Medicaid provider re-enrollment by six months – p. 26

5. Notations on issues/events impacting Transition Medicine from 2013 – June 2015
6. Texas Council and Center representatives with DSHS develop a method to identify and report Co-Occurring Psychiatric Substance Use Disorder (COPSD). Information & website to methodology developed are presented.
7. SB 133 Mental Health First Aid Initiative (MHFA)– Information regarding SB 133 which amended HB 3793 as well as TX Education Administration adopting MHFA to meet legislative intent for SB 460. Specific purpose and individuals serving on the MHFA Steering Committee are identified.
8. Crisis Services includes proposed amendment from DSHS to the Extended Observation Unit (EOU) section of the Crisis Services Standards. Differences between present and proposed standards are listed on p. 36.
9. Eligibility criteria for expansion populations to the HCBS-AMH (a state-wide program that provides home and community-based services for adults with serious mental illness in lieu of remaining long-term residents of in-patient facilities is identified and discussed on p. 37.
10. DSHS is implementing First Episode Psychosis (FEP) pilot focused on evidence-based programs designed to meet the needs of individuals with early onset psychotic disorders. Seven Centers are currently participating in the pilot.
11. HHSC & DSHS developed the Youth Empowerment Services (YES) Waiver –reminder of what YES established to do and policy changes which requires new billing guidelines. Additional developments have made increased services available to children & youth in YES waiver services.
12. A series of initiatives have begun at HHSC & DFPS to expand community collaboration and enhance mental health services for children in foster care. The Children's Policy Council includes relatives of consumers of long-term care and health programs for children, and representatives of community, faith, business and other organizations. Current members are identified as well as area of state each individual represents. The members of the Children's Special Interest Group is also included. Melissa Zemencsik serves on this community as the representative for TriCounty.
13. An overview of significant IDD issues includes General Revenue Targets, Crisis respite and behavioral intervention funding for people with IDD, recent updates, allocation error, Crisis respite plan review.
14. The brief developed to delineate the district roles of LIDDA case management and managed care service coordination is outlined and website for additional information are given for use as an educational

tool during discussions when visiting with legislative staff/elected officials.

15. Table of the redesign of IDD Services and Supports for FY 2014-14/FY 2015-16 presented. SB 7 implementation activities are discussed.
16. The recent highlights of Community First Choice (CFC) are outlines as well as identifying future events for CFC.
17. PASRR and related local IDD authority responsibilities are discussed along with a table of DADS expectation for PASRR Compliance.
18. Requirements for Medicaid Home and Community-based Settings are outlined and discussed. Recent updates precede the information on background, purpose, compliance requirements, and statewide transition plan. The Texas Council comments on Statewide Transition Plan are found on p. 58 for our use in discussions regarding this issue.

Texas Council
of Community Centers

Texas Council Report
Quarterly Meeting
OCTOBER 2016

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Chief Executive Officer Report

Engagement Highlights

Since the August 13, 2016 board meeting, the Texas Council engaged in a number of key initiatives and priorities, including:

- Negotiations and meetings with state officials and legislative offices relating to: 1115 Transformation Waiver; Managed Care; Certified Community Behavioral Health Clinics (CCBHC) SAMHSA Grant; HCBS MH – Adult Program; Local Authority IDD Performance Contract Targets and Access functions; Local Authority IDD Service Coordination; PASRR and related Local Authority responsibilities; Local Authority Crisis Intervention Funds; SB7 (Community First Choice - IDD Future Service System); SB 133 Mental Health First Aid and SB 1507 MH Access to Care; HHSC Reorganization; Interim Charges including MH Select Committee; DEA/Telemedicine; Early Childhood Intervention (ECI).
- Meetings with advocacy organizations and other associations, including Meadows Mental Health Policy Institute (MMHPI); Texas Hospital Association; Teaching Hospitals of Texas; Children's Hospital Association of Texas; Association of Substance Addictions Providers (ASAP); Conference of Urban Counties and Texas Association of Counties; Healthy Minds Coalition; Private Providers Association of Texas (PPAT); Providers Association for Community Services of Texas (PACSTX); Texas Developmental Disabilities Council (DD Council); and The Arc of Texas.

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.

However, despite months of negotiations with DPS, DEA and HHSC, numerous attempts over many months to navigate clinic registration applications through the DEA were not successful.

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 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.

On March 19, 2016, the Texas Council and Dr. Mark Janes joined a conference call with the National Council policy leadership team and DEA officials to discuss the Texas experience with tele-medicine, the limitations created by application of Ryan Haight Act on tele-medicine, our efforts to register the Texas CMHC Clinics and the DEA rulemaking process for special registration currently underway. During that conference call DEA officials offered to review the Texas situation and consider the possibility the DEA could register our clinics under existing DEA authority. Follow-up information has been submitted to the DEA by National Council legal consultants.

On June 20, 2016, the Acting Chief of Liaison and Policy Section, Office of Diversion, contacted the Texas Council to advise they had completed their review of the documents submitted by the Texas Council through the National Council. He indicated DEA would issue registrations for sites if they received a letter from DSHS stating the Centers request are exempt from state licensure and recognized as a hospital or clinic with controlled substance authority. This information was submitted to HHSC and subsequent communications have been taking place between DSHS legal counsel and the DEA.

We recognize this issue seriously threatens the ability of Community Centers to provide critical mental health services and will continue seeking resolution.

HB 910 (Open Carry)

Passage of HB 910 by the 84th Legislature, relating to the authority of a person who is licensed to carry a handgun continues to generate intense discussion throughout the state, including its impact on Community Center facilities, State Hospitals and State Supported Living Centers. The Texas Council Risk Management Fund and the Texas Council provided training focused on the best interpretations of the law and exceptions that do, do not, or could potentially apply to Community Centers. HHSC has taken the position that persons cannot be denied services if they are lawfully carrying a gun on premise. The apparent inability of Community Center clinics and other service delivery sites to post blanket prohibitions for people to openly or concealed carry continues to raise concerns at the local level.

As expressed by the Texas Council to the media, many doctors, counselors and therapists are uneasy about allowing visitors to carry guns and worry it could make patients feel less safe. This issue will be deliberated by the ED Consortium and the Texas Council Board of Directors as a potential legislative priority for the 85th Legislative Session.

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. The bill 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 former HB 3793 (83rd R) advisory panel members (now called the Joint Committee on Access and Forensic Services [JCAFS]) 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 JCAFS must develop a comprehensive plan for forensic mental health services that takes in to consideration the following areas:

- Emergency services
- Law enforcement
- Post arrest diversion programs
- Services following initial court hearings
- Re-entry and other community-based services and supports

To date, JCAFS has made recommendations to revise the State Hospital Bed Day Allocation Methodology as follows:

1. Maintain the current exclusions for maximum security beds and residential adolescent beds.
2. Update the current bed day allocation methodology to allocate beds based on the poverty-weighted population, which gives double weight to the population with incomes at or below 200 percent of the Federal Poverty Level (FPL):

   Poverty-weighted Population = Total Population + Population ≤ 200% FPL
3. Continue to evaluate the utility and potential impact of incorporating factors related to acuity and the availability of local resources.
4. Use the bed day allocation as a metric for analyzing bed day utilization, but do not impose a sanction, penalty, or fine on a local authority for using more than the allocated number of hospital bed days.

The JCAFS developed report identified the need for a comprehensive plan for forensic services. Recommendations highlight the need for additional resources in the following areas:

1. Inpatient Hospital Bed Capacity
2. Diversion: Emergency Services, Law Enforcement & Post-arrest
3. Re-entry and Community Services and Supports (Treatment)

The report is available at the following link:
https://www.dshs.texas.gov/ConsumerandExternalAffairs/legislative/2016Reports/JCAFSlegislativeReportForensicPlan2016.pdf

Texas Council representatives on JCAFS are Dr. Steve Schnee, Executive Director, Harris Center for MH and IDD and Shelley Smith, Chief Executive Officer, West Texas Centers.

Key Dates

- HHSC appointed workgroup – appointed by November 1, 2015
- Develop a comprehensive plan – not later than July 1, 2016
- Initial Advisory Panel Recommendations – March 1, 2016
- Executive Commissioner approves allocation methodology & review protocol – June 1, 2016
- Updating Allocation Methodology – not later than December 1st of even numbered years

Additional JCAFS meeting information is available at:
https://www.dshs.state.tx.us/mhsa/SB1507/SB-1507.aspx

Legislative Budget Board Review: LMHA / Local Jail Interface Survey

In response to questions from the Legislative Budget Board (LBB), the Texas Council conducted a survey on mental health services provided to jail inmates by Local Mental Health Authorities (LMHAs). All 39 Community Centers responded to the July 2016 survey, including the 37 Centers that serve as LMHAs. The "Community Center Jail Survey" summary is available on the Board Books page of the Texas Council member site: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Jail-Survey-LBB-FINAL.pdf

State Budget FY2016-17

On June 30, 2016, the Governor, LT. Governor and Speaker of the House released state agency Legislative Appropriations Request (LAR) instructions for FY 2018-2019 biennium.

The instructions direct state agencies to reduce base budget requests by 4%. However, the following select priorities are exempt from this directive:

- Behavioral health services programs
- Child Protective Services (CPS)
- Benefits and eligibility for Medicaid programs (base budget request to include case load growth)
- Children's Health Insurance Program (CHIP)
- Foster care program
- Adoption subsidies and permanency care assistance programs

The full policy letter is available at the following link:
http://gov.texas.gov/files/press-office/BudgetLetter_06302016.pdf

As you will note, the LAR instructions indicate a recognition that cutting funds in certain areas would be detrimental to needed advances in service delivery for vulnerable populations. As the LAR process moves forwards it will be necessary to not only thank legislators for the continued recognition of unmet mental health needs across the state, but to draw their attention to unmet needs for people with intellectual disabilities.

On August 26, 2016, a public hearing was held with staff from legislative leadership offices to provide the Health and Human Services Commission (HHSC) an opportunity to present the agency Legislative Appropriations Request (LAR) for the FY 2018-19 biennium. The Texas Council provided testimony at the hearing focused on the following:

- Gratitude for investments the legislature continues to make in community-based services for people with intellectual disabilities, mental illness, and substance use disorders.
- Thanks to Executive Commissioner Smith for his leadership during the massive reorganization of the health and human service system.

- Recognition that the behavioral health strategic plan is at work in this LAR and appreciation for the continued leadership from the Office of MH Coordination and Medical and Social Services Division to eliminate barriers and improve access to care.
- Texas Council expressed strong support for several exceptional items that advance our ability to effectively support the needs of people across the populations we serve:

  1. maintaining current levels of mental health and substance use treatment, community-based waiver services, and Early Childhood Intervention

  2. substantially increasing access to community-based services through
     - promoting independence slots,
     - reductions to waiting lists for community-based waiver services,
     - increases in wage enhancements for waiver programs and
     - increases in attendant care wages; as well as
     - items that would fund increased access to outpatient mental health treatment and inpatient care in both state hospitals and local hospitals.

  3. **sustaining enhanced Case Management and Transition Teams** to address the needs of people with intellectual disabilities who are moving from institutional care to community and individuals living in community who are at risk of institutional care

  4. **growing recognition that people with intellectual disabilities are at high risk of having unmet mental health needs**

- **We also called attention to the need for two additional exceptional items: one to fund the new crisis intervention specialists and crisis respite services at FY2017 levels and a second one to fund family partnership and peer support services as Medicaid services.**

NEXT STEPS

We are still working with agency staff to ensure that the base budget reflects the funds necessary to **maintain current mental health services and the new crisis intervention specialists and crisis respite services for people with intellectual disabilities.**

NOTE: A summary of Mental Health, Substance Use and Intellectual Disability Services appropriations from the 84th Legislature is available here: http://www.txcouncil.com/public_policy.aspx

84th Legislative Interim Update

On November 9, 2015, Speaker Straus announced the creation of a select committee to, "take a wide-ranging look at the state's behavioral health system for children and adults."

The Speaker's full press release is available, at the following link:
http://www.house.state.tx.us/news/member/press-releases/?id=5741

This select committee will review the behavioral health system, including substance use treatment and make recommendations to:

- improve early identification of mental illness,
- increase collaboration among entities that deliver care; and,
- improve performance measurement and outcomes.

As part of this effort, the select committee will specifically examine the challenges of providing care in underserved and rural areas of the state and identify challenges of providing care to Veterans and homeless Texans.

House Committee on Mental Health, Select		
Legislature: 84(R) - 2015		
Appointment Date: 11/9/2015		
Position	**Member**	**Community Center**
Chair:	Rep. Four Price	Texas Panhandle
Vice Chair:	Rep. Joe Moody	Emergence
Members:	Rep. Greg Bonnen	Gulf Coast
	Rep. Garnet Coleman	Harris Center
	Rep. Sarah Davis	Harris Center
	Rep. Rick Galindo	Center for Health Care Services
	Rep. Sergio Muñoz, Jr.	Tropical Texas
	Rep. Andrew S. Murr	Hill Country
	Rep. Toni Rose	Metrocare
	Rep. Kenneth Sheets	Metrocare
	Rep. Senfronia Thompson	Harris Center
	Rep. Chris Turner	MHMR Tarrant
	Rep. James White	Burke, Spindletop

Upcoming Interim Legislative Hearings

October 26, 2016
Senate Finance
1:00 PM at E1.036
Focus on Child Protective Services and update from Legislative Budget Board on FY 2016-17 supplemental costs for the General Appropriations Act.

November 16, 2016
House County Affairs
10:00 AM at E2.016
Focus on Child Protective Services and improvements to criminal justice systems (e.g., diversion, training, addressing racial profiling and other issues).

Presentations from all past hearings are available at the following link:
http://www.house.state.tx.us/schedules/committee-schedules/advanced-search/search-results/index.php?startDate=01-01-2015&endDate=today&committeeCode=C382&chamber=H

Continue Engaging Local and State Elected Officials

The 85th Texas Legislative Session is just over 2 months away. Every Community Center should organize at least one local legislative forum.

Use the event as an opportunity to hear from state elected officials about what they accomplished during the 84th Session and what they expect is ahead for the 85th Session. These events should be open to the public. You should also invite the media to attend as well.

Hot Topics

1. Criminal Justice / Mental Health Interface
2. Provider Rates
3. 1115 T Waiver Sustainability
4. Veterans Mental Health
5. Availability of Substance Use Disorder Services
6. Workforce Shortages
7. Challenges of Limited Resources and/or Gaps In Local Services
8. HCS expansion (address waiting lists)
9. Increase community-based direct service provider wages
10. IDD in Managed Care (network adequacy, case management role)
11. IDD Crisis Services (local initiatives, new funding)

The topics above are identified as suggestions to begin thinking about how a local legislative forum could be framed and organized. If you are planning a local forum and have questions, contact Lee Johnson at ljohnson@txcouncil.com

Federal Update

Congress is on recess until after the November election. When they return to Washington, legislators will be faced with a number of high priority decisions that must be made in short order. From funding the federal government beyond December 9 to determining which legislative initiatives to vote on and pass before the year is out, advocates hope that Congress will take up a number of mental health bills before legislators close the books on the 114th Congress.

The following are select legislative initiatives that could come up in the lame duck session.

Mental Health Reform Act (S. 2680)

A similar bill to the Helping Families in Mental Health Crisis Act (H.R. 2646) that passed the House in June, S. 2680 reauthorizes a number of key programs under the Substance Abuse and Mental Health Services Administration. The National Council has been strongly advocating for the inclusion of provisions to expand the Excellence in Mental Health Act in S. 2680. These provisions would expand the Certified Community Behavioral Health Clinic demonstration program set to begin in January to 24 states, up from the current 8.

S. 2680 has been approved by the Senate Health, Education, Labor and Pensions Committee and now awaits consideration by the full Senate chamber. Should S. 2680 be approved, the House and Senate would need to form a conference committee to reconcile any differences between the two bills before sending a final mental health bill to the President for his review and approval.

Fiscal Year 2017 Appropriations

Legislators approved a short-term spending package that provides level-funding for the federal government through December 9. When Congress returns to session in November, finalizing a budget for FY2017 should be one of its high priorities. The short-term spending package includes preliminary funding for the Comprehensive Addiction and Recovery Act (CARA). The National Council and others will be working to ensure the final spending bill will fully fund CARA's grant programs.

However, it remains to be seen whether Election Day results will greatly impact either party's strategies on funding the federal government. If the past is any indication, we should expect another continuing resolution, level-funding the federal government into the first year of the new presidential administration. Level funding would mean continuation of programs like:

- Mental Health First Aid: $15 million
- Primary and Behavioral Health Care Integration: $50 million
- Substance Abuse Prevention and Treatment Block Grant: $1.8 billion
- Mental Health Block Grant: $511 million

21st Century Cures Act

There will be limited time for legislators to pass bills when they return, and a number of high priority bills for key legislators may be first in line for consideration. A longstanding priority for the Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee, Senator Lamar Alexander (R-TN), 21st Century Cures is a comprehensive legislative initiative designed to foster improvements and innovation throughout the U.S. health system. The bill invests millions in medical research and technology advances in medicine. The House passed its version in July. The Senate HELP Committee is still finalizing its version. Should the Senate pass 21st Century Cures legislation, legislators would need to establish a conference committee to remedy any differences.

The National Council is working closely with legislative champions to move the expansion of the Excellence in Mental Health Act on any one of these bills or another vehicle this year. We will continue to keep you informed as this effort moves forward.

Public Information – Special Interest Group

Formed in January 2014, the Public Information – Special Interest Group (PI-SIG) of the Texas Council unites communications professionals from Community Centers across the state to share resources, best-practices and develop statewide communications strategies on behalf of our system of care. Membership includes representatives of 32 Centers and is open to all professionals with a communications or outreach role within their Centers.

Mission

To make communication activity at Texas Community Centers more strategic, more collaborative and more effective. This is accomplished by providing all Centers — and their staff — a venue through which they can learn and share new ideas and best practices and work together on challenges and opportunities that will strengthen their local efforts as well as collective communication efforts across the state.

Vision

Where Community Centers and their staff collaborate to promote communication strategies that achieve results locally and state-wide and provide professional development for each member.

The group meets 6 times a year, mostly via webinar, and plans to have two in-person meetings – during the annual Texas Council Conference in June and in October 2016.

PI-SIG is led by an executive committee that includes the following members:

- Catherine Carlton, MHMR Tarrant
- Kinnie Reina, Burke
- Rene Hurtado, Emergence Health Network
- Maria Rios, Texas Council

Thirteen members gathered at Texas Council headquarters on October 12, 2016 to workshop communication issues, close 2016 activities and plan for 2017. The agenda was built upon two main topics: communication tactics and communication strategy.

The tactics portion included discussions on sharing best practices, legislative communications, media relations, events and fundraising. The second half of the meeting was spent on strategy, in particular brainstorming ways to measurably bolster statewide strategic communications and collaboration among Community Centers through 2017 and beyond. System-wide strategic communication will remain a focus for the group through 2017.

Healthcare Policy Update

Healthcare Transformation and Quality Improvement Program: 1115 Waiver

The State's 1115 Transformation Waiver is in its fifth and final demonstration year. On September 29, 2015, Governor Abbott requested a five-year extension from the Centers for Medicare and Medicaid Services (CMS). The renewal application is on the HHSC website at:https://hhs.texas.gov/laws-regulations/policies-and-rules/waivers/medicaid-1115-waiver/waiver-renewal.

In May 2016, CMS approved an initial 15-month extension, which provides the state and federal government time to work through a longer term agreement. The initial extension maintained existing Delivery System Reform Incentive Payment (DSRIP) and Uncompensated Care (UC) pool funding levels for 15 months, at $3.875 billion all funds per program, but required the State to commission an independent evaluation of uncompensated hospital costs and Medicaid payments. The study will inform negotiations regarding the size of both the DSRIP and UC pools going forward.

HHSC submitted the independent evaluation to CMS on August 31, 2016. Shortly after, on October 6, 2016, Executive Commissioner Charles Smith notified CMS that Texas is ready to move forward with negotiations as outlined in the September 2015 renewal application.

Uncompensated Care Study

HHSC retained Health Management Associates (HMA) to complete the independent evaluation required by the initial extension. The purpose of the study is to provide:

- The impact of DSRIP funding on uninsured and Medicaid shortfall; and
- An estimate of Texas hospital uncompensated care burden if Texas fully funded Medicaid costs and opted to expanded Medicaid to low-income adults as allowed by the Affordable Care Act (ACA).

Based on current payment systems and funding mechanisms, HMA projected Texas hospitals will accrue approximately $9.6 billion in UC costs in 2017. HMA reduced the projection to $8.24 billion after considering the financial impact of an ACA Medicaid expansion and supplemental payments that hospitals would likely receive under Graduate Medical Education (GME) and Disproportionate Share Hospital (DSH) programs. HMA presented alternate proposals on how the Medicaid shortfall and remaining UC costs could be calculated, resulting in final 2017 UC projections in the range of $5.5-$2.1 billion (best and worst cases). Due to this variance, negotiations between the State and CMS regarding future UC and DSRIP pool funding will likely focus on several key issues, including:

- **Data Source** – HMA's use of the HHSC DSH/UC tool instead of the CMS S-10 report;
- **Unreimbursed Costs** – whether approximately $1 billion in hospital "bad debt" should characterized as "charity care" and excluded from UC calculations; and whether UC for physicians, ambulance and dental providers should be added to the UC total.

- **DSRIP** – whether funds hospitals receive through DSRIP should offset UC costs, since the purpose of DSRIP is to enhance access, quality and cost-effectiveness and not to offset the UC burden.
- **Medicaid Shortfall** – whether the Medicaid shortfall calculations should include payments for dual eligible clients and payments to out-of-state hospitals.

The Texas Council will provide updates as negotiations between Texas and CMS regarding DSRIP and UC funding progress.

DSRIP Sustainability and Metrics

While working to preserve UC and DSRIP funding, the State is also working to maintain a DSRIP model that benefits both Medicaid recipients and uninsured in Texans. Under the terms of the initial extension, CMS required Texas to begin working on an approach to integrate DSRIP programs into Medicaid managed care. This approach could prove to be challenging for many Community Centers, because a large number of clients served through DSRIP projects are uninsured. Recognizing this and other challenges, Commissioner Smith sent a letter to the CMS on August 19, 2016 asking for additional guidance. Commissioner Smith also indicated that the State open preserving the current model of DSRIP outside of managed care.

The Texas Council has and will continue to provide feedback on the state's extension efforts, and will work with HHSC on options to continue DSRIP services for the uninsured. Working with Bill Rago, former HHSC official, the Texas Council released an Issue Brief in March, 2016. Community Centers and trustees can use the brief as a tool for discussions with HHSC and the legislature regarding the 1115 Waiver extension. The brief emphasizes the value of Center DSRIP projects both in improved services and cost-savings statewide. The brief addresses topics such as the uninsured population, sustainability, valuation, role of General Revenue, and integration into managed care. We anticipate it will inform HHSC negotiations with CMS. The brief is available in the Texas Council intranet site: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/1115-Waiver-Issue-Brief-3.1.16-Rago_TXC.pdf

Additionally, the Texas Council provided feedback regarding HHSC's Transition Year (DY6) Proposal, the proposed Regional Performance Bonus Pool Measures, and the Transformational Extension Protocol (Menu) with Best Practices/Models. In March 2016, HHSC published draft rules regarding participation in first 12 months of the extension, DY6. The Texas Council submitted written and oral testimony against the proposed rule requiring HHSC to recoup funds if a DSRIP participant drops a project after DY6. HHSC revised the language in the final rule, which now includes a withdrawal window between the 2nd payment period for DY7 and the 1st reporting period for DY8. Projects withdrawn during this window will not have DY6 payments recouped due to withdrawal, subject to CMS approval.

HHSC published the draft second rule packet for the 1115 Waiver Transition Year (DY6) in the July 29 issue of the *Texas Register*. The anticipated effective date for these rules is September 30, 2016. Rule packet #2 pertains to requirements for the DSRIP program and closely mirrors

the Texas Delivery System Reform Incentive Payment (DSRIP) Program Funding and Mechanics (PFM) Protocol document language which was posted on HHSC's website June 8, 2016.

Finally, the Texas Council continues active engagement with UT researchers, who are conducting an evaluation of 10 Community Center Physical-Behavioral Health Integration Projects. This review is a component of the 1115 Waiver evaluation funded in part by MMHPI (Meadows). Released in June 2015, the first report was a qualitative review of the projects: http://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. Texas Council and participating Centers met with UT researchers and reached an agreement on data elements to be included in the evaluation of the effectiveness of Centers' integrated projects in improving physical health outcomes. UT piloted its data collection tool and is currently collecting data from the Centers. The report will be completed later in 2016.

Healthcare Opportunities Workgroup (HOW)

The HOW spent the last quarter focusing on two main areas: Operational Excellence and DSRIP Sustainability. There have been other topics of interest on the agenda but these two have received consistent focus in workgroup discussions.

Operational Excellence

The environment in which Centers operate continues to grow in complexity and many of the business operations of the past are not keeping up with the challenges of today. The HOW has gone back to the Readiness Guide published in 2011 to review recommendations. The workgroup is in the process of creating a survey for Centers to determine where we have made progress and where there are still areas for improvement in relation to the recommendations in the Readiness Guide. When areas for continued improvement are identified, the HOW will provide recommendations to the ED Consortium on how to support Centers in continuous quality improvement efforts.

DSRIP Sustainability

The impact of DSRIP on the Community Center system of care is significant. As the process of waiver renewal unfolds, we know that at some point in time we will need to have a way to sustain DSRIP programs outside of DSRIP funding. This may be several years from now but we must be prepared when the time comes. The workgroup has discussed potential avenues for providing access to care for the uninsured population we serve in DSRIP including a 1115 STAR Mental Health program, a 1915(c) waiver for individuals with serious mental illness and an expanded 1915(i) state plan amendment. The options are still under discussion at this time.

Other Topics of Interest

At the October meeting, the HOW also began an in-depth discussion on opioid addiction and other addictions that are increasing early deaths in our communities, the role of medication-assisted treatment and the role of the Local Mental Health Authority in finding community solutions. In addition, the HOW has continued to monitor Managed Care Expansion implications

through its Managed Care Steering Committee and has had updates and in-depth discussions on Certified Community Behavioral Health Clinics (CCBHCs). The HOW continues to meet monthly.

FY 2016
The HOW completed its FY 2016 Work Plan, including two policy documents now posted on the website. In addition, the HOW adopted a position paper on the future of CMBHS, which has been shared with HHSC leadership.

IDD: The Role of Targeted Case Management in a Managed Care Environment
The Local Authority Workgroup, in partnership with the HOW, developed two policy documents that clearly lay out the functions of the LIDDA related to targeted case management including contract requirements, data on types of services, financing models and vignettes on consumer experiences. The Executive Director Consortium adopted these documents. The Texas Council published the documents on the Board Books page of the Texas Council intranet site: http://www.txcouncil-intranet.com/index.php/board-of-directors/board-minutes/

Substance Use Disorder Treatment as a Component of Integrated Healthcare
In May 2016, the HOW presented a policy document to the ED Consortium, focusing on the integration of Substance Use Disorder (SUD) and Mental Health treatment, with an emphasis on policy issues related to SUD treatment in Texas. The ED Consortium adopted the document, which is now published on the Texas Council intranet site at http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Integrated-Treatment-HOW-final-71916-MHSUD.pdf

Behavioral and Physical Health Integration
The Texas Council facilitates a monthly conference call to discuss integration of mental health and physical health. Three calls were held this past quarter with an average of 50 participants on each call. Topics included, Medicaid reimbursement, MCO/BHO contracting performance outcome measures and patient engagement. Agenda topics are identified by the participants. Additionally, relevant materials and webinar notices are sent to all Center staff on the distribution list.

Performance & Outcome Measurement in a Modern Healthcare System

Endorsed Measure Strategy
On January 17, 2014, the Texas Council Executive Directors' Consortium reviewed and approved an Endorsed Measurement Strategy approach to clinical quality measures that reflects a more balanced method of measurement. This strategy identifies a core set of quality measures that all Community Centers must track. The Behavioral Health Data workgroup completed the measure specifications and the Access database for the calculation of endorsed measures.

During April and May 2015, Centers submitted their measure outcomes and survey results to the Texas Council. The Endorsed Measure Evaluation and Recommendations report includes results for Centers that submitted outcomes. The report is available here: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Endorsed-Measures-Evaluation-and-Recommendations1.pdf

As the Behavioral Health Data Workgroup completed their work, a new workgroup was formed, the Data Evaluation Workgroup (DEW). The HOW established the DEW as a place for subject matter experts from our system to meet and carry forward initiatives specific to outcome measurement for Community Centers.

On December 3, 2015, the Texas Council ED Consortium approved the DEW's proposed recommendations/next steps related to the Endorsed Measure Strategy. All Endorsed Measure materials were updated and released to Centers. Texas Council conducted a webinar in March 2016 to outline the second year submission process to answer questions before Center outcomes were submitted on May 13, 2016. Centers were be able to resubmit calendar year (CY) 2014 outcomes and submit CY2015 outcomes at that time.

Results of the current submission will be included in the January quarterly meeting report. In response to Center feedback, there will be a relaunch of the Endorsed Measure Strategy to represent quality measure submissions that mirror the CCBHC measures. The new initiative will use the terminology from the CCBHC and be called the Behavioral Health Clinic Quality Measures (BHCQM). The DEW will develop a comprehensive plan will outline the rationale, process, timeline and value of the new proposed approach.

The DEW presented Why Data-Driven Decisions Matter at the 2016 Texas Council Annual Conference, which included practical applications and examples of how data can be used within Centers to better inform processes and achieve improvement of desires outcomes. The DEW presentation model from the conference was replicated at the September QM/UM Consortium. DEW members presented examples of data use within their own Centers and subsequent quality improvement strategies. This practical approach generated much discussion and participants reported the applicability of the examples to their Centers' operations.

Behavioral Health Services Provider Contracts Review

As directed by Rider 82 (84th Legislature), HHSC/DSHS contracted with Health Management Associates (HMA) to conduct a third-party review of the current DSHS contract measures. Per Rider direction, the review and report must include:

a. Identification of performance measures and other requirements not necessary by a state or federal requirement that could be eliminated from contracts;
b. A review of the metrics and methodology associated with the withholding of allocations made under DSHS Rider 58, Mental Health Outcomes and Accountability;
c. Consideration of performance measures and contracting strategies similar to those used for managed care organizations;

d. Consideration of best practices in performance measurement and contracting, including incentive payments and financial sanctions that are aligned with the models used by the Health and Human Services Commission for purchasing health care services; and
e. A proposal for a publicly available web-based dashboard to compare performance of behavioral health services providers contracted with DSHS.

As part of the HMA review, Texas Council staff and ED representatives met with HMA and provided input, including comparing LMHA contract requirements and 10% withhold measures with MCO contract requirements. The HMA's final report to HHSC/DSHS is due October 31, 2016.

Certified Community Behavioral Health Clinics: SAMHSA Grant

On May 20, 2015, the Substance Abuse and Mental Health Administration (SAMHSA) issued a request for applications (RFA) for Certified Community Behavioral Health Clinic (CCBHC) planning grants. 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 and August 2015, Texas Council staff engaged extensively with HHSC, MMHPI and DSHS to prepare the planning grant application. The Texas Council extends appreciation to all twenty-five Centers that completed readiness assessments and applied with HHSC to participate in the planning grant.

In October 2015, SAMHSA announced planning grant awards. Texas was one of 24 states selected, and received an award of $982,000. HHSC can use these funds to support state efforts to certify clinics as CCBHCs, establish prospective payment rates for services covered by Medicaid MCOs, and prepare an application for a two-year demonstration program.

To participate in the demonstration, Texas must submit an application no later than October 31, 2016. Up to 8 states will share $1.1 billion in demonstration grants. With increased funding provided by SAMHSA, CCBHCs will receive guaranteed minimum payments under the state-designed prospective payment systems for managed care providers, and incentive payments from MCOs for improved performance during the demonstration period.

After identifying ten potential Community Centers participants, HHSC met with candidates in February 2016 and announced the following seven Centers would move forward in the CCBHC initiative:

- Austin Travis County Integral Care
- Bluebonnet Trails Community Services
- Burke
- Helen Farabee Centers
- StarCare Specialty Health System
- MHMR Tarrant

- Tropical Texas Behavioral Health

In addition to the seven Centers, the State also selected one private entity, the Montrose Clinic in Houston. States were only required to select two CCBHC sites, so Texas Council is encouraged by the geographic coverage and number of potential sites included in this next phase of the initiative.

If selected as one of the eight states for the demonstration project, Texas has elected July 1, 2017 as the start date. The eight participants will work with HHSC to be certified or at least the stage of the process where HHSC can attest that the sites will be certified by the July 1, 2017 start date.

Most recently, **all** CCBHC sites were officially certified after undergoing certification audits. Additionally, all cost reports have been finalized and approved by HHSC. Currently, Texas Council, CCBHC sites and HHSC are working closely together to complete a successful application to SAMHSA by October 31, 2016.

All related CCBHC materials have been posted on the Texas Council intranet site at http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/ccbhc/

Material Highlights

- Certification Criteria
    - Certification Guidance
    - Reviewer Checklist
    - Demo Pilot Assessment
    - Behavioral Health Clinic (BHC) Crosswalk between CCBHC, Joint Commission and CARF criteria
- Cost Report
    - Macro Cost Report
    - Macro Cost Report Instructions
- BHC Quality Measures
    - SAMHSA Quality Measures Webinars 1 through 8
    - BHC Quality Measures Vol 1 and Vol 2 (technical specifications)
    - BHC Quality Measures Reporting Templates

Managed Care Workgroup and Steering Committee

The Texas Council provides technical and strategic assistance to Community Centers striving to develop and maintain good working relationships with Medicaid and CHIP health plans.

As part of this effort, the Texas Council holds quarterly meetings with the Managed Care Workgroup and monthly meetings with the Managed Care Steering Committee (MCSC), a subcommittee of the HOW. The meetings focus on common member opportunities and challenges.

The MCSC developed several resources to help Community Centers operate in the Medicaid and CHIP managed care environment. Each quarter, the committee revises its recommendations for Texas Council consortia in the "Things Every Consortium Should be Talking about Regarding Managed Care."

The MCSC also publishes the *Quick Reference Guide for Managed Care*. The Guide uses a question and answer format to address Medicaid and CHIP managed care topics. The MCSC published the Guide's first set of chapters in December 2015, then added new chapters each quarter. In December 2016, the MCSC will add the final chapter on alternative payment methods, and move from quarterly to "as needed" updates.

Copies of the Guide and "Things Every Consortium Should be Talking about Regarding Managed Care" are available on the "Managed Care" page of the Texas Council Intranet.
In addition, the MCSC plans to release the "MCO Negotiation Checklist" in October 2016. The document will include step-by-step instructions and recommendations to help Community Centers prepare for health plan negotiations.

Finally, the MCSC developed a document to highlight major differences between the HHSC Pay-for-Quality Program (P4Q) for MCOs and the DSHS 10% withhold measures for Community Centers. To inform contract amendment discussions, the Texas Council shared the document with the Texas Council Contracts Committee and HHSC and DSHS leadership. The document can also be used in discussions with state legislators.

The comparison demonstrates that MCOs receive more favorable treatment on risk-based performance measures. For example, P4Q emphasizes improvement-over-self, and allows MCOs performing below baselines to earn incentives for incremental improvement, or "gap closure." MCOs that come close to meeting performance measures can earn partial payments. The DSHS measures, on the other hand, are based on statewide system averages with "all or nothing" outcomes. A Center that misses a performance measure, even by a small margin, loses all payments for the measure.

HHSC recently announced that it will suspend the P4Q financial penalties for 2016, but will still track P4Q program measures. This again demonstrates that MCOs receive more favorable treatment than Centers when performance methodologies are brought into question.

A copy of the comparison is available on the Texas Council Intranet at: http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/managed-care-steering-committee/

STAR Kids Program

HHSC will launch the STAR Kids Program on November 1, 2016. This is the first Medicaid managed care program specifically tailored for children with disabilities. The program is mandatory for recipients through age 20 with Supplemental Security Income (SSI) Medicaid, and those enrolled in the following waivers:

- Medically Dependent Children Program (MDCP)
- Home and Community-based Services (HCS)
- Community Living Assistance and Support Services (CLASS)
- Deaf Blind with Multiple Disabilities (DBMD)
- Texas Home Living (TxHmL)
- Youth Empowerment Services (YES)

STAR Kids will not include:

- STAR Health Program members
- Children and young adults through age 20 in the Truman Smith Children's Center, State Veteran's Homes, and State Supported Living Centers

SSI Medicaid and MDCP Waiver recipients will receive all acute care and long-term services and supports (LTSS) through STAR Kids health plans. Recipients in the other waiver programs will receive acute care services through STAR Kids health plans, but continue to receive LTSS waiver services through the waiver programs.

To help ensure continuity of care, STAR Kids health plans must allow members to see their current providers, whether or not the provider is in the plan network, for the shorter of 180 days or until the plan completes STAR Kids assessment and locates a network provider.

The HHSC STAR Kids website includes additional information, including:

- Trainings and frequently asked questions for clients and providers
- Health plan profiles with referral and continuity policies
- How to reach health plan representatives
- How to reach the HHSC STAR Kids Command Center and Ombudsman Office
- How to file a complaint against a health plan
- How to request an HHSC Fair Hearing if a service is denied or reduced.

Website link: https://hhs.texas.gov/services/health/medicaid-and-chip/programs/star-kids.

Upcoming Managed Care Procurements

HHSC plans to release two managed care procurements in the coming year. HHSC will release the CHIP Rural Service Area (RSA) request for proposals (RFP) in 2016. The procurement will divide the large rural area into four smaller regions, to align with Medicaid service areas. MCOs will begin serving CHIP members under the new contract on September 1, 2018.

HHSC also plans to issue an RFP for the STAR+PLUS Tarrant and Dallas service areas, although it has not identified a release date. MCOs will begin serving Medicaid members under the new contract on February 1, 2019.

Medicaid Managed Care Rules

In April 2016, CMS published the first major overhaul of Medicaid and CHIP managed care regulations since 2002. Select highlights from the final rules:

- **States keep flexibility in the Medicaid enrollment process.** The proposed rule required states to provide 14 days of fee-for-service Medicaid to eligible beneficiaries, to give them time to select managed care plan. Under the final rule, states can enroll beneficiaries in MCOs immediately upon eligibility determination and "default enroll" enrollees who do not select a plan. Enrollees will be able to change plans for any reason within 90 days, every 12 months when they reenroll, and at any time for cause.
- **States keep flexibility in developing network adequacy standards.** The final rule generally maintains the current approach to network adequacy, allowing state officials to develop Medicaid and CHIP standards and certify to CMS that plans are meeting these standards. The rule requires states to develop specific time and distance standards for a new set of provider types, including primary and specialty care (adult and pediatric), mental health (adult and pediatric), OB/GYN, pediatric dental, hospital, and long-term services and supports providers. Texas already implemented time and distance standards, but is reviewing these standards based on stakeholder feedback.
- **Creates an 85 percent Medical Loss Ratio (MLR) for Medicaid and CHIP.** The final rule limits MCO profits by requiring rate setting that assumes 85 percent of revenue will be spent on medical care. HHSC already places caps on MCO administrative expenses and profits, so the new MLR requirements are not expected to have a significant impact on Texas MCOs.
- **Provides tools for states to engage MCOs in delivery reform and quality improvement efforts.** The final rule makes it easier for states to develop MCO contracts with incentive or disincentive arrangements that drive delivery system reforms or performance and quality improvement initiatives.
- **Requires MCOs to regularly update provider directories.** A 2014 investigation by the Department of Health and Human Services found that half the doctors listed in insurer directories were not taking Medicaid patients. This has been identified as an ongoing problem in Texas and HHSC is working with MCOs to ensure accurate provider directories.

  Creates flexibility to cover short-term stays in institutions for mental disease (IMD). The final rules loosen federal restrictions on Medicaid reimbursement for institutional-based mental health and substance abuse services. The rules will allow states to make a premium payments for an adult age 21-65 with a short-term stay (15 or fewer days) in an IMD during a month. While this change is widely viewed as a positive step toward improving access to critical mental health services, the 15 day requirement will create a new restriction for Texas. Under terms of the current Texas 1115 waiver

with CMS, Medicaid MCOs can already provide IMD services to adults "in lieu of" inpatient acute care services without the 15 day restriction. The attached document provides additional information on the federal rule's impact on the IMD exclusion.

The CMS will implement the final rules in phases over the next three years, starting July 1, 2017. The Texas Council will monitor and report on Texas efforts to carry out the new requirements.

Medicaid Provider Re-enrollment

The Texas Council is pleased to report the Community Center system was highly successful in re-enrolling Medicaid providers before the September 2016 deadline.

In collaboration with HHSC, the Texas Council developed a frequently asked questions (FAQ) document and guidance to help Centers with the re-enrollment process. These documents are available on the Publications page on the Texas Council member site at: http://www.txcouncil-intranet.com/wp-content/uploads/2015/11/Reenrollment-FAQ-1.pdf
Community Centers can continue to use these resources when enrolling providers.

Telemedicine and Telehealth Survey

The Texas Council recently surveyed its members regarding the use of telemedicine and telehealth services. All 39 Community Centers responded to the survey, and the Texas Council published survey results in July 2016. This information is available on the Texas Council intranet site: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Telemedicine_Telehealth_Survey_Summary_July2016_Final.pdf

HHSC will use the Texas Council survey results to develop its biennial report for the Texas Legislature. This information may also be useful for local conversations with state lawmakers, agencies and other stakeholders.

Survey Highlights

- Opportunities created through telecommunication technology, such as increased access to care, reduced provider "windshield" time, and increased productivity and efficiency.
- Common service barriers, including workforce shortages, high costs, and low Medicaid reimbursement.

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 healthcare 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 healthcare 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 Center 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.

The Texas Council is aware 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 Mental Health Policy Institute (MMHPI) named Andrew Keller, Ph.D., as President, replacing Tom Luce.

The Texas Council and many Centers are involved in various MMHPI initiatives. In September 2015, Danette Castle was appointed to the MMHPI Collaborative Council.

The MMHPI Collaborative Council has five (5) active task forces:

- Legislative Information
- Performance Measures
- Workforce
- Smart Justice
- Veterans

Danette Castle, Lee Johnson and Jolene Rasmussen are active members in the MMHPI Collaborative Council Legislative and Performance Measures task force workgroups. The

Performance Measures workgroup recently release their final report related to performance measure recommendations for the State. The report is available on the Texas Council intranet site at: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/FINAL-MMHPI-Collaborative-Council-Policy-Performance-Measurement-Taskfo....pdf

Additionally, Texas Council has engaged in Mental Health America of Greater Houston's Integrated Health Care Initiative, which is also partially funded by MMHPI. The initiative is focused on developing recommendations to promote the integration of physical health and behavioral health in Texas. As part of the initiative, Texas Council participated on a site visit to Denver Colorado to meet with Eugene S. Farley, Jr. Health Policy Center at the University of Colorado as well as Salud Family Health Centers and Rocky Mountain Health Plan. The final report and recommendations were released October 19, 2016. The report and final recommendations are available in the Texas Council intranet site at: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/FINAL_IHC-Recommendations-Report-2016.pdf

Texas Council will continue to engage in this initiative as the recommendation from the report are operationalized.

Mental Health and Substance Use Disorders Update

MCOT and COPSD Reporting

DSHS recently requested that Centers identify a method to report Mobile Crisis Outreach Team (MCOT) and Co-occurring Psychiatric and Substance Disorder (COPSD) services in CMBHS.

The Texas Council and Center representatives engaged with DSHS to develop a method to identify and report COPSD services. The resulting methodology is outlined in the DSHS broadcast message: *Reporting Co-Occurring Psychiatric Substance Use Disorder Services*, which was released August 4, 2016 [http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/DSHS-Broadcast-Reporting-Co-Occuring-SUD-Serv.pdf]

As of September 1, 2016 Centers may begin reporting COPSD services; however, due to the delayed release date of the broadcast, Centers have until December2016 to implement the necessary changes within their systems and begin reporting. The following is the DSHS definition of COPSD services.

COPSD Services

Co-Occurring Psychiatric Substance Use Disorder (COPSD)

Service approach providing intervention services offered within programs that are part of the TRR service array to meet the needs of people with co-occurring disorders. COPSD treatments integrate mental health and substance abuse interventions at the level of provider engagement. COPSD is an integrated treatment approach provided by the same clinicians or teams of clinicians, working in one setting, to provide appropriate mental health and substance abuse interventions in coordination to support persons in their recovery.
Provider treatment specialists are trained to treat both substance use disorders and serious mental illnesses (by providing MH rehabilitative and TCM services utilizing motivational interviewing and the stages of change). Treatment is initiated in a stage-wise approach with different service provided at different stages. For example, motivational interventions are utilized in all stages inclusive of the engagement and persuasion stage. Coordinating counseling services guided by a cognitive-behavioral approach are utilized in active treatment and relapse prevention stages.

Intervention services (MH rehabilitative and TCM) are provided in multiple formats including individual, peer/group, self-help, and family. Medication services are coordinated with other services to promote recovery.

COPSD service approach satisfies the requirements of Title 7 of the Texas Health and Safety Code §534.053(a)(3), (7)

The Texas Council, a workgroup of Executive Directors and Information Management Consortium leadership continue working with DSHS to develop a standardized process that is

feasible for Centers to implement when documenting and reporting MCOT related services. Additional considerations include the use and evaluation of the data once reported to DSHS.

Charges Rule

The Charges Rules, 412.108, 412.303, and 412.322, were released for informal comment in January 2016. Proposed language is available at this link: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Charges-Rule_Chapter-412-Local-Mental-Health-Authority-Responsibilities....pdf.

Center comments indicated varied interpretation related to third-party payers (§412.108 of the rule). Texas Council, Center representatives, and members of the Collective Advocacy Participants Rule Committee met with DSHS and DADS representatives on February 4, 2016 to clarify meaning and application of that portion of the rule.

As a result of the meeting, DSHS updated the Charges rule FAQs, Client Brochure, and the Fact Sheet. Conflicting language in the DSHS performance contract (children's services) and the rule has been resolved with DSHS revisions to the contract. Texas Council and DSHS hosted a webinar August 16, 2016 to provide guidance on the application of the Charges rule for Centers. All of the updated materials as well as the PowerPoint presentation can be found at http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/texas-council-webinars/.

Local Mental Health Authority Responsibilities Rule (Informal Comment)

Title 25 Health Services Part 1 Chapter 412 Local Mental Health Authority Responsibilities Subchapter A Mental Health Prevention Standards has been released for informal comment.

The Texas Council Rule Committee which includes outside stakeholders reviewed and provided comment during a meeting on August 3, 2016 at the Texas Council Office. The group decided the rule was incomplete and not ready for comment. DSHS agreed. HHSC is now working with the Texas Council Rule Group to develop a meaningful rule. A strikeout version of the rule should be available prior to the next meeting in November. The committee will continue to work on this rule during its weekly meeting through early December 2016.

If you are interested in participating, contact jpaleo@txcouncil.com.

SAMHSA's GAINS Center Seeks Communities to Develop Trauma-Informed Training Capacity

SAMHSA's GAINS Center for Behavioral Health and Justice Transformation is soliciting applications from communities interested in developing a capacity to provide trauma-informed training. The GAINS Center is offering a series of Train-The-Trainer (TTT) events to train local trainers to deliver its How Being Trauma-Informed Improves Criminal Justice System Responses training program. The target audiences for this training program are primarily community-

based criminal justice system professionals, including law enforcement, community corrections (probation, parole, and pre-trial services), court personnel, as well as human service providers that serve adult justice-involved populations.

To find out more about How Being Trauma-Informed Improves Criminal Justice System Responses, visit the GAINS Center website at: http://www.samhsa.gov/gains-center/trauma-training-criminal-justice-professionals

The GAINS Center will offer the Train-The-Trainer (TTT) events free of charge to selected communities between February 2017 and August 2017. Since the purpose of this training initiative is to offer targeted technical assistance and training to prepared communities in the field, there are no fees for registration, tuition, or materials associated with these trainings. Completed application forms to the GAINS Center are due no later than November 18, 2016.

Veterans

Military Veteran Peer Network

Texas Council hosts monthly Military Veteran Peer Network (MVPN) Statewide webinars with the Texas Veterans Commission and the Department of State Health Services. These calls are designed to facilitate coordination across the state between Veteran Peer Coordinators, generate new ideas and share best practices. This webinar is designed to reinforce the important work of the MVPN Volunteer Coordinators to support our military veterans and their families.

MVPN members and leadership participated in the 31st Annual Texas Council Conference by holding a pre-conference meeting and training in addition to presenting a certificate session during the conference on Military Cultural Competency.

Disaster Behavioral Health

Texas Council attends state Disaster Behavioral Health (DBH) meetings, which are led by staff at HHSC. 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.

The next meeting is scheduled on November 9, 2016 and will focus on reevaluating the mission of the working group.

Peer Opportunities

Peer Services as a Medicaid Benefit

In preparation for the 85th Legislative Session, HHSC is actively engaged in several strategies to evaluate the value and cost-effectiveness of Peer/Family Partner services, with the potential to

recommend adding the services to the Medicaid state plan. The workgroup has concluded the meetings for now. Funds for Peer and Family Partners was not included as an exceptional item in the LAR. The legislature will hopefully be informed about the value of peer support during the legislative session and fund it as a Medicaid.

Texas Council Peer/Family Partner Steering Group
The Texas Council Peer/Family Partners Steering Group formed at the 2015 Texas Council Conference.

The 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
- Melissa Knott, Family Partner, Permian Basin
- Shea Meadows, Family Partner, Harris Center
- Ginger Andrews, Tri County Center
- Dion White, Chief Executive Officer; Center for Life Resources

This group meets by conference call on a monthly basis.

A quarterly Peer/Family Partner meeting is scheduled for December 20, 2016 from 11:00-Noon to disseminate information and discuss statewide issues pertinent to Peers in the Community Center system of care.

The group seeks 2 or more Family Partners and 4 more Peer Specialists to fill vacant positions.

Some of the issues being worked on by the group are:

- Transition age youth and the transition from Family Partners to Peers
- The need for Family Partners to serve families beyond age 18 when the child remains in high school
- The compromise of integrity when doing multiple jobs, i.e. Peer and Family Partner, Peer or Family Partner and QMHP
- Peer/Family Partner Post Conference Summit for FY17

Peer Group Call
The Family Partners have a long standing group call once a month to talk with HHSC about challenges and innovations at their job sites. HHSC will work with Texas Council Staff to start similar calls with Peer Specialists working at Community Centers. This will be a monthly call for one hour so Texas Council Staff can stay on top of growing challenges and to share innovative ideas being done at the Community Centers.

Peer Report
UT Austin School of Social Work, Texas Mental Health Resource (Via Hope) and HHSC is completing a report based on a survey assessing all people working within the Community

Mental Health System who use their lived experience to help others. This included only Peers. A separate report and survey was completed by Family Partners.
This in-depth look at people who use their lived experience will be the basis for an updated Peer report. Additionally turnover for Peer Specialists and recommendations for retaining peers will be addressed. 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.

As a result of the Peer/Family Partners Post Conference Summit of 2016, a monthly conference call has been initiated for Peers working at Centers to talk about their jobs. This call is already occurring for Family Partners through HHSC. The focus of the call will be how to support Peer Specialists who may be the only ones at a Center and an opportunity to reach out to others who could understand their experience. If successful, this way of connecting Peers might help with job retention and improve job satisfaction. The Peer Calls are monthlyf through the end of 2017.

Also as a result of the Peer/Family Partner Summit, Texas Mental Health Resource (Via Hope) is developing a cross training of Peers and Family Partners to work together on transitional age youth. They anticipate the training will be available September 2017.

As per the request of the summit group, a registration form has been designed and will be sent out by the end of October. The planning committee will begin the work on the Peer Specialist/Family Partner Post Conference for next year at the Moody Gardens. Optum and United Healthcare will be asked to continue co-sponsoring the lunch for the event.

Peerfest
In light of the success of the pilot Peerfest Conference, The Hogg Foundation initiated planning for Peerfest 2018. Conceived as a biennial conference, Peerfest was held for the first time in Corpus Christi in spring of 2016, The event reached nearly 350 people with lived experience who are not currently involved in the Texas recovery movement, peer support or a formal support network. A planning committee for the 2018 conference is under development.

Peer Re-entry Program
Rider 73 (84th Regular Session) required DSHS to implement a mental health peer support re-entry program between LMHAs and county sheriffs to ensure inmates with mental illness successfully transition from the county jail into clinically appropriate community-based care.

Proposals from three Centers were awarded:

- Tropical Texas Behavioral Health
- Harris Center for MH & IDD
- MHMR Tarrant

Texas Mental Health Resource (formerly Via Hope) developed the curriculum for re-entry training. Many peers with the lived experience of being incarcerated have been involved in development of the training.

Advisory Committees

Behavioral Health Advisory Committee

As directed by SB 200, Health and Human Services Commission (HHSC) established the Behavioral Health Advisory Committee (BHAC) to provide regular input and make recommendations regarding mental health and substance abuse programs across the health and human services system.

This committee was created to subsume the work of the Council for Advising and Planning (CAP), Drug Demand Reduction Advisory Committee, Local Authority Network Advisory Committee, Texas Children Recovering from Trauma Steering Committee, and Texas System of Care Consortium. The BHAC will serve as the primary advisory voice to HHSC for issues related to mental health and substance use for Texans of all ages. Andrea Richardson, Executive Director of Bluebonnet Trails Community Services was appointed by Executive Commissioner Traylor to represent the Texas Council on this committee.

More information about this change and other changes to advisory committees can be found at http://www.sos.state.tx.us/texreg/archive/October302015/In%20Addition/201504496-1.pdf

Subcommittees under BHAC include the Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, and the Child Youth Behavioral Health Subcommittee, which is the consolidation of the Texas Children Recovering from Trauma Steering Committee and the Texas System of Care Consortium.

During the October meeting, the BHAC identified the following priority areas.

- Focus on the state strategic plan for BH services
- Housing opportunity through 811 project for eligible
- Concerns for families related to STAR Kids implementation
- Strong interest in moving Peer services to the next level (adult MH and SUD—as well as Youth Peers)
- Strong interest in wrap-around services for persons released from justice systems
- In light of continued events between law enforcement officers and persons with MI, a strong interest in improving training for law enforcement—with particular emphasis on persons applying to law enforcement academies

October meeting materials are posted in the October 2016 Board Books section of Texas Council intranet site: http://www.txcouncil-intranet.com/index.php/board-of-directors/board-

minutes/. Additionally, HHSC noted that future meeting agendas will include a link to presentation materials prior to the meeting.

Texas Mental Health Resource (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 Trustees.

TMHR renamed their Advisory Committee to Recovery Stakeholder Committee Meeting and the membership still consists of a diverse group of stakeholders including representation from LMHAs, consumers of MH and/or SU, veterans, family members of MH and/or SU, and others. There will be a stronger voice for substance use issues within their advisory committee. The group advises TMHR on recovery initiatives and training for Peer Specialists and Family Partners.

Texans for Recovery and Resiliency
Texans for Recovery and Resiliency is a SAMHSA-supported statewide network collaboration between the Texas Federation of Families for Children's Mental Health (TXFFCHM) and RecoveryPeople. Entering into its second year, this collaboration empowers adult peers, transitioning youth and family voices in mental health and substance use recovery program and policy development.

In 2016, Texans for Recovery and Resiliency will develop a centralized directory of trainings and curriculums used by peers and family support. This will inform a cross-training strategic plan and the development of a Cross-Training of Trainers and ongoing learning community that will support trainers as they brining the cross-training to their respective communities.

The group will help in identify the different types of educational resources, trainings and curriculums that peer specialists and family supporters can access to develop their skills and better promote mental health, trauma and substance use recovery and resiliency. This directory will be posted online and serve as the foundation for the strategic plan and subsequent activities.

Mental Health First Aid

SB 133 Mental Health First Aid Initiative

SB 133 (84th Session) amended HB 3793 (83rd Session) to provide LMHAs with more flexibility in bringing this training to public schools. 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; and
- 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 on the following:

- 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 Reddick	MHMR Tarrant
Megan Hutto	Bluebonnet Trails
Jodi Schultz	Brazos Valley -NAMI Brazos Valley
Kim Williamson	Hill Country MH&IDD
Donn Edgington	Hill Country MH&IDD
Victor Ramirez	Emergence Health Network

Steering Committee Members meet monthly along with HHSC.

The larger MHFA workgroup meets quarterly to share ideas, concerns and techniques in a networking conference call.

MHFA Summary

2017

Staff & Contractors to Train FY17	Educators to Train FY17	Staff & Contractors Trained FY17	Educator Trainings FY17	Non Educator Trainings FY17
145	**8700**			

2016*

Staff & Contractors to Train FY16	Educators to Train FY16	Staff & Contractors Trained FY16	Educator Trainings FY16	Non Educator Trainings FY16
66	**6260**	**137**	**7162**	**4627**

2015

Staff & Contractors to Train FY15	Educators to Train FY15	Staff & Contractors Trained FY15	Educator Trainings FY15	Non Educator Trainings FY15
206	**11,257**	**206**	**6,527**	**2,833**

2014

Staff & Contractors to Train FY14	Educators to Train FY14	Staff & Contractors Trained FY14	Educator Trainings FY14	Non Educator Trainings FY14
479	**12,295**	**405**	**7,774**	**2,688**

*** Chart includes figures for Q1-Q3 of 2016.**

World Mental Health Day

World Mental Health Day took place October 10, 2016. In accordance with this year's theme – Psychological and Mental Health First Aid for All – the Texas Council and the Public Information-Special Interest Group encouraged outreach to promote Mental Health First Aid to the public. A number of Centers used the opportunity to spur conversation in their local communities on mental health awareness and promote Center resources such as MHFA through their social media channels, for example:

- The Behavioral Health Center of Nueces County promoted upcoming MHFA training opportunities in honor of World Mental Health Day.

- The Center for Health Care Services and MHMR Tarrant coordinated large-scale events to promote mental health resources including Mental Health First Aid locally.

- The Center for Health Care Services and local partners held a free outdoor event for families in San Antonio that included food, entertainment and mental health resources. Honorable Judge Nelson Wolff, Bexar County Mental Health Department, the Spurs Coyote and Bell Choir participated.

- MHMR Tarrant hosted a number of trainings locally in MHFA and Psychological First Aid.

- Austin Travis County Integral Care offered an Adult MHFA Class the week of World Mental Health Day.

Crisis Services

Rider 80 Update
As you are aware, Rider 80, GAA, Article II, DSHS, 84th Session, directed DSHS to review current standards for community-based crisis and substance use disorder facilities and make recommendations to identify best practices and eliminate unnecessary barriers to effective services delivery. The agency is directed to engage stakeholders and submit a report to the legislature by December 1, 2016.

On October 14, 2016, a stakeholder meeting was held to begin this discussion. In addition to Texas Council, Disability Rights Texas and the Association of Substance Abuse Providers, 15 Community Centers participated by conference call and in person.

A document outlining Rider 80 Barriers and Recommendations, available on the Texas Council Intranet site, was provided to stakeholders and can be found at this link: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Rider-80_Barriers-and-Recommendations_HHSC-Stakeholder-meeting-10.14.16.pdf

Obviously these recommendations will require further refinement. Texas Council and the other organizations involved in the stakeholder discussion, urged HHSC to convene workgroup to review and provide input on draft legislation being developed by the agency as part of the Rider 80 recommendations. The agency is taking this request under advisement.

We will continue to keep you informed as this effort unfolds.

Extended Observation Units (EOUs) Update
The Department of State Health Services (DSHS) is proposing amendment to Information Item V, Crisis Services Standards. The reasons for the changes to the Extended Observation Unit (EOU) section are to ensure that all applicable Texas statutes and rules are reflected and

referenced in DSHS's Crisis Services Standards, to provide the most up to date information, and to provide more clarification.

What is Different?

- Structure - The format of the EOU section is different to allow for easier reading and more clarity. Programmatic standards are towards the beginning of the section whereas physical plant and general facility requirements have been moved to the end of the section.

- Facility - Language has been amended to state that the contractor shall provide at least one telephone in the facility available to both staff and individuals for use. It no longer states "in case of an emergency."

- Staffing – Language has been added that directs the facility to develop a staffing plan based on the acuity and number of clients.

- Discharge Planning - A discharge planning section has been added that describes procedures for discharging an individual on voluntary status. Language has been added indicating that all discharge requests shall be done in writing, requests shall be processed as soon as possible, individuals shall be discharged with their belongings and medications, and the psychiatrist shall be notified of all discharge requests.

- References - To ensure that DSHS Crisis Services Standards are in alignment with applicable Texas Administrative Code rules, Health and Safety Codes and local, state and federal facility codes, references to appropriate rules and statutes have been included throughout the document.

- Utilization Management Guidelines – Language has been added indicating that EOU services shall be delivered in accordance with utilization management (UM) guidelines and authorization of services and timeframes.

- Assessment Tools - Language has been added indicating that crisis assessments shall be performed using the DSHS approved assessment tools, the Adults Needs and Strengths Assessment (ANSA) and the Child and Adolescent Needs and Strengths Assessment (CANS). Also, the Columbia-Suicide Severity Rating Scale (C-SSRS) has been identified as the DSHS approved suicide assessment tool.

- Quality Management Reviews – Language has been removed regarding exemption under Health and Safety Code Chapter 247. Language has also been added indicating that the EOU is subject to Quality Management (QM) compliance reviews.

Home and Community-Based Services

Home and Community-Based Services - Adult Mental Health (HCBS-AMH)

Home and Community-Based Services – Adult Mental Health (HCBS-AMH) 1915 (i) is a state-wide program that provides home and community-based services for adults with serious mental illness in lieu of remaining long-term residents of in-patient facilities. The HCBS-AMH program provides an array of services, appropriate to each individual's needs, to support successful tenure in the person's chosen community. Services are designed to support long-term recovery from mental illness.

Centers for Medicaid and Medicare Services (CMS) formally approved the HCBS-AMH 1915(i) State Plan Amendment (SPA) on October 13, 2015.

Rider 61b (84th Legislature) directs DSHS to expand HCBS in order to divert people with severe mental illness (SMI) from jails and emergency departments (EDs) into community treatment programs. DSHS is currently holding meetings with community stakeholders.

Eligibility criteria for expansion populations:

1. Jail Diversion - During the **three** years prior to their referral, an individual must have:
    - Two or more psychiatric crises (i.e., inpatient psychiatric hospitalizations and/or crisis episodes requiring outpatient mental health treatment), and
    - Repeated discharges from correctional facilities (i.e., three or more)
2. Emergency Department Diversion - During the **three** years prior to referral, an individual must have:
    - A history of inpatient psychiatric hospitalizations or outpatient mental health crisis episodes, and
    - A pattern of frequent utilization of the emergency department (ED) (i.e., fifteen or more total ED visits)

The HCBS program is designed to provide comprehensive services for a certain population of people with serious mental illness, similar to the HCS Program for persons with IDD.
Both the 83rd Legislature and the 84th Legislature provided funding for the program and there is significant legislative interest in assuring these services are made available for the targeted population.

HHSC has created a new HCBS-AMH/LMHA subgroup to discuss the Inquiry Line process. The subgroup will be comprised of Texas Council, LMHAs who have contracted to be service providers and/or recovery managers and those whose contracts are almost complete.

- Emergence Health Network
- Gulf Coast Center
- Harris Center for MH & IDD
- Helen Farabee Centers
- Metrocare Services

- MHMR Tarrant
- Texoma Community Center
- Tropical Texas Behavioral Health

More information about the program and upcoming events, as well as how to apply to become a provider, can be accessed on the DSHS webpage https://www.dshs.state.tx.us/mhsa/hcbs-amh/.

Behavioral Health Integration Report

The Behavioral Health Integration Advisory Committee, created by Senate Bill 58 of the 83rd Texas Legislature (Regular Session), was charged with addressing planning and development needs to integrate Medicaid behavioral health services, including targeted case management, mental health rehabilitative services and physical health services, by September 1, 2014. The committee must seek input from the behavioral health community on these issues and produce formal recommendations to HHSC on how to accomplish integrating behavioral and physical health within Medicaid managed care.

Members of the committee include:

- Octavio Martinez (chair), Austin, Hogg Foundation for Mental Health
- Melissa Rowan (vice-chair), Wertz&Rowan
- Douglas Beach, San Antonio, Parent
- Susan Calloway, Austin, Texas Rural Health Association
- Terry Crocker, Mission, Tropical Texas Behavioral Health
- Sherry Cusumano, Dallas, Licensed Chemical Dependency Counselor
- Kristen Daugherty, El Paso, Emergence Health Network
- Lisa Doggett, Austin, McKesson
- Angelo Giardino, Houston, Texas Children's Health Plan
- Debra Jackson, Houston, Deblin Health Concepts & Assoc., Inc.
- Dwina Bridgemohan, Katy, Professional Mediator
- Kenneth Meyer, Allan, Value Options of Texas, Inc.
- Richard Noel, Houston, IntraCareNorth Hospital
- Nakia Scott, Round Rock, Lone Star Circle of Care
- John Theiss, Austin, Mental Health America of Texas
- Gregg Sherrill, Houston, OptumHealth Behavioral Services
- John Gore, Bedford, Cigna-HealthSpring STAR+PLUS
- Janet Paleo, San Antonio, Consumer Representative

The Phase II report was presented to Executive Commissioner Chris Traylor and was well received. The Phase II report can be found at: https://www.hhsc.state.tx.us/about_hhsc/AdvisoryCommittees/bhiac-docs/BHIAC-Phase-II-recommendations.pdf.

The committee has been extended to assist HHSC in the implementation of Behavioral Health Integrated Health Home Pilots. As part of the extension, the committee determined more expertise was needed to go forward to create its next set of recommendations. The Hogg Foundation supported efforts by bringing in experts and hosting educational meetings in May and June of 2016 to discuss health home pilots including key operational components, financing mechanisms and measuring outcomes.

In August 2016, the committee discussed self-assessment tools for HHSC to adopt for measuring baseline integration at managed care organizations and the committee held a deeper discussion on health home pilots. There was also a presentation by HHSC on Certified Community Behavioral Health Clinics (CCBHC). From this discussion, a memo to the HHSC Executive Commissioner will be drafted and adopted at the final meeting of the BHIAC in November 2016. The goal of the memo is to provide HHSC with additional detail on how to implement recommendations in the BHIAC Phase II Report.

First Episode Psychosis

HHSC is implementing a First Episode Psychosis (FEP) pilot focused on evidence-based programs designed to meet the needs of individuals with early onset psychotic disorders. A similar pilot started in 2014 with Metrocare Services and The Harris Center for MH & IDD. This new initiative will expand from the previous project by offering services to individuals under Medicaid.

Following the RAISE model, SAMHSA delineated the following guidelines to states:

- Funding must be dedicated to persons with early onset psychosis disorders and not used for primary prevention or preventive intervention for those at high risk of serious mental illness;
- The population to be served via this pilot are youth/young adults, ranging in age from 15-30, with early psychotic disorders; specifically first episode psychosis;
- Other programs/resources that address the needs of youth/young adults meeting the program criteria may be leveraged in conjunction with these pilot funds;
- Utilization of the Evidence-based Treatment Components of Coordinated Specialty Care (CSC) for First Episode Psychosis: manual/model;

Seven Centers are currently participating in the pilot:

- Austin Travis County Integral Care
- Bluebonnet Trails Community Services
- Burke
- Emergence Health Network
- MHMR Tarrant County
- The Center for Health Care Services
- Tropical Texas Behavioral Health

Training and implementation are underway in all sites.

Children's Mental Health

Youth Empowerment Services (YES) Waiver

The Health and Human Services Commission (HHSC) developed the Youth Empowerment Services (YES) Waiver, which provides comprehensive home and community-based mental health services for youth between the ages of 3 and 18, up to the 19th birthday, who have a serious emotional disturbance.

The YES Waiver provides flexible supports and specialized services to children and youth at risk of institutionalization and/or out-of-home placement due to their serious emotional disturbance and provides services aimed at keeping children and youth in their homes and communities.

YES Waiver policy has changed to allow specialized therapists, including animal-assisted, art, music and recreational therapists and nutritional counselors, to bill for their participation in YES Child and Family Team meetings. New billing guidelines:

- A therapist who attends a Child and Family Team meeting in person may bill for up to one hour of consultation for each Child and Family Team meeting attended.
- A therapist who would have to travel 50 miles or more to attend a meeting in person may call in to participate, and bill for up to one hour of consultation for each Child and Family Team meeting attended.
- A therapist who would have to travel 49 miles or less to attend a meeting in person may call in to participate, but may only bill for one 15-minute unit of consultation for each Child and Family Team meeting attended.

Starting July 10, 2016, children and youth in DFPS conservatorship are now eligible for YES waiver services.

In addition, beginning November 1, 2016, YES Waiver clients will receive most state plan benefits, including mental health Targeted Case Management, through STAR Kids MCOs. To ensure continuity of care, HHSC encourages Community Centers to contract with STAR Kids MCOs in their area.

A potential issue has been raised by the Texas Council to DSHS regarding the YES Maximum Served and the YES Average Served for FY17. Currently, YES staff have a CMS approved mechanism for YES Maximum Targets based upon unduplicated served during a fiscal year. Using this formula for YES Maximum Targets, any child enrolled in YES at your Center counts toward the maximum served at that Center.

FY16 recipients of YES Waiver services stayed in the waiver an average of 7 months. The YES Waiver number served is based on the traditional formula, from Information Item C, using persons in the Full Level of Care each month. Many Centers would have to retain the majority

of the clients they have in the YES Waiver at the beginning of the fiscal year for the entire fiscal year in order to meet both the Maximum and Average Targets.

HHSC recognizes challenges exist in meeting the average monthly minimum in some areas of the state. For FY2017, HHSC does not intend to impose financial sanctions for this measure. HHSC is seeking CMS approval of a request to increase waiver capacity. The maximum enrollment articulated in the Local Mental Health Authority Performance Agreement will be adjusted accordingly if approval from CMS is granted.

An LMHA/LBHA may request an increase in the maximum enrollment by contacting their assigned contract manager, who will then coordinate with HHSC YES Waiver program staff to provide a determination regarding the increase.

DSHS and Texas Institute for Excellence in Mental Health will continue to have ongoing stakeholder meetings with the Centers around best practices, providers, and implementation.

Foster Care

Health and Human Services Commission Office of Mental Health Coordination and Department of Family Protective Services hosted a meeting to discuss community-based mental health services for children and youth in foster care, with a focus on current utilization of services, as well as ways to enhance access and coordination in October 2015. LMHAs, CPAs, and Texas Council staff were in attendance.

As a result, a series of initiatives have begun at HHSC and DFPS, including a new workgroup comprised of key stakeholders, representatives from the LMHAs and Texas Council staff, that meets monthly to discuss issues, policy questions and identify any technical assistance needs to expand community collaboration and enhance mental health services for children in foster care.

DFPS recently held stakeholder meetings in all regions to discuss the placement needs of children in care and inform capacity building efforts. CPS presented new data on children in care to help guide this discussion. LMHAs were asked to provide examples of how they are working to provide services to children and youth in conservatorship.

Children's Policy Council

The Children's Policy Council supports health and human services agencies in developing, implementing, and administering family support policies, and related long-term care and health programs for children. The council produces a biennial report with recommendations to the health and human services executive commissioner and the Texas Legislature, which can be accessed on HHSC's webpage http://www.hhsc.state.tx.us/si/cpc/.

The council includes relatives of consumers of long-term care and health programs for children, and representatives of community, faith, business and other organizations. The current members are:

- Michelle Jenkins, Chair, San Antonio
- Leah Rummel, Chair, San Antonio
- Karen T Yeaman, Immediate Past Chair, Denton
- Denise Sonleitner, Past Chair, Austin
- Emily Rogers, Secretary, Austin
- John Roppolo, San Marcos
- Silvia Vargas, El Paso
- Brian Spann, Allen
- Laura Warren, Austin
- Elizabeth Tucker, EveryChild, Inc., Austin
- Mary Klentzman, Joni and Friends, Plano
- David Evans, Austin Travis County Integral Care, Austin
- Greg Mazick, National Nursing and Rehab SA Pediatrics, Inc, San Antonio
- Josette Saxton, Texans Care for Children, Austin

Texas Council staff also attends meetings.

The next meeting will be held on October 19, 2016 from 11: 00 a.m. to 3:00 p.m. Topics will include policy recommendations and updates from the legislative report.

Children and Youth Behavioral Health Subcommittee
The Children and Youth Behavioral Health Subcommittee to the Behavioral Health Advisory Committee is a consolidation of the Texas System of Care Consortium and the Texas Children Recovering from Trauma Steering Team. They will meet quarterly to discuss project-specific updates and strategic planning.

The Subcommittee met on October 12, 2016 to discuss the new initiatives in substance use recovery in adolescents, as well as program updates from the Texas Children Recovering from Trauma and the Texas System of Care.

Children's Special Interest Group
The Texas Council established a new Children's Special Interest Group (C-SIG) to focus on various topics and issues that impact services and supports to children, including the YES waiver, foster care, juvenile justice and First Episode Psychosis.

The following members are on the C-SIG:
- Carl Leake - Betty Hardwick
- Felicia Jeffrey - Bluebonnet Trails
- James Smith - Burke
- Melissa Tijerina - CHCS
- Linda Ramos-Perez - Coastal Plains
- Betty Adams - Harris Center
- Susan Thompson – Helen Farabee

- Bradley Chamberlain – LifePath
- Rochelle Schutte – Metrocare
- Wayne Vaughn – Pecan Valley
- Todd Luzadder – Permian Basin
- Tracy Koller – MHMR Tarrant
- Marla Antu - StarCare
- Stacy Sandorskey – Texas Panhandle Centers
- Melissa Zemencsik – Tri County
- Clarissa Womack – West Texas Centers

The kickoff meeting was held on September 14, 2016 with presentations from Dr. Snapp, Board Director – ATCIC, and Coke Beatty, Executive Director Pecan Valley. The next meeting will take place on October 25, 2016 and will include presentations from staff from the YES Waiver program at HHSC.

Substance Use Disorders

Chapter 448

DSHS released updated proposed rules for Chapter 448 – Treatment Facilities for Individuals with Substance-Related Disorders. A stakeholder meeting was held in July 2016. The goal of DSHS is to have the rules reviewed by HHSC Fall 2016 and then published in the Texas Register Winter 2017. Anticipated implementation date will not occur until at least Fall 2017.

Intellectual and Developmental Disabilities

HHSC FY2018-2019 Legislative Appropriations Request

HHSC, which now oversees IDD client services formerly housed in DADS and DARS, released its Legislative Appropriations Request (LAR) on September 16, 2016. A preliminary budget hearing was held on September 22, 2016.

The LAR lays out the elements of the base budget request, along with 64 Exceptional Items the agency considers of great importance. The LAR also includes 14 options for reducing the base budget by 10%.

Items of particular interest to Local IDD Authorities:

- **Waiver Slots**. Per Legislative Budget Board instructions, HHSC's base budget request includes funding to maintain HCS and TxHmL waiver program service levels at the average of the FY2016-2017 biennium. **Exceptional Item 3** would fund the gap between the biennial average service level and the end-of-biennium service level.
    - HCS end-of-biennium service level was higher than biennial average due to ramp-up.
    - TxHmL end-of-biennium service level was lower than biennial average; due to higher than anticipated costs after implementation of Community First Choice in TxHmL, intake for TxHmL was suspended during the FY2016-FY2017 biennium.
- **Continuation of Money Follows the Person Initiatives.** Through **Exceptional Item 7**, HHCS requests funds to sustain Enhanced Community Coordination (ECC) services and Transition Support Teams (previously known as the Medical, Behavioral, and Psychiatric Support Teams or "hubs") when the Money Follows the Person grant funding ends after FY 2017 ($13.0m GR/$13.0m AF).
- **Promoting Independence.** If **Exceptional Item 14** is funded, HHSC would continue to transition and divert individuals to HCS waiver placements, rather than institutional care, through the Promoting Independence program. For the first time, MDCP slots would also be available under Promoting Independence to children at risk of nursing facility admission.
- **Funds for HCBS Settings Compliance.** In **Exceptional Item 40**, HHSC request $30.6m GR / $70m AF to assist community providers to come into compliance with the federal Home and Community-Based Services settings regulations. Funds might include rate increases, additional services added to service arrays, and increased state oversight.
- **Wage Enhancements for Community Direct Care Workers.** HHSC requested two Exceptional Items related to enhancing wages for direct care workers. **Exceptional Items 38 and 39** would raise the minimum wage for attendants from $8.00/hour to $8.50/hour and increase wage enhancement through the Attendant Compensation Rate Enhancement program.
- **Rider Revision: Timely Response to Agency Request to Expend IDEA Part C Funds.** DARS (now HHSC) has long been required to seek approval from the Governor, LBB, and Comptroller in order to expend IDEA Part C funds over and above legislatively specified limits. IDEA Part C funds partially fund ECI services. HHSC requests a revision to the relevant rider. The revision would stipulate the request must be considered approved unless the

Legislative Budget Board or the Governor issues a written disapproval within 30 days of receipt of the request.

General Revenue (GR) Targets

Recently DADS commended the LIDDA system as a whole for exceeding statewide targets for the FY2014-FY2015 biennium by 959.

As you are aware, despite this outstanding collective performance, some individual LIDDAs struggle to meet targets and would be at risk of recoupment if DADS/HHSC applied sanctions or penalties. Subsequent to multiple discussions with the Texas Council, DADS/HHSC leadership acknowledges serious considerations to work through with the Texas Council (Local Authorities) before moving forward with related sanctions or penalties. Among the serious considerations brought forward by Texas Council and currently under review by HHSC is the substantial number of LIDDA functions that do not count toward performance targets.

Although DADS/HHSC leadership would not commit to a defined or long-term hold harmless period in FY2016-17, they did commit to provide LIDDAs with sufficient prospective notice before moving out of the current hold harmless environment.

Texas Council will continue to engage with HHSC on these issues and will keep you abreast of new developments.

Crisis Respite and Behavioral Intervention Funding for People with IDD

Background

The 84th Texas Legislature allocated approximately $18.6 million to support individuals with IDD and high behavioral and psychiatric needs. Approximately $18 million will be distributed to LIDDAs over the course of the 2016-17 biennium to provide supports beyond the array of services typically provided in community programs: $6 million in FY16 and $12 million in FY17.

DADS released a Needs & Capacity Assessment (NCA) in November 2015 with expectation that certain submitted projects across the state (but not all) would be funded. However, in April 2016 DADS determined they were not going to use the NCA submissions as the basis for fund distribution, so the Texas Council (per direction of ED leadership) worked with the agency to ensure new funds for addressing the needs of people with intellectual disabilities would reach every local service area in the state.

Recent Updates

Contract amendments related to crisis funding were released on Thursday, May 26, 2016: Attachment Y: Crisis Respite and Attachment Z: Crisis Intervention Specialist. FY16 allocations for each LIDDA are found in DADS/HHSC Performance Contract Attachment C: Allocation Schedule (FY 2016 Summary) in the columns labeled "IDD Crisis Intervention Specialists" and "IDD Crisis Respite Services."

The Crisis Intervention Specialist funds are intended to support at least one specialist position at each LIDDA. The crisis respite funds are distributed on a per capita basis and should be used strategically to ensure provision of crisis respite services to residents of each LIDDA's local service area.

While acknowledging a substantial delay in releasing funds, DADS/HHSC indicates FY16 allocated funds must be spent in FY16; they cannot be rolled over for use in FY17.

Next Steps: Crisis Respite Plan Review
Attachment Y required each LIDDA to submit an FY16 crisis respite plan to DADS/HHSC within 30 calendars days after full execution of the contract amendment. FY17 crisis respite plans were due to HHSC on October 7, 2016.

Members of the Local Authority Workgroup (LAW) recommended Texas Council and LAW members compile and review completed FY16 Crisis Respite Plans as submitted to DADS/HHSC. Results will be used to identify different approaches across service areas and to develop models for use by LIDDAs.

Texas Council/Local Authority Workgroup (LAW) reviewed all 39 LIDDA Crisis Respite Plans and shared preliminary, key findings at the IDD Directors' Consortium September 15, 2016:

- All 39 LIDDAs plan to provide in-home crisis respite and 38 LIDDAs plan to provide out-of-home.
- Plans propose 58 out-of-home crisis respite sites across 42 counties of Texas.
- Most LIDDAs plan to provide some services directly and to use contractors to provide some services.

Crisis Respite Location Types
HHSC approved use of GR-funded LIDDA respite sites and respite sites made possible through the 115 waiver as out-of-home crisis respite locations in communications to Texas Council on September 19, 2016 and October 12, 2016, respectively.

HHSC reports that all FY2016 crisis respite plans are approved.

LIDDA Targeted Case Management

The Local Authority Workgroup (LAW) and the Healthcare Opportunities Workgroup (HOW) collaborated to create a policy brief describing benefits of Local IDD Authority (LIDDA) targeted case management (TCM) in the changing healthcare environment.

In order to delineate the distinct roles of LIDDA case management and managed care service coordination, the brief:

- Describes the statutorily authorized role LIDDA case managers play in the lives of Texans with IDD;

- Highlights key differences between LIDDA case management and Managed Care Organization service coordination, including focus of services, nature of the relationship, and qualifications and experience of case managers/service coordinators;
- emphasizes importance of LIDDA monitoring role in protecting a high-risk population; and
- Recommends improvements to LIDDA monitoring through enhanced collaboration between LIDDAs and HHSC, DFPS, and MCOs.

The brief is intended for use as an educational tool during legislative visits at home and at the Capitol in anticipation of the 85th Legislative Session. The brief is available on the Texas Council intranet site: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/LIDDA-TCM-Issue-Brief-2016-06-29.pdf

LIDDA TCM: Monitoring

The LAW identified as high-priority the need to streamline processes and documentation related to the LIDDA's monitoring function in TCM. Burdensome expectations related to extensive progress notes and documentation of satisfaction, outcomes, and monitoring of individual services, as opposed to overall satisfaction, safety, and well-being contribute to high case manager turnover and do not benefit individuals and families.

As discussed at the IDD Directors' Consortium on September 15, 2016, members of the LAW identified a more streamlined IDD case management monitoring tool currently in use in Tennessee. Select LIDDAs plan to pilot a modified version of the Tennessee tool to determine whether the tool could be used effectively in Texas. With the support of the Consortium, the LAW will continue to work toward identifying and recommending a streamlined monitoring tool that could be used statewide.

HCS and TxHmL Enrollments

In September 2016, DADS/HHSC released a Waiver Slot Enrollment Progress Report, in fulfillment of a requirement from the 2016-17 General Appropriations Act (Article II, Department of Aging and Disability Services, Rider 31, House Bill 1, 84th Legislature). The report includes waiver slot enrollments appropriated for the following programs and purposes: (1) Promoting Independence HCS Waiver Slots, (2) Interest List reductions for certain waiver programs, including HCS, (3) compliance with PASRR requirements in the HCS waiver program.

In accordance with the rider, the report identifies:

- the number of individuals enrolled in each type of slot and for each purpose identified in the rider;
- the planned enrollment for the remainder of the 2016-17 biennium;
- any systems delays or barriers with enrollment, as identified by the agency; and
- a plan to address those issues to achieve targets by the end of fiscal year 2017.

Individuals Enrolled in Each Slot Type and Purpose[1]

Program	Type of Slot	Purpose	Net Change in Enrollment as of July 2016	End of FY 2016 Target*	End of FY 2017 Target Cumulative*
HCS	IL Reduction	n/a	686	269	1692
HCS	PI Initiative	For persons moving out of large and medium ICF/IID	143	250	500
		For children aging out of foster care	100	108	216
		To prevent institutionalization/crisis	184	200	400
		For persons moving out of State Hospitals	71	60	120
		For children moving out of DFPS GRO	10	13	25
HCS	Compliance with PASRR	For persons with IDD moving from nursing facilities	187	350	700
		For persons with IDD diverted from nursing facility admission	118	300	600

*DADS adjusted end-of-fiscal-year targets to account for any under- or overfilled slots as of the end of August 2015. In August 2015, the HCS waiver was overfilled by 442 slots.

DADS identified enrollment concerns for three HCS slot types/purposes due to a relatively high level of declines:

- HCS Promoting Independence initiative slots for persons moving out of large and medium ICFs/IID;
- HCS PASRR slots for persons with IDD moving from nursing facilities; and
- HCS PASRR slots for persons with IDD diverted from nursing facility admission.

DADS identified complex medical and behavioral needs of individuals involved as contributing to the high decline rate. DADS plans to address issues, in part, by offering additional technical assistance to Local IDD Authorities when individuals decline an offer to identify barriers and work through issues to reach a solution representative of the individuals' choice. Additionally,

[1] Table modified from version as included in DADS Waiver Slot Enrollment Progress Report by Texas Council staff.

in June 2016 DADS expanded the PASRR slot offer criteria to include individuals of all ages, expanding the target population to include children. This change may positively affect the utilization of nursing facility diversion slots.

The progress report does not address planned enrollments for the TxHmL waiver program.

In recent months, DADS/HHSC stopped releasing new HCS and TxHmL Interest List slots. LIDDAs were directed to focus on HCS and TxHmL enrollees "in the pipeline" (in some stage of enrollment or pre-enrollment). At the IDD Consortium in June 2016, DADS/HHSC staff were unable to provide a forecast for future slot releases.

In recent conversations with Texas Council, several Centers expressed significant concern about staffing issues related to waiver releases. Many Centers hired additional staff last year to keep up with the high volume of enrollments. These Centers are now contemplating a potential reduction in force to address budget deficits.

Texas Council continues to emphasize to HHSC the justified sense of urgency LIDDAs have around this issue and the need for timely communications to all LIDDAs.

Redesign of IDD Services and Supports: FY2014-15/FY2015-16

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 were reflected in FY2014-15 state appropriations:

Timeline	IDD Redesign Requirements and Related Activities	Status as of 10.17.16
October 1, 2013	SB 7 deadline to appoint IDD System Redesign Advisory Committee members	Recent meeting held July 28, 2016. Upcoming meeting: October, 27, 2016.
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	Draft IDD Managed Care Pilot Request for Proposal (RFP) released for stakeholder input May 2, 2016. Final 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	2014 report published online January 2015 at: http://www.hhsc.state.tx.us/reports/2015/sdiidd.pdf. 2015 report published online April 2016 at: http://www.hhsc.state.tx.us/news/presentations/2016/040116-sb7.pdf 2016 report was drafted by agency staff and reviewed by IDD SRAC membership summer 2016. The report will be reviewed by agency leadership in early August and is on track for timely delivery to the Legislature.
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	RFP seeking vendor for automated assessment released July 18, 2016.

SB 7 Implementation Activities:

- **IDD System Redesign Advisory Committee.** The committee held a meeting July 28, 2016 and will meet again October 27, 2016. 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.** HHSC released a draft RFP for the IDD Managed Care Pilot on May 2, 2016. The draft RFP included details on the potential structure of the Pilot, including that it will involve at least one vendor and between one and four pilot projects. Individuals eligible to participate in the Pilot will be adults age 21 and over who receive Medicaid (including those dually eligible for Medicaid and Medicare) and also receive services in the following programs: ICF-IID, HCS, DBMD, or CLASS.

  Texas Council, with input from the Local Authority Workgroup, submitted feedback, supporting voluntary enrollment (as opposed to mandatory or passive enrollment) and recommending responsibility for TCM, as distinguished from MCO Service Coordination, for pilot participants' long-term services and supports remains with LIDDAs. HHSC reports RFP will be released soon.

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

- **IDD Comprehensive Assessment Evaluation**. SB 7 directed DADS/HHSC to develop and implement a comprehensive, functional assessment instrument for individuals with IDD to ensure each individual receives the type, intensity, and range of services appropriate and available.

  In April 2015, DADS, with consideration of stakeholder input, decided to pilot the International Resident Assessment Instrument (interRAI) Intellectual Disability assessment. The interRAI organization is a collaborative network of researchers in over thirty countries committed to improving care for people with disabilities or who are medically complex. The organization identified the need for compatible assessment instrumentation that could be used across healthcare sectors and released a first iteration of an integrated suite of assessments in 2005. Over time, other instrument systems have been added to the suite. For more information on the interRAI organization and assessment suite, visit www.interrai.org.

On July 18, 2016 HHSC, on behalf of DADS, released a Request for Proposal (RFP) to solicit vendors to assist the state in implementing an IDD assessment pilot. Specifically, qualified vendors are sought to develop, implement, and conduct automated IDD assessments using the interRAI assessment. Pilot activities will begin during the 2016-

2017 (current) biennium. DADS/HHSC will also work with a vendor to analyze the results of the IDD assessment pilot and this analysis will inform future assessment decisions.

- The posting for the IDD Assessment RFP can be viewed at: http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=125968

Community First Choice

Community First Choice (CFC) was implemented across the state on June 1, 2015.

Recent Highlights

- HHSC released STAR Kids CFC Enrollment Procedures through LA Broadcast Message 1147 on September 26, 2016. Effective November 1, 2016, LIDDAs will be responsible for conducting eligibility determinations (DID, ID/RC) for STAR Kids members accessing CFC on the basis of an ICF-IID Level of Care; LIDDAs will not be responsible for the CFC functional assessment or ongoing CFC-related service coordination/case management for this population. STAR Kids MCOs must assess all members' (est. 180,000) functional needs within first 6 months of implementation: this could result in an increase in CFC referrals from Nov. 2016 – May 2016.
- DADS released reassessment procedures for MCO-managed CFC: LA Broadcast Message 1114 (June 5, 2015).
- Three new, web-based trainings are available on HHSC website: CFC in Medicaid Managed Care, Community First Choice in the HCS and TxHmL Programs Web-based Training, Community First Choice PAS/HAB Assessment for HCS and TxHmL Service Coordinators.
- DADS/HHSC solicited stakeholder feedback on the CFC PAS/HAB Assessments used to assess individuals with IDD accessing CFC through Medicaid Managed Care and the HCS and TxHmL waivers. With assistance from the CFC Workgroup, Texas Council submitted feedback on the assessments on July 28, 2016.
- Two significant policy changes to CFC as delivered through HCS and TxHmL were announced through DADS Information Letters, with implementation in spring/summer 2016:
    - (1) A functional assessment (streamlined version of assessment used in managed care) is now required for all individuals receiving CFC PAS/HAB in HCS or TxHmL to determine how many hours of CFC PAS/HAB the individual needs. This change affects all individuals receiving CFC PAS/HAB through HCS or TxHmL with an initial or renewal IPC with an effective date of March 20, 2016 or later.
    - (2) Provider qualifications will disallow someone who lives in the same residence as the individual from being the paid provider of CFC PAS/HAB services. This change applies to all individuals receiving CFC/PAS HAB through HCS or TxHmL, effective June 1, 2016.

- LIDDA service coordinators are responsible for helping communicate and institute these changes. DADS incorporated extensive feedback from Texas Council when drafting materials to share with individuals and families affected by these changes.
- Due in part to feedback from Texas Council, DADS refrained from changing CFC provider qualifications in **rule (regulation)**, choosing instead to change provider qualifications through **Information Letter (policy) only**. This distinction is important because it makes any future changes or adjustments to the new policy more easily and quickly accomplished.
- HHSC is looking closely at LIDDAs with relatively few LOC determination requests for CFC submitted so far and has contacted some LIDDAs directly to discuss.
    - DADS/HHSC added new questions and answers to its website to help LIDDAS and their employees understand the process of becoming certified to conduct a Determination of Intellectual Disability (DID). Updates can be found on the LIDDA website.
    - Contact Erin Lawler (elawler@txcouncil.com) to discuss resource or other challenges in CFC; Texas Council is available to facilitate shared resource arrangements between LIDDAs.

Looking Ahead

Budget Rider for Respite and Transportation. Budget Rider 77 (84th Legislative Session) directs $31.5 million (All funds) to provide respite care and non-medical transportation in FY2017 for individuals with IDD enrolled in the STAR+PLUS program. If allowable, HHSC shall add these to CFC to maximize federal funding.

HHSC is currently considering various approaches to accomplish rider direction, including: adding respite and transportation to CFC, using a 1915(i) waiver, or some combination of the two.

CFC Cost Tool. Thanks to leadership of the East Texas Behavioral Health Network (ETBHN)'s IDD leadership (special recognition: Lee Brown, Community Healthcore) and the Texas Council Revenue Management Committee (special recognition: Jenny Goode, Betty Hardwick Center), Texas Council released a survey on August 19, 2016 designed to identify costs to LIDDAs of serving as the front door for access to CFC services for individuals with IDD in Texas. Preliminary results of the survey were shared with the IDD Consortium and CFO Consortium in September 2016. Texas Council staff continue to refine survey results.

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

Recent Updates

Targeted Case Management for Nursing Facility Residents. Targeted Case Management performed in Nursing Facilities for individuals with IDD outside of the 180-day window before the individual's transition to community is no longer a Medicaid benefit and is not billable to TMHP. Pursuant to revisions to LIDDA Performance Contract Attachment G released May 2016, LIDDAs will use General Revenue funds to cover these activities. The GR funds are allocated (no requests for reimbursement); DADS will perform reconciliation at the end of the fiscal year if necessary. LIDDA staff will continue Type A and B encounters.

PASRR Level 1 Screening Process. On July 18, 2016 DADS released Information Letter No. 16-19, outlining the process when an individual's PASRR Level I Screening indicates the individual is suspected of having an intellectual or developmental disability. The process includes required actions when the LIDDA evaluator is not able to confirm a diagnosis of ID or DD.

Litigation Hold Notice. On June 6, 2016, LIDDAs received a Litigation Hold Notice from DADS. The notice instructed LIDDAs to retain all documents and things related to the Steward lawsuit (also known as the PASRR lawsuit. If you have questions, concerns, or problems regarding compliance with the litigation hold that are not questions amounting to legal advice, contact Corey Kintzer (HHSC) at Corey.Kintzer@hhsc.state.tx.us or 512.438.3375. If you have legal questions, contact your local legal counsel.

DADS/HHSC PASRR Quality Service Review. At the April 15, 2016 meeting of the IDD Consortium, Ms. Heather Cook, Manager, DADS/HHSC PASRR Quality Service Review (QSR) Unit, presented on activities of her unit. Ms. Cook emphasized that QSR activities of 2015 were used to establish a baseline for compliance. State QSR processes and responsibilities are transitioning from the External Consultant teams (Ms. Kathryn Du Pree, Lead PASRR Expert Reviewer) to internal QSR Unit Teams. The DADS/HHSC QSR Unit is in the process of hiring five

teams, regionally located throughout the state, with each team consisting of a "generalist" and a Registered Nurse. As with the External Teams, the internal QSR Teams will notify the LIDDA of a scheduled onsite review, request the LIDDA to upload documents to the Secure File Transfer Protocol site for desk review, complete telephone and on site interviews, and use DADS/HHSC guidelines to rate the LIDDA's level of compliance.

Ms. Cook also presented DADS/HHSC' goals for statewide LIDDA compliance across six outcomes (focus areas): (1) diversion, (2) specialized services, (3) transition, (4) community services, (5) service coordination, and (6) service planning team. DADS/HHSC' goal is to achieve 85% compliance with all outcomes by the end of calendar year 2019, with all outcomes achieving sustained compliance for a full year by 2020. Recognizing that achievement of compliance with some outcomes will likely take longer than achievement of compliance with others, DADS/HHSC set interim goals for partial compliance for more difficult outcomes:

DADS/HHSC Expectation for PASRR Compliance[2]:

Outcome	**Interim Goals: % statewide compliance → by end of *calendar* year**	**Current Compliance** (as reported by DADS, April 2016)	**Final Goal**
1. Diversion	85% → 2016	54%	85% compliance by end of calendar year 2019, with all outcomes achieving sustained compliance for a full year by 2020.
2. Specialized Services	50% → 2017 65% → 2018 85% → 2019	34%	
3. Transition	85% → 2016	28%	
4. Community Services	60% → 2017 85% → 2018	52%	
5. Service Coordination	85% → 2016	53%	
6. Service Planning Team	60% → 2017 85% → 2018	38%	

Background

Beginning January 2015, DADS/HHSC is conducting reviews of the PASRR process and the processes described in Attachment G of the current Performance Contract. DADS/HHSC 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).

[2] Table created by Texas Council staff based on data compiled from various DADS/HHSC sources. This table is not an official DADS/HHSC document.

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.

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. or example, behavioral support, employment assistance, supported employment, and day habilitation use the TxHmL definitions. 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/HHSC 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/HHSC 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/HHSC 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 84th Legislature appropriated funds for community waiver program services to serve as nursing facility alternatives. According to DADS/HHSC FY2016-2017 HCS enrollment data as of September 2016, following is status of the use of nursing facility alternatives:

- Individuals moving from nursing facilities (Slot Type 89):
  - 1170 authorizations released (Total 700 allocated for FY2016-17))
  - 213 enrolled
  - 196 pre-enrolled/pending

- Individuals diverted from nursing facility admission (Slot Type 90):
  - 226 authorizations released (Total 400 allocated for FY2016-17)
  - 142 enrolled
  - 58 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 FY2016-17 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.

DADS/HHSC Money Follows the Person (MFP) Initiatives: Overview

CMS approved a DADS/HHSC 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 play a crucial role in this effort, which enhances: 1) medical, behavioral and psychiatric supports, and 2) enhanced community coordination (ECC), as follows:

1. Eight medical, psychiatric and behavioral support regional teams support all 254 counties, including all 39 Local IDD Authorities and all community waiver providers within a designated region. These teams 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. Enhanced community coordination (in part):
    - Enhances 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 monitors 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.

Transition Support Teams: 8 Regions & LIDDA Hubs

The eight LIDDAs selected as "hubs" for the Transition Support Teams (formerly known as medical, behavioral, and psychiatric supports teams) and the regions 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, Harris Center Texana, Tri-County	Texana

The hubs are working collaboratively to identify best practices and share materials and insights. In addition to meeting in person at the IDD Consortium in September 2015 and January 2016, the hubs, under leadership provided by Texana Center, participate in monthly collaboration calls. Hubs are also engaged in outreach to providers and the community, presenting on their work at many venues, including the Private Provider Association of Texas (PPAT) annual conference in November 2015, at the IDD Consortium in January 2016, the Texas Council Annual Conference (June 2016), and the American Association of Intellectual and Developmental Disability Texas Chapter's Annual Convention (July 2016).

Medicaid Home and Community-based Settings Requirements

Recent Updates

- Texas remains in the assessment phase of its transition into compliance with the Medicaid Home and Community-based Settings (HCBS) requirements. HHSC plans to submit an update to the HCBS statewide transition plan (STP) to the Centers for Medicare & Medicaid Services (CMS). The updates include responses to CMS feedback received in summer 2016. These updates are mainly to clarify and strengthen components of the STP and to help the state obtain federal approval of the STP. The updated STP will be posted to the HHSC website on October 17, 2016. The comment period is open from October 17, 2016, through October 21, 2016, at 5:00 p.m. Because of a short submission deadline, comments provided will be considered in future updates to the STP. HHSC will update the STP in the spring of 2017 and will include more substantive changes. The 2017 STP updates will be posted for the full 30 days to allow for public comment and inclusion of comments in the update.
- HHSC submitted an earlier revised STP in February 2016; Texas Council provided significant comment on this draft (see below for detail). CMS provided feedback on Texas' plan on June 7, 2016. The feedback included requests for reorganization of certain content, a broader scope to include state laws and rules beyond Medicaid rules (e.g. housing rules), and more detail on the State's plans to bring areas identified as out of compliance into compliance.
- DADS/HHSC/HHSC released self-assessment surveys to Medicaid HCBS providers and participant surveys (surveys to be completed by individuals who are recipients of HCBS services).
- On April 13, 2016, CMS announced its approval of Tennessee's Statewide Transition (STP) Plan; Tennessee is the first state in the country to receive approval of its STP. While Tennessee's approved plan may provide some valuable information for Texas, HHSC officials note that the size of the provider base in Tennessee is a small fraction of Texas' provider base, creating a very different service delivery landscape.
    - Tennessee's STP as approved is available online at: https://tn.gov/assets/entities/tenncare/attachments/TNProposedAmendedStatewideTransitionPlanCV.pdf
- While Tennessee remains the only state with a "final" approved STP, several other states have received "initial" approval from CMS, including Delaware, Idaho, Iowa, Kentucky, Ohio, and Pennsylvania. To track state progress and read other states' STPs, visit: https://www.medicaid.gov/medicaid/hcbs/transition-plan/index.html

Background

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 HHSC-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
HHSC submitted a first draft of the Home and Community Based Services (HCBS) Statewide Transition Plan (SPT) in December 2014 and an amended version in March 2015. After receiving feedback from CMS in September 2015, HHCS submitted a second amendment to address CMS questions in February 2016.

The most recent draft of the STP (Amended October 2016) is available online now at the following link: https://hhs.texas.gov/sites/hhs/files//documents/services/health/medicaid-chip/statewide-transition-plan.pdf

IDD Specific Analysis of Statewide Transition Plan
The plan addresses many HCBS programs, including the HCS and TxHmL waivers. First, the plan sets forth the processes and timelines for public input (including stakeholder and advisory committee meetings, provider presentations, etc.) The state began holding meetings in July 2014, and will continue to hold meetings throughout the transition period (until March 2019). The second part of the plan includes the state's assessment processes and timelines. This includes the plan for completing provider and client surveys, data reviews, and

monitoring. It also includes the results of the state's compliance review of administrative rules, policy manuals, and contracts. The final section of the plan addresses remediation strategies. This includes the planned approach for addressing issues discovered through survey, data, and other reviews. Most notably, this part of the plan identifies, by HCBS program, the changes that are needed in rule, policy, and contracts in order to comply with the federal rules. We will have opportunities to comment on specific proposed changes to rule and policy in the coming months.

IDD SPECIFIC ANALYSIS

Looking ahead, LIDDAs will likely be most engaged on changes to rules and policies that affect the HCS and TxHmL waivers. DADS/HHSC conducted internal assessments of these programs, then created a crosswalk to demonstrate each program's current compliance with federal HCBS rules. State rules and policies were found to be either compliant, partially compliant, or silent. If a rule or policy was found to be partially compliant or silent, the state intends to amend the rule or policy during the remediation phase of the transition.

Re: HCS

DADS/HHSC found *all* HCS rules either compliant or partially compliant and found *most* HCS policy manual sections silent.

We can anticipate a high volume of amendments to HCS program rules from September 2016 to December 2017. We can also anticipate a high volume of amendments to the HCS policy manual from June 2017 to March 2018, along with potential changes to contract monitoring from October 2015 to December 2017.

HCS areas identified as partially compliant or silent (simplified/paraphrased except where noted in quotation marks):

Day habilitation sites only:

- Individuals have freedom to control own schedules and activities and have access to food at any time;
- Individuals are able to have visitors of own choosing at any time;
- Setting is integrated and supports full access to greater community;
- Setting allows individuals to engage in community life;

Group home and Host Home/Companion Care (HH/CC) sites only:

- Individuals may own/rent or legally occupy unit under a legally enforceable agreement;
- Individuals have responsibilities and protections against eviction;

All settings (group homes, HHC/CC, day hab, supported employment, employment assistance):

- "Texas HCBS settings facilitate individual choice regarding services and supports;"
- Many aspects of "modifications to individual privacy" ("mods" hereinafter) including: mods are supported by specific assessed need and justified in PDP, mods document less intrusive methods of meeting the need that have been tried and did not work, mods

include regular collection and review of data to measure ongoing need, mods establish time limits for periodic review to determine if mod is still necessary

Re: TxHmL

DADS/HHSC found *all* TxHmL rules either compliant or partially compliant. TxHmL does not have a separate policy manual.

We can anticipate a high volume of amendments to TxHmL program rules from September 2016 to December 2017, along with potential changes to contract monitoring from October 2015 to December 2017.

TxHmL areas identified as partially compliant or silent (simplified/paraphrased except where noted in quotation marks):

Day habilitation sites only:

- "Texas allows day habilitation to be provided in settings that have institutional qualities"

All settings (day hab, supported employment, employment assistance):

- Individuals have freedom to control own schedules and activities and have access to food at any time;
- Individuals are able to have visitors of own choosing at any time;
- Settings are physically accessible to the individual;
- Many aspects of "modifications to individual privacy" ("mods" hereinafter) including: mods are supported by specific assessed need and justified in PDP, mods document less intrusive methods of meeting the need that have been tried and did not work, mods include regular collection and review of data to measure ongoing need, mods establish time limits for periodic review to determine if mod is still necessary, mods includes assurances that interventions will cause no harm to the individual;
- Individuals control personal resources to the same degree as individuals not receiving HCBS services;
- Settings allow individuals the right to privacy, dignity, respect, and freedom from coercion and restraint;
- Settings optimize individual initiative, autonomy, and independence in making life choices;
- "Texas HCBS settings facilitate individual choice regarding services and supports;"
- "Texas HCBS settings facilitate individual choice regarding who provides services;"

Texas Council Comments on Statewide Transition Plan

Texas Council submitted written comments on the draft SPT before its February revision. Comments encouraged DADS/HHSC to: (1) consider rate and payment structures and (2) survey providers in addition to service coordinators about choice. In written comments, Texas Council pointed out that successful implementation of the STP will require rule and policy changes considered in tandem with corresponding adjustments to rates and payment structures. Texas Council urged DADS/HHSC, and DSHS to continue to work closely with stakeholders in

preparation for a Legislative Appropriations Request related to compliance with HCBS regulations.

Additionally, Texas Council encouraged DADS/HHSC to apply a broader lens when assessing the availability of choice, including surveying providers. As is, the STP assumes that service coordinators and case managers are in the best position to assess a person's access to choice. In practice, there are many obstacles to honoring individual choice that fall outside the role and responsibility of a LIDDA service coordinator. For this reason, Texas Council encouraged DADS/HHSC to expand the assessment of choice from just service coordinators and case managers to include providers as well.

Early Childhood Intervention (ECI): Funding Issues and Other Updates

The Legislative Budget Board (LBB) recently posted a number of publications of interest, including a brief on Early Childhood Intervention (ECI) Program Funding Sources, available at: http://www.lbb.state.tx.us/Documents/Publications/Info_Graphic/3038_Funding_Sources_for_ECI_Program.pdf.

Funding

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

- Reductions in total funding (General Revenue and federal funds); 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.

Texas Supreme Court Declined to Hear Medicaid Therapy Rate Cuts Case

The 84th Legislature directed significant cuts to Medicaid reimbursement rates for pediatric therapies provided to children with disabilities by Early Childhood Intervention (ECI) and home health providers. These cuts were delayed as a legal challenge made its way through the Texas court system.

The yearlong court battle came to a close on Friday, September 23, 2016, when the Texas Supreme Court declined to hear the case brought by parents of children served in Medicaid and private therapy providers against HHSC. In declining to hear the case, the Texas Supreme Court cleared the way for rate cuts to move forward. A spokesperson for HHSC stated the agency is working with the Office of the Attorney General to determine next steps.

The Centers for Medicaid and Medicare Services (CMS) is also reviewing Texas' proposed rates. If CMS determines the rate cuts would reduce access to care, CMS may reject Texas' proposal.

Considerations for ECI Providers

As you may recall from efforts to exempt ECI services from therapy rate cuts when they were initially proposed, HHSC made clear they did not see a path for an ECI exemption. Although there is always a chance legislative pressure could move them to initiate an exemption, which is a longshot. Among other issues that make it difficult to exempt a specific provider type, lawmakers face the challenge of pressure from all therapy providers, perhaps in particular from private therapy providers.

While the Texas Council does not discourage continued efforts to exempt ECI, we offer the following considerations:

- ECI Providers must remember that MCOs are not bound to rates set by HHSC Medicaid.
- ECI Provider rates as paid via contracts with MCOs are negotiable.
- ECI Providers can individually negotiate MCO therapy rates with each MCO, based on either a percentage of the Texas MDCD rate or an established hourly rate, and justify the request for the following reasons:
- ECI is a proven, effective and highly regulated service designed to achieve outcomes for babies and toddlers;
- ECI providers all use a nationally recognized assessment to ensure criteria for therapy services are met and consistent;
- ECI is an outcome-based, interdisciplinary, family-centered approach that engages families and trains them to support their child, limiting the number of professional therapy visits necessary for the child.

ECI Providers should review already executed MCO contracts. If therapy rates are currently set as a percentage of the Medicaid rate then negotiations with MCOs need to ensue immediately to avoid, if at all possible, an automatic rate reduction.

High Medical Needs Supports: In Community ICFs and Coming Soon to HCS

Background: High Medical Needs Pilot and Effect of SSLCs Remaining Open

The 84th Legislature appropriated funds for an add-on payment to ICF/IID providers serving individuals with high medical needs (HMN) within 6-months of the individual's transition from a State Supported Living Center (SSLC). DADS began this initiative with the "High Medical Needs Pilot" in January 2015. Provider participation in the pilot was limited to four ICF providers (24 beds total) in the greater Austin area. The appropriation funded add-on payments for 150 ICF/IID beds (including those in the pilot) for the 2016-17 biennium. The ICF/IID beds for FY 2016 were expected to be necessary in the event of closure of one or more SSLCs.

Ultimately, the 84th Legislature did not direct closure of any SSLCs. Due in part to this turn of events, an insufficient number of eligible individuals transitioned from SSLCs for the HMN add-on payment to fully utilize appropriated funds. In an effort to fully utilize funds, DADS expanded eligibility criteria to include not only individuals transitioning from an SSLC, but also individuals transitioning from a Medicaid-certified Nursing Facility (NF). This change, effective May 24, 2016, allows more flexibility to utilize funds while also serving individuals identified through the PASRR process.

At this time, the add-on rate for HMN is only available in Community ICFs with a Medicaid certified capacity of 13 or fewer individuals and is only available to individuals transitioning from SSLCs and NFs who:

- Have a current Form 8578, Intellectual Disability/Related Condition Assessment (ID/RC), showing the individual receives at least 181 minutes of face-to-face nursing services per week as indicated by a nursing frequency code of "6" on Item 40;
- Meet the resource utilization group (RUG) value in one of the qualifying categories determined through a medical needs assessment conducted by a DADS registered nurse; and
- [SSLC transitions only] have resided in the SSLC for at least six consecutive months.

However, in the next calendar year, we will see increased supports for individuals with HMN added to the HCS Waiver Program.

Looking Ahead: HMN Support Coming to HCS

High Medical Needs Support, High Medical Needs Support Registered Nursing, and High Medical Needs Licensed Vocational Nursing will likely be added as new services to the HCS Waiver Program next calendar year. These services will provide additional support for eligible individuals who have medical needs that exceed the service specification for existing HCS services and require additional support in order to remain in a community setting. Additionally, the same rule amendments will include DADS current practice of increasing a Level of Need (LON) 1, 5, or 8 to the next LON due to an individual's high medical needs if the individual meets certain criteria, including requiring 181 minutes or more per week of face-to-face nursing services.

Based on input from LAW members, Texas Council submitted feedback to DADS on May 20, 2016 regarding draft TAC changes instituting these new services. Texas Council's feedback was generally supportive of the new rules and simply offered recommendations for clarity. Draft rules were considered at HHSC's Medical Care Advisory Committee on August 11, 2016. The proposed rule development schedule includes publication of proposed rules in the Texas Register in October 2016 and a final effective date in January 2017.

Administrative Penalties for HCS and TxHmL Providers (Proposed)

Senate Bill 1385 (84th Legislative Session) authorizes DADS/HHSC to assess and collect an administrative penalty against an HCS or TxHmL provider for a violation of a law or rule relating to the program. The bill prohibits DADS/HHSC from imposing a payment hold against or otherwise withholding contract payments from the provider for the same violation of a law or rule. Additionally, the bill requires the Executive Commissioner of HHSC, after consulting with appropriate stakeholders, to develop and adopt rules regarding the imposition of the administrative penalties.

In fulfillment of the statutory requirement for consultation with appropriate stakeholders, DADS/HHSC convened a stakeholder group with two representatives each from various provider groups. LIDDAs are represented by representatives from Texas Council and Bluebonnet Trails. Draft rules were shared with stakeholders through a DADS/HHSC Provider Alert released on July 11, 2016. While the original timeline for implementation included possible presentation of draft rules to HHSC Medical Care Advisory Committee (MCAC) in August 2016 and implementation in February 2017, Texas Council recently learned the process has been delayed. Draft rules were not presented to MCAC in August 2016.

Waiver Survey and Certification Quality Assurance Surveys

Effective October 1, 2016, the Waiver Survey and Certification (WSC) Unit of the DADS Regulatory Services will begin conducting quality assurance (QA) surveys of HCS and TxHmL program providers. The purpose of QA surveys is to increase consistency in the survey and certification process for the HCS and TxHmL programs. During a QA survey, a QA team will review the results of a survey previously conducted by a DADS survey team. A QA survey will be conducted at a location where the QA team will have access to the same individuals, records, and staff as the original survey team. For further details, see DADS Information Letter 16-37.

Texas Achieving a Better Life Experience (ABLE) Act

The ABLE Act is a federal law passed in December of 2014 and amended via H.R. 2029, the Consolidated Appropriations Act of 2016 that amended the Internal Revenue Service Code to create a tax-advantaged savings option for certain people with disabilities. On May 30, 2015, Texas enabled its version of the Act: Senate Bill 1664 by Senator Charles Perry.

The Texas ABLE program was created to encourage and assist individuals and families in saving funds for the purpose of supporting individuals with disabilities to maintain health, independence and quality of life; and to provide secure funding for qualified disability expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, the Supplemental Security Income (SSI) program, the Medicaid program, the beneficiary's employment and other sources.

Senate Bill 1664 established the Texas ABLE Program Advisory Committee to review rules and procedures related to the program, to provide guidance, suggest changes and make recommendations for the administration of the program, and to provide assistance as needed

to the Texas Prepaid Higher Education Tuition Board and Comptroller during creation of the program.

On November 16, 2015, Comptroller Hegar appointed Erin Lawler to the Texas ABLE Program Advisory Committee. Ms. Lawler serves along with five other committee members.
For more information or to sign-up to receive updates as they become available, visit TexasAble.org.

Recent Updates
Draft rules implementing the ABLE program in Texas were published for review and comment in the Texas Register on July 8, 2016. Rules available at:
http://www.sos.state.tx.us/texreg/archive/July82016/Proposed%20Rules/34.PUBLIC%20FINANCE.html#46

The draft rules closely adhere to requirements in the federal ABLE Act and SB 1664; they do not include implementation details that the disability community is anxiously awaiting (e.g. how to open an account) because those details will be left to the "plan manager" to determine. The plan manager is the yet-to-be-determined financial institution or other entity responsible for administering the ABLE Program in Texas.

At this time, the State is considering three different approaches to securing a plan manager:
1. Request the state of Ohio (the only state with a fully operational ABLE program) to act as Texas plan manager;
2. Participate in a consortium of states with a single plan manager, or
3. Use an RFP process to find a vendor (such as a financial institution) within Texas to act as plan manager.

These three options will likely be considered by the Texas Prepaid Higher Education Coordinating Board at its November 2016 meeting.

Department of Labor Overtime Rules

Recent Updates

Led by Texas, 21 states filed a lawsuit on September 20, 2016, challenging DOL's overtime rule revisions. The U.S. Chamber of Commerce, National Federation of Independent Business, National Retail Federation and other business groups brought their own separate legal challenge of the overtime rule on the same day. The consortium of states later filed an emergency motion on October 12, 2016, in an effort to temporarily bar the overtime rule from going into effect on December 1, 2016.

No judicial opinions have been issued related to the various lawsuits or the motion for an injunction. At this time, employers should assume the overtime rules will go into effect as planned on December 1, 2016.

Time-Limited Non-Enforcement Policy for Certain IDD Providers

The U.S. Department of Labor (DOL) recently announced a temporary policy change relevant to providers of HCS and ICF residential services.

Background

As you are aware, DOL's Overtime Final Rule becomes effective December 1, 2016. The rule increases the salary level required for the executive, administrative, and professional exemption ("white collar" exemption) from $455 a week ($23,660 annual) to $913 a week ($47,476 annual). However, certain providers of IDD residential services will not be immediately subject to agency enforcement of the DOL's Overtime Final Rule.

Time-Limited Non-Enforcement Policy for Certain IDD Providers

DOL is implementing a time-limited non-enforcement policy for Medicaid-funded services for individuals with IDD in residential homes and facilities with 15 or fewer beds. The non-enforcement period will last from December 1, 2016 to March 17, 2019. During this period, the DOL will not enforce the updated salary threshold of $913 per week ($47,476 annual) for this subset of employers.

In choosing to implement this non-enforcement policy, DOL acknowledges the distinct combination of circumstances faced by providers of IDD residential services, including small staffs, dependence on Medicaid funding, and high needs of the population supported in these residences. Additionally, DOL recognizes concerns that implementation of the Overtime Final Rule on December 1, 2016 would potentially affect the federal government's efforts to encourage use of community-based, as opposed to institutional, providers, and could undermine IDD providers' compliance efforts with the Home and Community-based Services (HCBS) settings regulations.

The non-enforcement policy is designed to give IDD providers additional time to work with state legislatures to reach thoughtful decisions about how to come into compliance with both the Overtime Final Rule and HCBS settings requirements.

Non-Enforcement Policy: Offers Limited Protection for Employers
As of December 1, 2016, providers for whom the non-enforcement policy applies have the same legal obligation to comply with the new salary threshold as all other employers.

Additionally, the non-enforcement policy:

- Is limited to actions by DOL;
- Does not preclude employees of IDD residential services from exercising their rights under the Final Overtime Rule;
- Does not provide employers any protections against lawsuits brought by private employees, including class action lawsuits. Back pay liability will begin accruing as of December 1, 2016;
- Only applies with respect to the revised salary level ($913 per week/$47,476 annual) set in the Overtime Final Rule;
- Does not apply to any other alleged Fair Labor Standards Act (FLSA) violations by these providers, which may include employees paid on other than a salary basis (as defined in the Department's regulations), employees who do not meet the duties test for exemption, or employees paid on a salary basis of less than $455 per week ($23,660 annual) for whom the employer claims the white collar exemption.

To review the Overtime Final Rule
[url: https://www.federalregister.gov/articles/2016/05/23/2016-11754/defining-and-delimiting-the-exemptions-for-executive-administrative-professional-outside-sales-and]
and non-enforcement policy [url:
https://www.dol.gov/whd/overtime/final2016/nonenforcement-faq.htm]
with local legal counsel, as necessary.

Agenda Item: Approve October 2016 Financial Statements **Committee:** Business	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: October 2016 Financial Statements	
Recommended Action: **Approve October 2016 Financial Statements**	

October 2016 Financial Summary

Revenues for October 2016 were $2,624,821 and operating expenses were $2,394,901 resulting in a gain in operations of $229,920. Capital Expenditures and Extraordinary Expenses for October were $224,293 resulting in a gain of $5,627. Total revenues were 104.14% of the monthly budgeted revenues and total expenses were 102.81% of the monthly budgeted expenses.

Year to date revenues are $5,220,562 and operating expenses are $4,899,162 leaving excess operating revenues of $321,400. YTD Capital Expenditures and Extraordinary Expenses are $270,059 resulting in a gain YTD of $51,341. Total revenues are 101.97% of the YTD budgeted revenues and total expenses are 101.03% 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
No items to report				

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 Repairs & Maintenance	51,154	37,582	1.36%	13,572
Contract EduCare	359,393	331,406	1.08%	27,987
Fixed Asset – F&E	135,385	0.00	0%	135,385
Vehicle – Repair & Maint	21,488	7,903	2.72%	13,585

Building Repairs & Maintenance – As we have seen for many years, we continue to have a large amount of repairs to the existing buildings. This expense went over budget mostly due to lengthy summer weather causing the need for air conditioning repairs. There were also some roofing repairs that occurred during this time period.

Contract EduCare – This line item represents the expense side of the ICF program. This is a cost reimbursement program so therefore when the expense is high it is offset with an increase on the revenue side as well.

Fixed Asset – Furniture & Equipment – As approved by the Board at the September Board meeting, Tri-County paid a deposit on the purchase of the furniture for the new Conroe

facility. This line will be adjusted at the mid-year revision to reflect the total approved cost of the furniture.

Vehicle – Repair & Maintenance – This line item represents upkeep and maintenance of our center vehicles. Although we have purchased some new vehicles over the last few years, we still have some very high mileage vehicles that are in our fleet and require repairs to keep moving. Later in this fiscal year, after we settled down a bit, we will do an analysis of our fleet and determine if these vehicles should be retired.

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended October 31, 2016

	TOTALS COMBINED FUNDS October 2016	TOTALS COMBINED FUNDS September 2016	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	3,135	3,185	(50)
Cash on Deposit-General Fund	4,944,540	6,603,841	(1,659,301)
Cash on Deposit-Debt Fund			-
Accounts Receivable	2,019,186	1,753,363	265,824
Inventory	6,092	6,241	(149)
TOTAL CURRENT ASSETS	6,972,954	8,366,629	(1,393,675)
FIXED ASSETS	15,648,025	9,104,534	6,543,490
OTHER ASSETS	78,542	60,966	17,576
TOTAL ASSETS	**$ 22,699,520**	**$ 17,532,129**	**$ 5,167,392**
LIABILITIES, DEFERRED REVENUE, FUND BALANCE			
CURRENT LIABILITIES	1,053,091	1,085,273	(32,182)
NOTES PAYABLE	607,292	607,292	-
DEFERRED REVENUE	468,532	1,936,814	(1,468,282)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	389,273	409,625	(20,352)
Note Payable Prosperity Bank	580,456	593,309	(12,853)
First Financial loan tied to CD	1,100,000	-	1,100,000
First Financial Construction Loan	3,113,876	-	3,113,876
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	(1,889,800)	41,914	(1,931,714)
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(5,183,606)	(1,002,934)	(4,180,672)
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	15,648,025	9,104,534	6,543,490
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	-	2,136,013	(2,136,013)
Reserved for Board Initiatives	1,472,221	1,500,000	(27,779)
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	12,332	6,166	6,166
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(607,292)	(607,292)	-
UNASSIGNED			
Unrestricted and Undesignated	3,402,135	(811,571)	4,213,706
TOTAL LIABILITIES/FUND BALANC	**$ 22,699,520**	**$ 17,532,129**	**$ 5,167,392**

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended October 31, 2016

	General Operating Funds	Memorandum Only Final August 2016
ASSETS		
CURRENT ASSETS		
Imprest Cash Funds	3,135	3,165
Cash on Deposit-General Fund	4,944,540	5,928,627
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	2,019,186	1,657,209
Inventory	6,092	9,877
TOTAL CURRENT ASSETS	6,972,954	7,598,878
FIXED ASSETS	15,648,025	7,091,888
OTHER ASSETS	78,542	49,749
		-
	$ 22,699,520	**$ 14,740,515**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES		
CURRENT LIABILITIES	1,053,091	1,103,286
NOTES PAYABLE	607,292	549,129
DEFERRED REVENUE	468,532	(889,779)
LONG-TERM LIABILITIES FOR		
Line of Credit - Tradition Bank	389,273	670,521
Note Payable Prosperity Bank	580,456	757,743
First Financial loan tied to CD	1,100,000	-
First Financial Construction Loan	3,113,876	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR		
General Fund	(1,889,800)	(1,065,136)
FUND EQUITY		
RESTRICTED		
Net Assets Reserved for Debt service-Restricted	(5,183,606)	(1,428,264)
Reserved for Debt Retirement	963,631	963,631
COMMITTED		-
Net Assets-Property and Equipment-Committed	15,648,025	7,091,887
Reserved for Vehicles & Equipment Replacement	678,112	678,112
Reserved for Facility Improvement & Acquisitions	-	2,136,013
Reserved for Board Initiatives	1,472,221	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
ASSIGNED		-
Reserved for Workers' Compensation-Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	12,332	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(607,292)	(549,129)
UNASSIGNED		
Unrestricted and Undesignated	3,402,135	2,331,257
TOTAL LIABILITIES/FUND BALANCE	**$ 22,699,520**	**$ 14,740,515**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
For the Month Ended October 2016
and Year To Date as of October 2016

INCOME:	MONTH OF October 2016	YTD October 2016
Local Revenue Sources	149,020	257,911
Earned Income	1,192,701	2,347,981
General Revenue-Contract	1,283,100	2,614,669
TOTAL INCOME	**$ 2,624,821**	**$ 5,220,562**
EXPENSES:		
Salaries	1,321,387	2,717,173
Employee Benefits	263,407	530,536
Medication Expense	43,304	109,636
Travel-Board/Staff	47,533	87,934
Building Rent/Maintenance	19,167	55,578
Consultants/Contracts	477,282	966,182
Other Operating Expenses	222,821	432,124
TOTAL EXPENSES	**$ 2,394,901**	**$ 4,899,162**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 229,920**	**$ 321,400**
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	174,429	174,429
Capital Outlay-Debt Service	49,865	95,630
TOTAL CAPITAL EXPENDITURES	**$ 224,293**	**$ 270,059**
GRAND TOTAL EXPENDITURES	**$ 2,619,194**	**$ 5,169,221**
Excess (Deficiency) of Revenues and Expenses	**$ 5,627**	**$ 51,341**

Debt Service and Fixed Asset Fund:		
Debt Service	49,865	95,630
Excess(Deficiency) of revenues over Expenses	**49,865**	**95,630**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
Year to Date as of October 2016

	YTD October 2016	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	257,911	227,049	30,862
Earned Income	2,347,981	2,292,362	55,619
General Revenue-Contract	2,614,669	2,600,211	14,458
TOTAL INCOME	**$ 5,220,562**	**$ 5,119,622**	**$ 100,940**
EXPENSES:			
Salaries	2,717,173	2,807,548	(90,375)
Employee Benefits	530,536	573,221	(42,685)
Medication Expense	109,636	117,002	(7,366)
Travel-Board/Staff	87,934	75,405	12,529
Building Rent/Maintenance	55,578	41,332	14,246
Consultants/Contracts	966,182	968,434	(2,252)
Other Operating Expenses	432,124	438,286	(6,162)
TOTAL EXPENSES	**$ 4,899,162**	**$ 5,021,228**	**$ (122,066)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 321,400**	**$ 98,394**	**$ 223,006**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	174,429	24,718	149,711
Capital Outlay-Debt Service	95,630	70,741	24,889
TOTAL CAPITAL EXPENDITURES	**$ 270,059**	**$ 95,459**	**$ 174,600**
GRAND TOTAL EXPENDITURES	**$ 5,169,221**	**$ 5,116,687**	**$ 52,534**
Excess (Deficiency) of Revenues and Expenses	**$ 51,341**	**$ 2,935**	**$ 48,406**

Debt Service and Fixed Asset Fund:			
Debt Service	95,630	70,741	**24,889**
Excess(Deficiency) of revenues over Expenses	**95,630**	**70,741**	**24,889**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
For the Month Ended October 2016

INCOME:	MONTH OF October 2016	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	149,020	120,483	28,537
Earned Income	1,192,701	1,138,297	54,404
General Revenue-Contract	1,283,100	1,261,782	21,318
TOTAL INCOME	**$ 2,624,821**	**$ 2,520,562**	**$ 104,259**
EXPENSES:			
Salaries	1,321,387	1,396,277	(74,890)
Employee Benefits	263,407	286,613	(23,206)
Medication Expense	43,304	58,501	(15,197)
Travel-Board/Staff	47,533	40,201	7,332
Building Rent/Maintenance	19,167	13,416	5,751
Consultants/Contracts	477,282	484,218	(6,936)
Other Operating Expenses	222,821	220,633	2,188
TOTAL EXPENSES	**$ 2,394,901**	**$ 2,499,859**	**$ (104,958)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 229,920**	**$ 20,703**	**$ 209,217**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	174,429	12,359	162,070
Capital Outlay-Debt Service	49,865	35,371	14,494
TOTAL CAPITAL EXPENDITURES	**$ 224,293**	**$ 47,730**	**$ 176,563**
GRAND TOTAL EXPENDITURES	**$ 2,619,194**	**$ 2,547,589**	$ 71,605
Excess (Deficiency) of Revenues and Expenses	**$ 5,627**	**$ (27,027)**	**$ 32,654**

Debt Service and Fixed Asset Fund:			
Debt Service	49,865	35,371	14,494
Excess(Deficiency) of revenues over Expenses	**49,865**	**35,371**	**14,494**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With October 2015 Comparative Data
Year to Date as of October 2016

INCOME:	YTD October 2016	YTD October 2015	Increase (Decrease)
Local Revenue Sources	257,911	657,447	(399,536)
Earned Income	2,347,981	2,208,111	139,870
General Revenue-Contract	2,614,669	2,362,871	251,798
TOTAL INCOME	**$ 5,220,562**	**$ 5,228,429**	**$ (7,867)**
EXPENSES:			
Salaries	2,717,173	2,612,758	104,415
Employee Benefits	530,536	485,849	44,687
Medication Expense	109,636	94,049	15,587
Travel-Board/Staff	87,934	80,388	7,546
Building Rent/Maintenance	55,578	65,750	(10,172)
Consultants/Contracts	966,182	830,922	135,260
Other Operating Expenses	432,124	459,278	(27,154)
TOTAL EXPENSES	**$ 4,899,162**	**$ 4,628,994**	**$ 270,168**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 321,400**	**$ 599,435**	**$ (278,035)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	174,429	459,695	(285,266)
Capital Outlay-Debt Service	95,630	70,644	24,986
TOTAL CAPITAL EXPENDITURES	**$ 270,059**	**$ 530,339**	**$ (260,280)**
GRAND TOTAL EXPENDITURES	**$ 5,169,221**	**$ 5,159,333**	**$ 9,888**
Excess (Deficiency) of Revenues and Expenses	**$ 51,341**	**$ 69,096**	**$ (17,755)**

Debt Service and Fixed Asset Fund:			
Debt Service	95,630	70,644	24,986
			-
Excess(Deficiency) of revenues over Expenses	**95,630**	**70,644**	**24,986**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With October 2015 Comparative Data
For the Month Ended October 2016

INCOME:	MONTH OF October 2016	MONTH OF October 2015	Increase (Decrease)
Local Revenue Sources	149,020	544,394	(395,374)
Earned Income	1,192,701	1,107,519	85,182
General Revenue-Contract	1,283,100	1,215,057	68,043
TOTAL INCOME	**$ 2,624,821**	**$ 2,866,970**	**$ (242,149)**
Salaries	1,321,387	1,304,566	16,821
Employee Benefits	263,407	247,192	16,215
Medication Expense	43,304	45,905	(2,601)
Travel-Board/Staff	47,533	39,979	7,554
Building Rent/Maintenance	19,167	20,865	(1,698)
Consultants/Contracts	477,282	430,045	47,237
Other Operating Expenses	222,821	251,372	(28,551)
TOTAL EXPENSES	**$ 2,394,901**	**$ 2,339,924**	**$ 54,977**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 229,920**	**$ 527,046**	**$ (297,126)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	174,429	442,060	(267,631)
Capital Outlay-Debt Service	49,865	35,322	14,543
TOTAL CAPITAL EXPENDITURES	**$ 224,293**	**$ 477,382**	**$ (253,089)**
GRAND TOTAL EXPENDITURES	**$ 2,619,194**	**$ 2,817,306**	**$ (198,112)**
Excess (Deficiency) of Revenues and Expenses	**$ 5,627**	**$ 49,664**	**$ (44,037)**

Debt Service and Fixed Asset Fund:			
Debt Service	49,865	35,322	14,543
			-
Excess(Deficiency) of revenues over Expenses	**49,865**	**35,322**	**14,543**

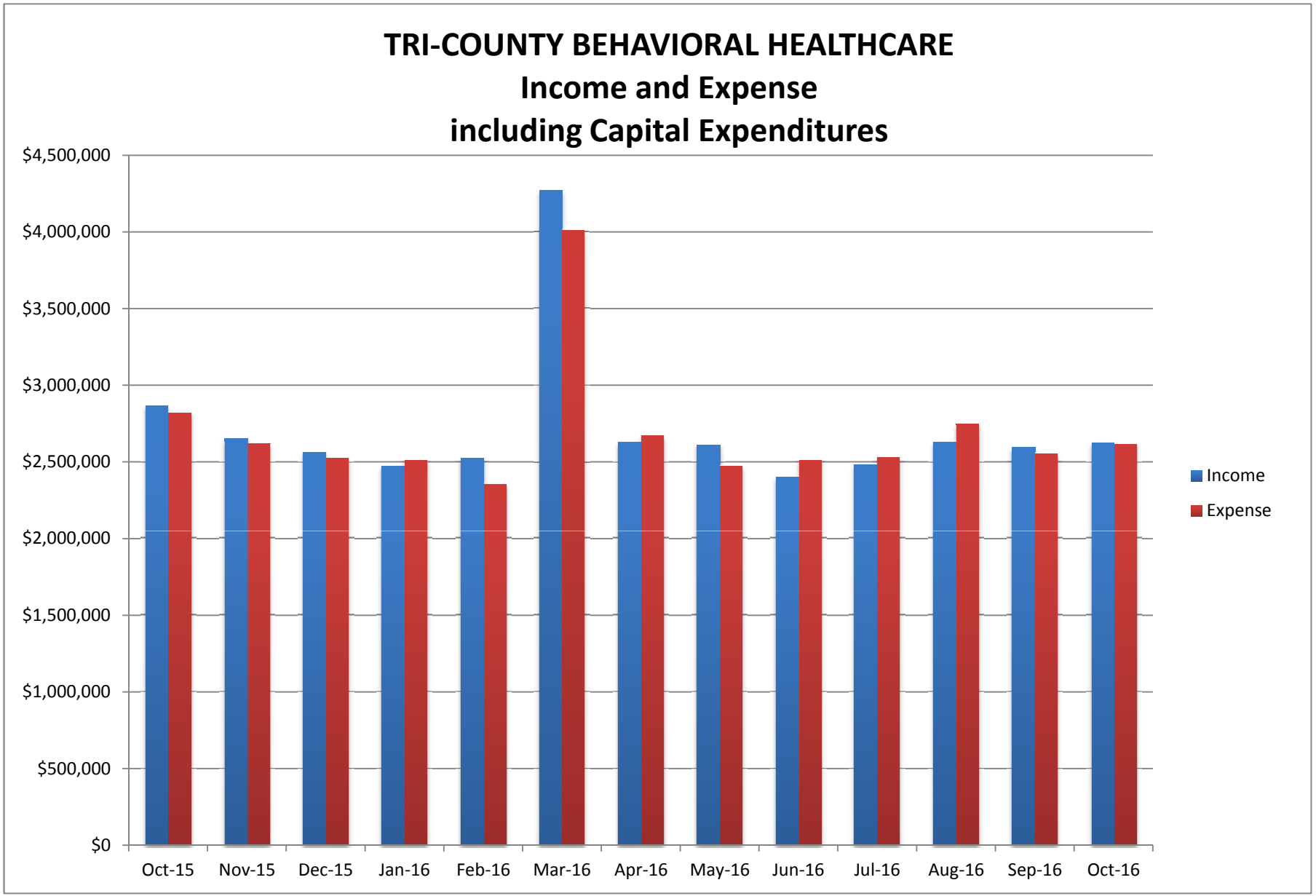
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With September 2016 Comparative Data
For the Month Ended October 2016

INCOME:	MONTH OF October 2016	MONTH OF September 2016	Increase (Decrease)
Local Revenue Sources	149,020	108,891	40,128
Earned Income	1,192,701	1,151,480	41,221
General Revenue-Contract	1,283,100	1,331,569	(48,469)
TOTAL INCOME	**$ 2,624,821**	**$ 2,591,940**	**$ 32,881**
EXPENSES:			
Salaries	1,321,387	1,395,786	(74,399)
Employee Benefits	263,407	267,129	(3,721)
Medication Expense	43,304	66,332	(23,028)
Travel-Board/Staff	47,533	40,401	7,131
Building Rent/Maintenance	19,167	36,411	(17,245)
Consultants/Contracts	477,282	488,899	(11,617)
Other Operating Expenses	222,821	209,303	13,519
TOTAL EXPENSES	**$ 2,394,901**	**$ 2,504,261**	**$ (109,360)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 229,920**	**$ 87,679**	**$ 142,241**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	174,429	-	174,429
Capital Outlay-Debt Service	49,865	45,766	4,099
TOTAL CAPITAL EXPENDITURES	**$ 224,293**	**$ 45,766**	**$ 178,528**
GRAND TOTAL EXPENDITURES	**$ 2,619,194**	**$ 2,550,027**	**$ 69,168**
Excess (Deficiency) of Revenues and Expenses	**$ 5,627**	**$ 41,914**	**$ (36,287)**

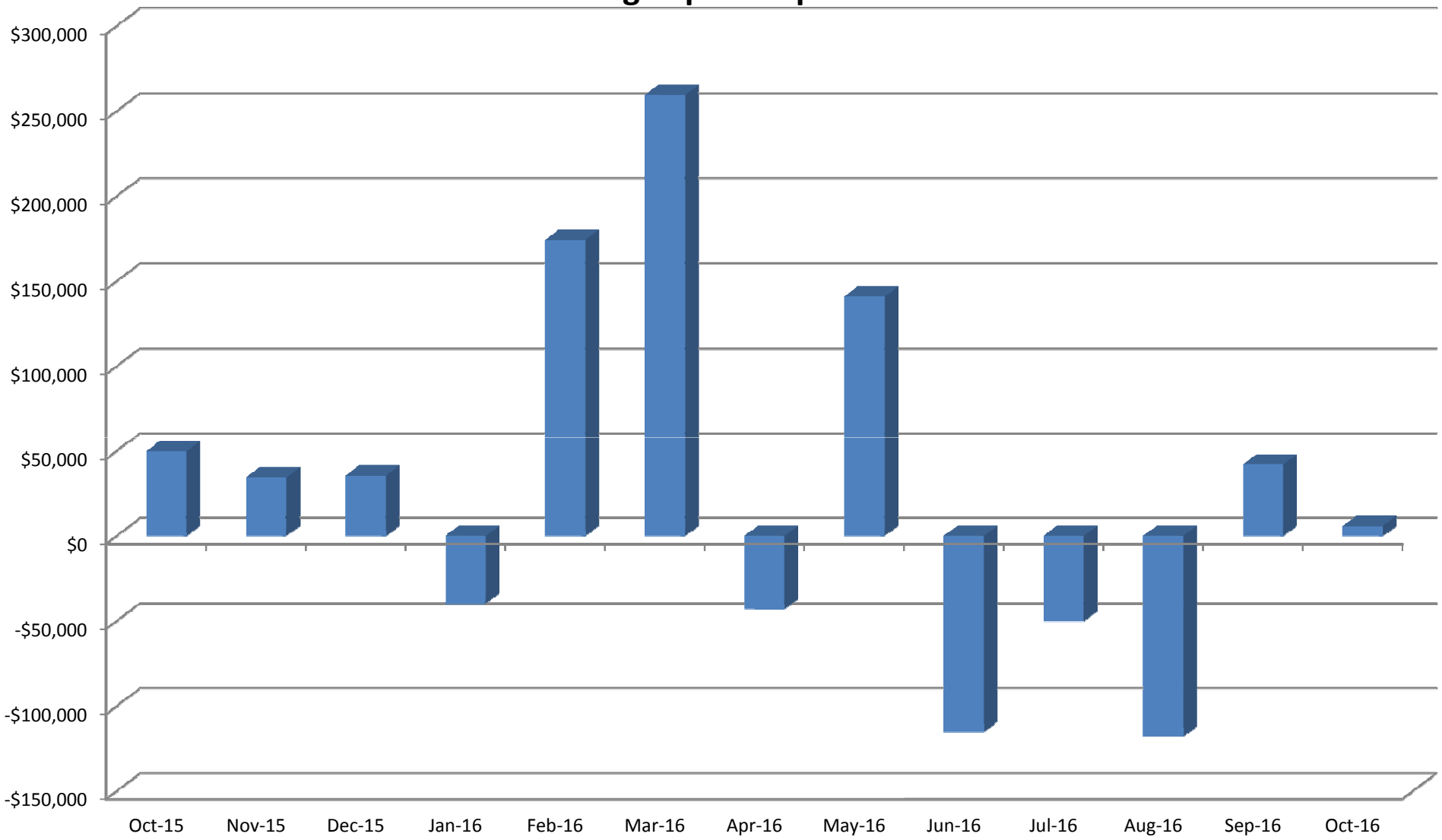
Debt Service and Fixed Asset Fund:			
Debt Service	49,865	45,766	4,099
Excess(Deficiency) of revenues over Expenses	**49,865**	**45,766**	**4,099**

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary by Service Type
Compared to Budget
Year To Date as of October 2016

INCOME:	YTD Mental Health October 2016	YTD IDD October 2016	YTD Other Services October 2016	YTD Agency Total October 2016	YTD Approved Budget October 2016	Increase (Decrease)
Local Revenue Sources	316,085	27,681	(85,854)	257,911	227,049	30,862
Earned Income	619,061	1,044,344	684,576	2,347,981	2,292,362	55,619
General Revenue-Contract	2,264,127	350,542		2,614,669	2,600,211	14,458
TOTAL INCOME	**$ 3,199,273**	**$ 1,422,567**	**$ 598,722**	**$ 5,220,561**	**$ 5,119,622**	**$ 100,939**
EXPENSES:						
Salaries	1,742,690	534,464	440,018	2,717,172	2,807,548	(90,376)
Employee Benefits	334,703	115,168	80,665	530,536	573,221	(42,685)
Medication Expense	94,128	-	15,508	109,636	117,002	(7,366)
Travel-Board/Staff	51,966	23,668	12,299	87,934	75,405	12,529
Building Rent/Maintenance	37,816	11,827	5,935	55,578	41,332	14,246
Consultants/Contracts	388,446	551,376	26,359	966,182	968,434	(2,252)
Other Operating Expenses	241,309	109,962	80,853	432,124	438,286	(6,162)
TOTAL EXPENSES	**$ 2,891,058**	**$ 1,346,465**	**$ 661,637**	**$ 4,899,162**	**$ 5,021,228**	**$ (122,066)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 308,215**	**$ 76,102**	**$ (62,915)**	**$ 321,399**	**$ 98,394**	**$ 223,005**
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	90,358	38,340	45,730	174,429	24,718	149,711
Capital Outlay-Debt Service	54,941	13,375	27,314	95,630	70,741	24,889
TOTAL CAPITAL EXPENDITURES	**$ 145,299**	**$ 51,715**	**$ 73,044**	**$ 270,059**	**$ 95,459**	**$ 174,600**
GRAND TOTAL EXPENDITURES	**$ 3,036,357**	**$ 1,398,180**	**$ 734,681**	**$ 5,169,221**	**$ 5,116,687**	**$ 52,534**
Excess (Deficiency) of Revenues and Expenses	**$ 162,916**	**$ 24,387**	**$ (135,959)**	**$ 51,341**	**$ 2,935**	**$ 48,405**
Debt Service and Fixed Asset Fund:						
Debt Service	54,941	13,375	27,314	95,630	70,741	(15,800)
		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	**54,941**	**13,375**	**27,314**	**95,630**	**70,741**	**(15,800)**


TRI-COUNTY BEHAVIORAL HEALTHCARE
Income and Expense
including Capital Expenditures
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Oct-15
Nov-15
Dec-15
Jan-16
Feb-16
Mar-16
Apr-16
May-16
Jun-16
Jul-16
Aug-16
Sep-16
Oct-16
Income
Expense

TRI-COUNTY BEHAVIORAL HEALTHCARE
Income after Expense
including Captial Expenditures



Agenda Item: Approve NISH Contract Termination **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

As reported at the October Board meeting, we have been reviewing the viability of keeping the National Industries for the Severely Handicapped (NISH) contracts at the reduced contract amounts.

For many years, Tri-County has provided grounds and custodial services to the Huntsville and Conroe Army Bases. These services are provided by contract agreement through U.S. AbilityOne Commission. As a part of these contracts, we are required to employ individuals with significant disabilities to provide these services. These contracts designate the wage to be paid to the employees as well as an additional amount for fringe benefits.

Over the years, the combined contracts have fluctuated depending on the actual services provided, from $165,914 to as high as $199,426. The proposed new total contract amount of all four contracts will be $106,080.12. With this significant decrease, Tri-County will have to cover approximately $95,000 in wages and fringe benefits in order to provide the reduced scope of services. Basically, we have to maintain the current staffing structure that is made up of individuals to provide oversight to the employees with disabilities.

Supporting Documentation:

More Information will be Provided at the Board Meeting

Recommended Action:

Approve the Termination of the NISH Contract

Agenda Item: Approve the Sale of ICF/IID Licenses **Committee:** Business	**Board Meeting Date** December 8, 2016

Background Information:

This agenda item is to follow-up from the October 27, 2016 Board meeting regarding the sale of Intermediate Care Facility (ICF/IID) licenses.

Tri-County Behavioral Healthcare has been working with our consultant, David Southern, to sell Tri-County's eight (8) ICF/IID licenses. In addition to the licenses, Tri-County owns the eight (8) homes associated with these licenses; three (3) of these homes are in Montgomery County, four (4) are in Liberty County and one (1) is in Walker County.

There are two (2) companies that have made an offer to purchase these eight (8) ICF/IID licenses, D&S Community Services and Educare of Texas (ResCare).

- D&S Community Services has offered $924,000 for the licenses.
- Educare of Texas (ResCare) has offered $960,000 for the licenses.

If D&S is selected, they will have additional costs associated with purchasing vehicles, setting up a Conroe Day Habilitation program and purchasing home furnishings. Due to these additional costs, they have indicated that $924,000, or $19,250 per license, is the highest bid they can make.

Educare has offered $960,000 for the 48 licenses, or $20,000 per license. Since Educare is the current provider of services to these consumers, the transition process for these homes would be less complex administratively and would likely be seamless for the consumers.

Neither of these organizations is interested in purchasing the properties associated with the licenses, but both are willing to lease these homes. Leasing provides advantage to the organization in cost reporting. Scioto Properties, LLC, has provided Tri-County with a letter of intent to purchase the eight (8) homes at appraised value assuming that the providers are willing to lease the property. Both Educare and D&S are willing to lease these properties from Scioto. Scioto will allow us to choose the appraiser for the properties.

The Board requested staff provide additional information about the potential bidders for the sale. Additional information was gathered and is included in the attached summary.

Supporting Documentation:

Bid Proposals from D&S and Educare
Letter of Intent from Scioto
Additional Requested Information

Recommended Action:

Approve the Sale of ICF/IID Licenses, the Sale of Physical Property to Scioto, and Authorize Executive Director to Execute All Documents on Behalf of Tri-County Behavioral Healthcare, with Consultation from Jackson Walker

Proposal to Tri- County Services

10/14/2016

D&S Community Services, LP
8911 N. Capital of Texas Hwy, Bldg. 1, Ste. 1300
Austin, TX 78759
Tel. (512) 327-2325; Fax (512) 327-5355
Opening the Door to Independent Living
www.dscommunity.com

10/14/2016

Mr. Roberson,

I want to thank you for the opportunity to present an offer for the purchase of the licenses for the 48 ICF beds and any associated assets currently owned by Tri-County. Since the current operations are being managed by another entity, it makes this transaction slightly different. Normally we would bid on the licensed beds and it would include all assets associated with operating those homes. In this case, there will be additional expense to acquire all of the assets necessary to provide quality services to those individuals residing in the homes at this time. We are committed to making the investment in the operations as needed to ensure the quality of the program is maintained and improved where needed.

To that end, we are pleased to offer a purchase price of $924,000 (19,250/per bed). This offer is contingent on the approval of the license transfer and subject to due diligence to be performed by D&S Residential Services. In addition, Tri-County will provide exclusivity to D&S Residential Services for a period of 120 days, in which they will not actively or indirectly market or accept offers from other agencies on the business discussed in this offer.

We are excited about this opportunity and feel that we are the right agency to provide exceptional person-centered services to the people in your catchment area. In addition, we look forward to expanding our waiver services into your area and providing you another option for caring for the individuals that are in need of our services.

Thank you again and we look forward to collaborating with you on this opportunity.

Sincerely,

Mickey Atkins

Implementation Process

Ensuring a seamless transition for all stakeholders is our ultimate goal when integrating a new program into our own. Whereas we look for processes to improve and ways to increase quality, we also recognize the procedures in place that are working well and welcome new ideas and systems we can adopt for optimal service delivery. Along with our Executive Managers being heavily involved throughout the entire transition, we also have an implementation team that is dedicated to ensuring a successful integration. Some of the highlights of our processes include:

Diligence

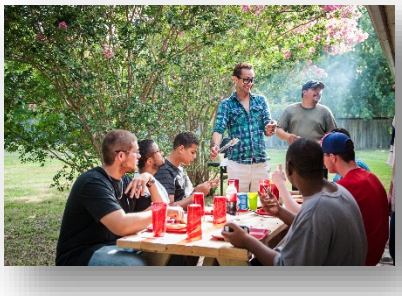
- Our team completes meaningful diligence to evaluate current service delivery, understand processes and procedures, and identify any potential pain points that can come with change.
- We establish a formal implementation plan used to track and manage all of the steps required to ensure a successful transition.

Communication

- We hold several meetings with individuals, family members, guardians, employees, service coordinators, and other key stakeholders to keep everyone informed and address any concerns/reservations.
- We offer one-on-one meetings to anyone that expresses a desire to meet privately.

Execution

- Our Management & Implementation teams are “on the ground” during integration.
- We conduct weekly calls/meetings before and after closing to ensure that our implementation plan is still on track.
- Our seasoned Quality Assurance team assesses the program after full integration to ensure program standards and compliance are met.



Why collaborate with D&S?

D&S has changed significantly over the past 25 years going from an entrepreneurial-style company to a company with an Executive Management team that holds years of experience. Through their leadership and others on the management team, D&S has built an infrastructure that is unlike any other. Some differentiators of D&S include in-house teams of QA, Behavior Supports, Healthcare, and Training, which are all located here in Texas. These differences and increased focus on quality have helped make D&S a leading provider of IDD services in three states. D&S is excited to expand these services to the individuals of the Tri-County family.

A little info on a few key members of our leadership team…….

When President & CEO, Mickey Atkins, joined D&S in 2006 he had a vision for the company and knew that to properly support the individuals served, it required getting the right team of professionals on his management team. He selectively on-boarded professionals that he knew could help make D&S a leading provider of IDD services. With his team in place, it afforded Mickey the opportunity to serve on numerous boards and committees across all three states while also working on legislative initiatives to help shape the future of service delivery.

One of those select professionals is Robert Ham, VP of Operations and Chief Compliance Officer. Robert joined D&S in 2011 after a tenured past as the Director of Brenham State Supported Living Center and CFO for Bluebonnet Trails Community Center. He has dedicated his life to supporting individuals with IDD and advocating on their behalf. Robert also works on issues requiring legislative action and serves on numerous boards and committees to improve the services of the individuals we support.

Jon Moore joined D&S in 1998 and has been a big part of D&S' evolution over the years. He started out as a Supported Employment Supervisor and was quickly promoted into positions with increasing responsibility. His experience as a QIDP and a supervisor of QIDP's positioned him well for his next role as Regional Director of Field Operations for half of Texas. His commitment to ensuring the success of those we support in the community comes through in all that he does. Jon provides constant support to the offices and professionals that he oversees and is always striving for the highest quality of services and supports.

October 17, 2016

Via E-Mail
Tri-County Behavioral Healthcare
C/o David Southern
P.O. Box 3067
Conroe, TX 77305

Re: Proposal to Purchase Intermediate Care Facilities Licenses

Dear David:

Per our conversation of October 14th, I am writing on behalf of Educare Community Living Corporation - Texas ("Educare" or "Purchaser") to express our interest in acquiring the eight (8) Intermediate Care Facilities licenses (the "Licenses") owned by Tri-County Behavioral Healthcare ("Tri-County") covering the facilities listed on Attachment A (the "Facilities"). The Licenses cover 48 ICF beds in the Facilities.

This letter sets forth the terms pursuant to which Educare would propose to purchase the Licenses.

1. Purchase Price. Educare proposes to pay the sum of Nine Hundred and Sixty Thousand Dollars ($960,000) to acquire the Licenses (the "Purchase Price"). The Purchase Price would be paid in cash at close. The Purchase Price represents a price of $20,000 per licensed bed.

2. Leases on the Facilities. Educare proposes to continue to lease the Facilities from Tri-County under year-to-year leases on substantially the same terms and conditions as are currently in effect. In the event Tri-County sells the Facilities to a third party, Educare will negotiate in good faith with the purchaser of the Facilities to enter into mutually agreeable new leases.

3. Conditions of Use. In a letter dated August 9, 2016, Tri-County set forth three desired conditions to the sale of the Licenses. Educare agrees to these conditions with the modifications and clarifications set forth below.

    a. The location of the facility stays within 60 miles of their current location for 5 years – Acceptable provided Educare is able to maintain existing

lease terms with Tri-County or negotiate mutually agreeable lease terms with a purchaser of the Facilities.

b. Tri-County day habilitation programs continue to be used in Cleveland, Huntsville and Liberty for 3 years – Acceptable provided there are no regulatory or reimbursement changes for these programs that would adversely impact continued use.

c. The homes will continue to serve clientele with higher levels of need – Educare will continue to accept referrals meeting ICF admission criteria provided reimbursement levels are consistent with the required services for each individual and such individuals can be appropriately served in these Facilities.

4. Commitment to Future Referrals. Purchaser assumes that Tri-County will continue to inform families, guardians, legally authorized representatives and individuals of the availability of ICF services and refer appropriate individuals to the Facilities consistent with past practice.

5. Timing/Proposed Closing. This proposal is valid through October 27, 2016. Assuming the terms are acceptable to Tri-County, the parties will move forward as quickly as practicable to enter into a definitive purchase agreement, complete the sale and purchase of the Licenses and comply with all applicable change of ownership ("CHOW") requirements.

6. Current Management Contract. Pending the closing of the purchase and sale of the Licenses, the parties will operate under the terms of the existing Contract for ICF/MR Residential Services contract pursuant to which Educare manages the Facilities under the Licenses.

7. Contact Details. Please direct questions and future correspondence with respect to this proposal to me. My contact details are set forth below.

Steven L. Zeller
Executive Vice President – Corporate Business Development
Res-Care, Inc.
9901 Linn Station Road
Louisville, KY 40223
502-420-2575 (office)
502-468-8238 (cell)
szeller@rescare.com

This letter constitutes a non-binding indication of our interest in purchasing the Licenses. No legally binding obligations will be created unless and until a definitive agreement is executed by both parties covering the terms and conditions of sale and purchase.

Thank you for the opportunity to explore the potential acquisition of the Licenses. Please contact me directly with any questions or concerns.

Very truly yours,

[redacted]

Steven L. Zeller
Executive Vice-President – Corporate
Business Development

Cc: Troy Robb
Jane Steur

szeller@rescare.com

Steve Zeller
Chief Development Officer
ResCare

Direct 502-420-2575

ATTACHMENT A

Facility #3904	802 Lee St., Cleveland, TX
Facility #3891	206 Charles Barker, Cleveland, TX
Facility #3982	210 Avenue B, Liberty, TX
Facility #7566	1420 Holly St., Liberty, TX
Facility #3883	28902 Enchanted Dr., Shenandoah, TX
Facility #3905	104 Patricia St., Conroe, TX
Facility #3882	2223 North Thompson, Conroe, TX
Facility #7504	63 State Hwy 75 N., Huntsville, TX

szeller@rescare.com

Steve Zeller
Chief Development Officer
ResCare

Direct 502-420-2575

Scioto
Real estate for people with disabilities

4145 Powell Road
Powell, Ohio 43065
tel: 614.889.5191
fax: 614.889.889.5202
www.scioto.com

October 10, 2016

Mr. Evan Roberson
Executive Director
Tri-County Behavioral Healthcare
1506 FM 2854
Conroe, TX 77304

RE: **LETTER OF INTENT**

Dear Roberson:

Scioto Properties LLC ("**Scioto**") is pleased to offer this proposal to Tri-County Behavioral Healthcare ("**Tri-County**") outlining Scioto's intent to purchase the eight (8) single-family residential houses ("**Homes**") listed on **Schedule 1** attached to this Letter of Intent and lease them to a qualified provider of services to meet the housing needs of the individuals with disabilities living in the Homes. Scioto's proposal and any forthcoming purchase agreement is conditioned upon a sale of Tri-County's business to a qualified, licensed provider of services ("**Provider**") and the execution of a lease agreement ("**Lease**") for each Home between Scioto and the Provider.

1. **Purchase Price:** Scioto proposes acquiring the Homes for a purchase price of approximately $1,363,874 (allocated as set forth on **Schedule 1**); provided, however, that the purchase price for the Homes may not exceed the aggregate appraised value of the property as determined during Scioto's due diligence process.

2. **Due Diligence:** Upon execution of a purchase agreement (as described below), Scioto will commence its standard due diligence process to evaluate the proposed transaction. This due diligence process includes Scioto obtaining a home inspection, appraisal, title commitment and survey and such other reports as may be necessary for each Home. We estimate that this due diligence process, which Scioto undertakes for any property that it acquires, and the closing can generally be accomplished within 30 to 45 days provided that we are given the necessary access to the Homes.

3. **Cooperation:** During the due diligence period, Tri-County agrees to cooperate with Scioto and assist Scioto (and our employees and agents) to enter the Homes for purposes of obtaining appraisals, building condition inspections, and all other necessary inspections. Scioto will give Tri-County at least 48 hours prior notice of any requested entry or inspection, which will be schedule during normal business

hours. Scioto will undertake the inspections in a manner that does not unreasonably interfere with the Residents living in the Homes and the services being provided.

4. **Documentation:** The transactions contemplated by this Letter of Intent will be accomplished through the execution of a real estate purchase agreement with Tri-County. The proposed purchase agreement will be based on terms and conditions customary for the purchase of a single-family residential house, including potential repairs and/or repairs credits for items subsequently identified through Scioto's home inspections. The purchase agreement will be conditioned upon a simultaneous closing of the sale of the business by Tri-County to a qualified, licensed Provider of services and the Provider executing a new Lease in form and content acceptable to Scioto for each Home, which Leases will be effective as of the date of closing on the Homes.

5. **Miscellaneous:** Each party is responsible for its own costs and expenses related to this transaction. Scioto and Tri-County agree to negotiate exclusively and in good faith toward execution of the purchase agreement following acceptance of this Letter of Intent.

If the terms set forth in this Letter of Intent are acceptable, please sign and return it to me by fax (614-889-5202) or e-mail (mbeaton@scioto.com) no later than October 17, 2016.

If you have any questions, please do not hesitate to call me at 614-889-5191.

Sincerely,

SCIOTO PROPERTIES LLC

[redacted]

Mary Bea Eaton
Chief Executive Officer

AGREED TO AND ACCEPTED:

The undersigned, on behalf of Tri-County Behavioral Healthcare, accepts the terms outlined in this Letter of Intent.

TRI-COUNTY BEHAVIORAL HEALTHCARE

Dated: October ____, 2016

By: _____
Its: _____

SCHEDULE 1
HOMES

Address	Purchase Price
28902 Enchanted Drive, Shenandoah, TX 77381	$244,000.00
104 Patricia Land, Conroe, TX 77301	$136,500.00
201 Avenue B, Liberty, TX 77575	$187,500.00
2223 North Thompson, Conroe, TX 77301	$255,187.00
2016 Charles Barker, Cleveland, TX 77327	$129,600.00
63 State Highway 75 North, Huntsville, TX 77340	$102,500.00
802 Lee Street, Cleveland, TX 77327	$151,500.00
1420 Holly Street, Liberty, TX 77575	$156,480.00

Additional Information on D&S:

On November 16th, Kathy Foster and Kelly Shropshire met with Mickey Atkins, President and CEO of D&S Community Services, and Robert Ham, Chief Compliance Officer and Vice-President of Texas Operations.

The Board was concerned about a report that D&S has been decertified as a provider in the Houston area in 2005. Staff received clarification during the meeting that their ICF programs were not decertified but their Houston-based Home and Community-based Services (HCS) program were. In May of 2005, D&S did 'voluntarily close' their Harris County business as a result of uncorrected audit items and decertification. This came during a period of transition at D&S as the founders of the company were in the process of selling the majority of the company. At that time, the Harris County market represented 15% of their business.

Several steps were taken after decertification to ensure higher quality services including:

- 9/2005 - they hired a Quality Assurance (QA) director to develop a QA team to monitor contracts
- 3/2006 - Mickey Atkins was hired to replace founders as management of company. The board's goal was that he turn D&S into a professionally run organization.
- 2009 - D&S applied and now has an active license in Harris County.
    - However, they do not serve anyone in Harris County and are really not focused on expanding back into this market.
- 2007 - 2016 focus has been on development of Executive Management Team and Enhancement of quality systems.
    - D&S currently has nine (9) full time Texas QA specialists;
    - One (1) Texas Health Services Director;
    - Two (2) Texas Health Service Coordinators (assist with individuals maintaining Social Security Benefits).
    - In addition to self-audits to improve their quality of care and audit outcomes, they offer management compensation based on results and budget.
    - QA is reviewed with the Board quarterly.

- If the rate of pay is similar to that of ResCare, how is the quality of care any better?
    - They report 'showing respect' to their staff and keeping them informed of what to expect from the company, starting in new employee orientation.
    - They offer a higher hourly rate of pay to direct care staff ($8.00 an hour vs. minimum wage of $7.35).
    - They offer house managers a higher rate of pay and bonuses based on several factors tied to the operations and budget of the home.

- As an example of the evidence of their improvement, D&S cited the success of their Tennessee program. D&S has been approached by the state when a provider is being closed down to assume operations of the services and, as a result, they now have eight (8) offices in Knoxville.

Agenda Item: Ratify FY 2017 Lifetime Homecare Services Contract **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

In June of last year, Tri-County received a contract amendment from the Department of Aging and Disability Services (DADS), now transitioned to the Health and Human Services Commission (HHSC), which required the Center to hire a Crisis Intervention Specialist to provide out-of-home crisis respite services for persons with intellectual or developmental disabilities. Crisis respite is a short-term service provided in a 24-hour supervised environment for individuals with demonstrating a crisis that cannot be stabilized in a less intensive setting.

Out-of-home crisis respite is required to be provided in a setting for which the state provides oversight. Lifetime Homecare Services is a Home and Community-based Services (HCS) provider that is willing to utilize space in their licensed homes for IDD crises. Tri-County was referred to Lifetime by another Center, Texana, which is located south of Harris County.

Staff attempted to establish a contract with Cypress Creek Hospital for more intensive crisis respite services and researched other options for respite services. However, at this time, Lifetime Homecare Services is our only willing provider for this service. The Lifetime Homecare Services contract for FY 2017 is $50,000.

In November, one of our clients needed to utilize this contract before it had been to the Board for approval. Evan Roberson spoke with the Board Chair who approved signing the contract which will need to be ratified by the Board at today's meeting.

Supporting Documentation:

Contract Available for Review at the Board Meeting

Recommended Action:

Ratify the FY 2017 Lifetime Homecare Services Contract for IDD Crisis Respite Services

Agenda Item: Reappoint Independence Communities, Inc. Board of Directors **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

Mr. Leonard Peck, Mrs. Barbara Duren, and Mr. Len George serve on the Independence Communities, Inc. Board and have terms expiring in January 2017.

Mr. Peck, Mrs. Duren, and Mr. George have been contacted and are willing to serve an additional two-year term, which would expire in January 2019.

Supporting Documentation:

None

Recommended Action:

Reappoint Mr. Peck, Mrs. Duren, and Mr. George to Serve on the Independence Communities, Inc. Board of Directors for an Additional Two-Year Term Expiring in January 2019

Agenda Item: Reappoint Montgomery Supported Housing, Inc. Board of Directors **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

Ms. Sharon Walker and Mr. William 'Bill' Bonito serve on the Montgomery Supported Housing, Inc. Board and have terms expiring in January 2017.

Ms. Walker has been contacted and is willing to serve an additional two-year term, which would expire in January 2019. Unfortunately, Mr. Bonito has decided not to serve an additional term at this time. We are currently seeking an additional member to fill his place.

Supporting Documentation:

None

Recommended Action:

Reappoint Ms. Walker to Serve on the Montgomery Supported Housing, Inc. Board of Directors for an Additional Two-Year Term Expiring in January 2019

Agenda Item: Reappoint Cleveland Supported Housing, Inc. Board of Directors **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

Mrs. Barbara Duren and Mrs. Margie Powell serve on the Cleveland Supported Housing, Inc. Board and have terms expiring in January 2017.

Mrs. Duren and Mrs. Powell have been contacted and are willing to serve an additional two-year term, which would expire in January 2019.

Supporting Documentation:

None

Recommended Action:

Reappoint Mrs. Duren and Mrs. Powell to Serve on the Cleveland Supported Housing, Inc. Board of Directors for an Additional Two-Year Term Expiring in January 2019

Agenda Item: Board of Trustees Unit Financial Statement for October 2016 **Committee:** Business	**Board Meeting Date:** December 8, 2016
Background Information: None	
Supporting Documentation: October 2016 Board of Trustees Unit Financial Statement	
Recommended Action: **For Information Only**	

Unit Financial Statement

FY 2017

	October 2016 Actuals	October 2016 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	$ 2,599.00	$ 2,599.00	$ -	$ 5,198.00	$ 5,198.00	$ -	100.00%	$ 31,195.00
Total Revenue	$ 2,599.00	$ 2,599.00	$ -	$ 5,198.00	$ 5,198.00	$ -	100.00%	$ 31,195.00
Expenses								
Food Items	$ 285.44	$ 200.00	$ 85.44	$ 505.09	$ 400.00	$ 105.09	126.27%	$ 2,400.00
Insurance-Worker Compensation	$ 5.27	$ 16.00	$ (10.73)	$ 12.30	$ 32.00	$ (19.70)	38.44%	$ 200.00
Legal Fees	$ 1,500.00	$ 1,500.00	$ -	$ 3,000.00	$ 3,000.00	$ -	100.00%	$ 18,000.00
Postage-Express Mail	$ -	$ 5.00	$ (5.00)	$ -	$ 10.00	$ (10.00)	0.00%	$ 50.00
Supplies-Office	$ 12.00	$ 21.00	$ (9.00)	$ 12.00	$ 42.00	$ (30.00)	0.00%	$ 245.00
Training	$ -	$ 300.00	$ (300.00)	$ -	$ 600.00	$ (600.00)	0.00%	$ 3,600.00
Travel - Local	$ -	$ 75.00	$ (75.00)	$ 75.50	$ 150.00	$ (74.50)	50.33%	$ 900.00
Travel - Non-local Mileage/Air	$ 164.00	$ 150.00	$ 14.00	$ 249.70	$ 300.00	$ (50.30)	83.23%	$ 1,800.00
Travel - Non-local Hotel	$ 162.15	$ 250.00	$ (87.85)	$ 353.50	$ 500.00	$ (146.50)	70.70%	$ 3,000.00
Travel - Meals	$ -	$ 84.00	$ (84.00)	$ 56.31	$ 168.00	$ (111.69)	33.52%	$ 1,000.00
Total Expenses	$ 2,128.86	$ 2,601.00	$ (472.14)	$ 4,264.40	$ 5,202.00	$ (937.60)	81.98%	$ 31,195.00
Total Revenue minus Expenses	$ 470.14	$ (2.00)	$ 472.14	$ 933.60	$ (4.00)	$ 937.60	18.02%	$ -

Agenda Item: Building Consolidation Update **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

As a standing information item on the agenda, Tri-County staff, Mike Duncum and/or contractors will continue to provide updates to the Board regarding progress made throughout the construction phase until we have officially moved into the new consolidated facility in Montgomery County.

Supporting Documentation:

Project Pictures

Recommended Action:

For Information Only

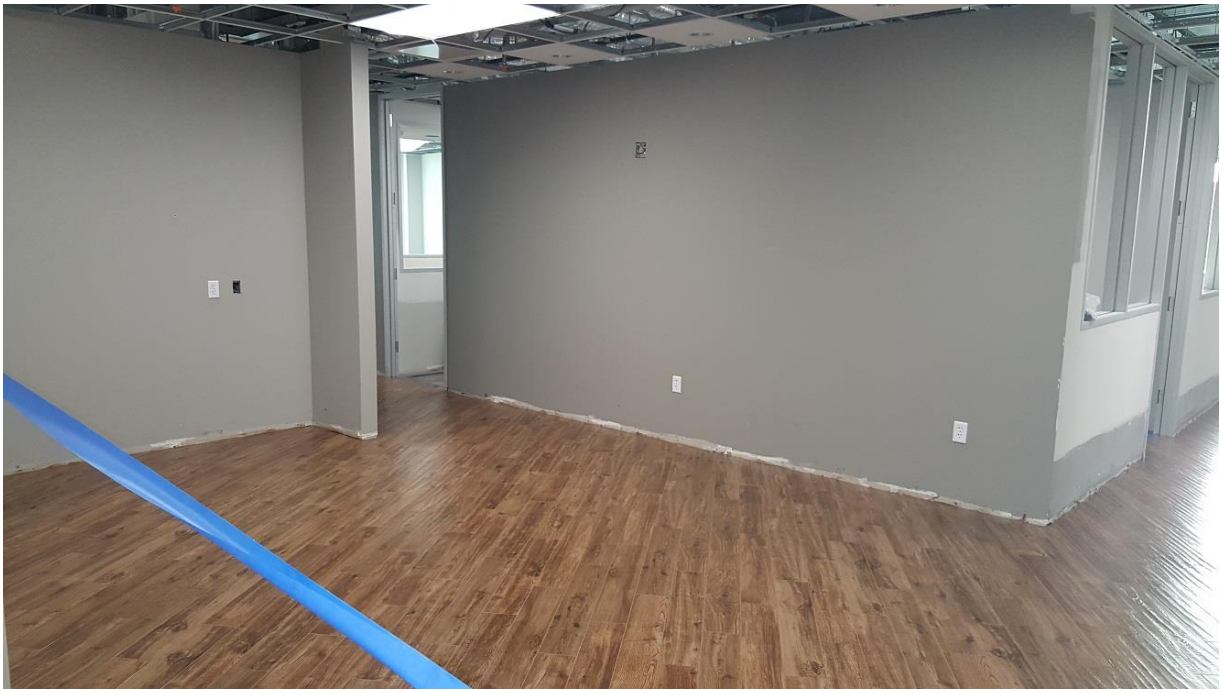
First Floor

Second Floor

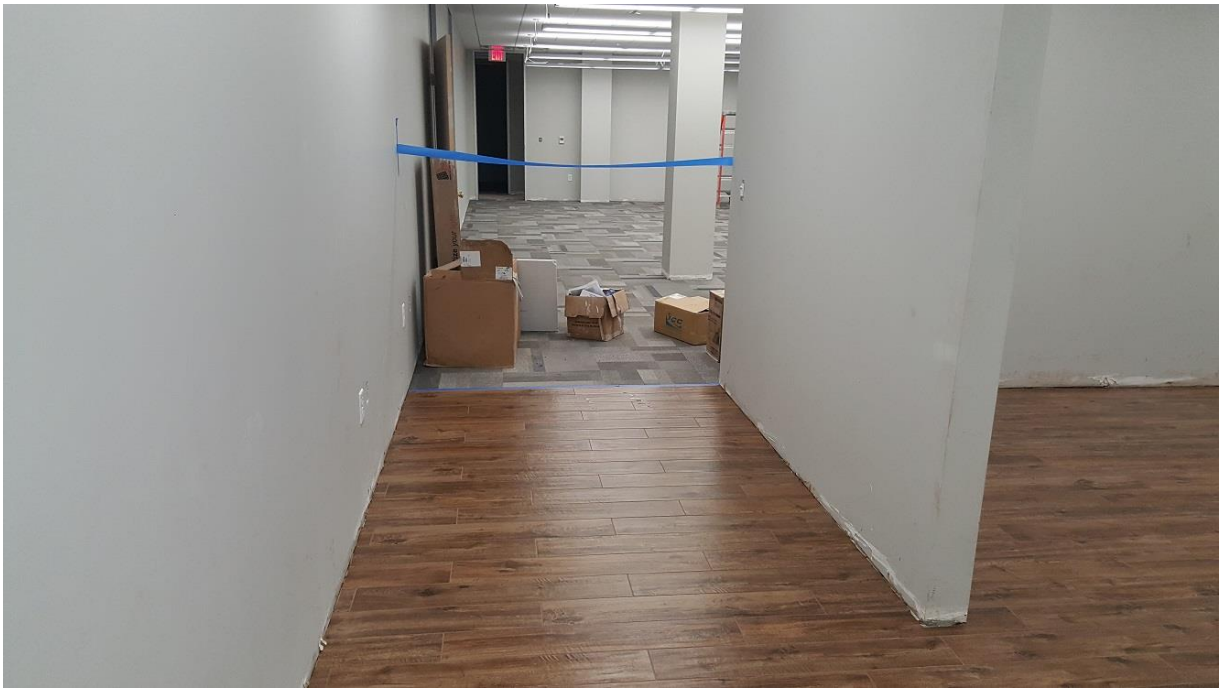
Second Floor

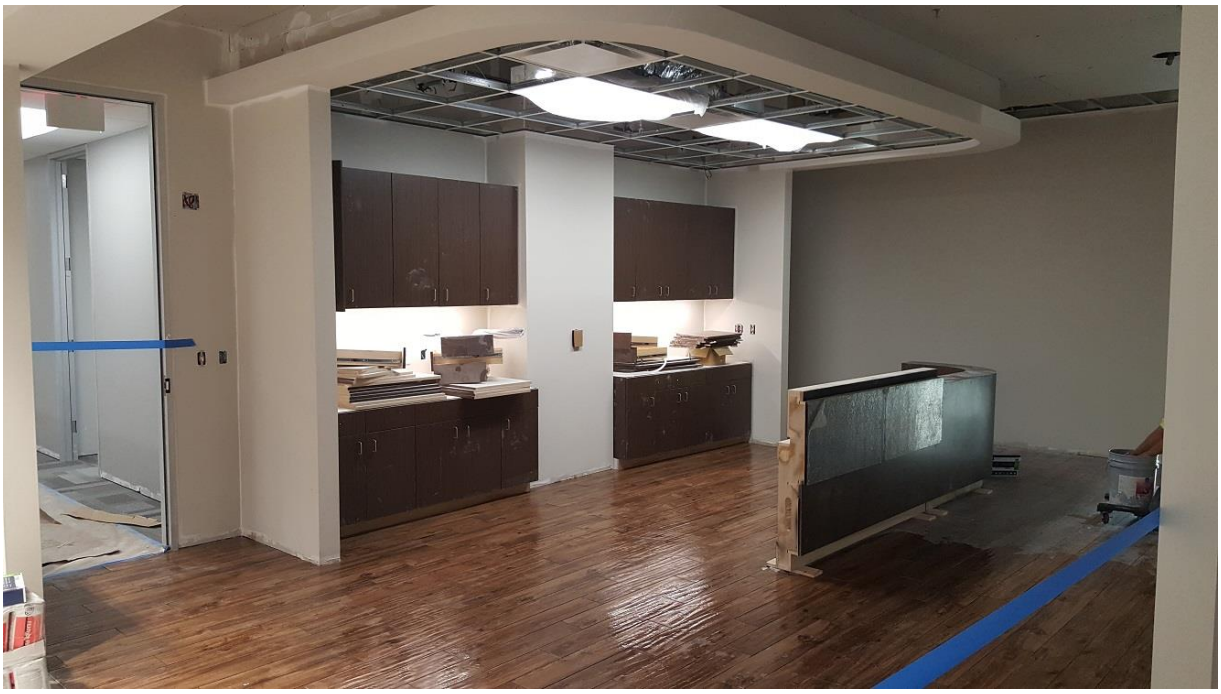
Second Floor Work Room

Third Floor Board Room



Third Floor





Third Floor

Elevator

Agenda Item: Cleveland Supported Housing, Inc. Update **Committee:** Business	**Board Meeting Date:** December 8, 2016

Background Information:

The Cleveland Supported Housing, Inc. Board (CSHI) held a face-to-face meeting at the property on December 2, 2016 where the committee reviewed project status updates and reviewed the list of outstanding warranty items.

The CSHI Board along with Tri-County staff have been working diligently with Grant Cook, Construction Manager, to correct the remainder of the warranty items needing repairs. Since the last update to the Board, the majority of warranty items, including bathroom drainage issues, have been corrected and Cook Construction is working with a contractor to address unresolved adhesive issues with some areas of the flooring. Due to continued concerns related to drainage on the property following heavy rains, Tri-County staff met with Grant Cook on October 7, 2016 to discuss possible solutions and Grant is expected to follow-up in the coming weeks with recommendations for improvement.

The property remains at full capacity and continues to process incoming applications that are received. There are currently fourteen (14) approved applications on the waiting list.

As of September 2016, the payable to Tri-County is $36,538.02 and is currently expected to decrease to $29,895.00 following close-out of the construction related journal entries. The property has a net loss for the period of $66.52 but remains in good financial standing year-to-date with a profit of $7,146.47.

Supporting Documentation:

None

Recommended Action:

For Information Only

UPCOMING MEETINGS

January 26th, 2017 – Board Meeting

- Approve Minutes from December 8, 2016 Board Meeting
- From the Heart Presentation
- Community Resources Report
- Consumer Services Reports for November & December 2016
- Program Updates
- FY 2017 Goals & Objectives Progress Report
- 1st Quarter FY 2017 Corporate Compliance & Quality Management Report
- 2nd Quarter FY 2017 Corporate Compliance Training
- Medicaid 1115 Transformation Waiver Project Status Report
- Personnel Reports for November & December 2016
- Texas Council Risk Management Fund Claims Summary as of December 2016
- Approve November & December 2016 Financial Statements
- Approve FY 2016 Independent Financial Audit
- 1st Quarter FY 2017 Investment Report
- Board of Trustees Unit Financial Statements for November & December 2016
- Building Consolidation Update
- Other Business Committee Issues

February 23rd, 2017 – Board Meeting

- Approve Minutes from January 26, 2017 Board Meeting
- Longevity Recognition Presentations
- Community Resources Report
- Consumer Services Report for January 2017
- Program Updates
- Program Presentation
- Personnel Report for January 2017
- Texas Council Risk Management Fund Claims Summary for January 2017
- Approve January 2017 Financial Statements
- 401(a) Retirement Plan Account Review
- Board of Trustees Unit Financial Statement for January 2017
- Other Business Committee Issues