

# **Tri-County Services Board of Trustees Meeting**

**February 26, 2015**



*Serving individuals with mental illness  
and developmental disabilities*

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, February 26, 2015. 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 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:15 a.m.

## **AGENDA**

### **I. Organizational Items**

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

### **II. Longevity Recognition Presentations**

### **III. Approve Minutes - January 29, 2015**

### **IV. Executive Director's Report - Evan Roberson**

- A. Managed Care
  - 1. Meetings & Expectations
  - 2. Provider Changes
- B. ETBHN Regional Utilization Management Meeting
- C. Local Authority Audit Summary
- D. Community First Choice Waiver
- E. MHMRA of Brazos Valley MOU
- F. Legislative Updates

### **V. Chief Financial Officer's Report - Millie McDuffey**

- A. FY 2014 Audit Management Letter Response
- B. DSHS Final Monitoring Report Response
- C. Cost Accounting Methodology
- D. FY 2015 Budget Revision
- E. MEI Cost Report
- F. FY 2014 HCS, ICF & TxHmL Cost Reports
- G. CFO Consortium
- H. Workers Compensation Audit Report

### **VI. Program Committee**

#### **Information Items**

- A. Community Resources Report.....Pages 10-12
- B. Consumer Services Report for January 2015.....Pages 13-14
- C. Program Updates.....Pages 15-17
- D. Program Presentation - Veteran Services

### **VII. Executive Committee**

#### **Information Items**

- A. Personnel Report for January 2015.....Pages 18-21
- B. Texas Council Risk Management Fund Claim Summary for January 2015.....Pages 22-23
- C. Texas Council Board Meeting Update.....Pages 24-73

## VIII. Business Committee

### Action Items

- A. Approve January 2015 Financial Statements..... *Pages 74-86*
- B. Approve DSHS Contract Amendment #2015-046397-001A: Youth Prevention-Selective..... *Pages 87-89*
- C. Ratify DSHS Contract Amendment #2015-046833-001A: Co-occurring Mental Health  
& Substance Abuse Services..... *Pages 90-92*
- D. Approve Non-Refundable Earnest Money for 2000 Panther Lane, Liberty, Texas..... *Page 93*

### Information Items

- E. 401(a) Retirement Plan Account Review..... *Page 94*
- F. Board of Trustees Unit Financial Statement for January 2015..... *Pages 95-96*
- G. Building Consolidation Updates..... *Page 97*
- H. Montgomery Supported Housing, Inc. Update..... *Pages 98-99*
- I. Cleveland Supported Housing, Inc. Monthly Update..... *Pages 100-105*

## IX. Executive Session in Compliance with Texas Government Code Section 551.071, Consultation with Attorney & Section 551.072, Real Property: 2000 Panther Lane, Liberty, Texas

Posted By:

Stephanie Eveland  
Executive Assistant

# Tri-County Services

P.O. Box 3067  
Conroe, TX 77305

## BOARD OF TRUSTEES MEETING

January 29, 2015

### Board Members Present:

Brad Browder  
Sharon Walker  
Patti Atkins  
Morris Johnson  
Cecil McKnight  
Jacob Paschal  
Janet Qureshi

### Board Members Absent:

Tracy Sorensen

### Tri-County Staff Present:

Evan Roberson, Executive Director  
Millie McDuffey, Chief Financial Officer  
Kenneth Barfield, Director of Management Information Services  
Amy Foerster, Director of Human Resources  
Kathy Foster, Director of IDD Provider Services  
Catherine Prestigiovanni, Behavioral Health Director  
Breanna Robertson, Director of Crisis Services  
Stephanie Eveland, Executive Assistant  
Tabatha Abbott, Cost Accountant  
Melis Papila, Public Information Coordinator  
David Deaton, Legal Counsel  
Sheryl Baldwin, Manager of Accounting

### Guests:

Mike Duncum, WhiteStone Realty Consulting  
Peggy Freeman, County Court at Law II  
Tommy Nelson, Scott, Singleton, Fincher and Company, P.C.  
Jillian Moak, Century Construction  
Weldon Whitt, Tradition Bank

**Call to Order:** Chairman, Brad Browder, called the meeting to order at 10:06 a.m. at 1506 FM 2854, Conroe, Texas.

**Public Comment:** There were no public comments.

**Quorum:** There being seven (7) members present, a quorum was established.



**Resolution #01-15-01**

**Motion Made By:** Patti Atkins

**Seconded By:** Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Morris Johnson, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board excuse the absence of Tracy Sorensen.

Program Presentation – From the Heart Presentation

The Chairman of the Board, Brad Browder, suspended the agenda to move to Business Committee Action Item VIII-C, Approve FY 2014 Independent Financial Audit. Tommy Nelson, from Scott, Singleton, Fincher and Company, P.C., presented the report.

**Resolution #01-15-02**

**Motion Made By:** Morris Johnson

**Seconded By:** Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Patti Atkins, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board approve the FY 2014 Independent Financial Audit.

**Resolution #01-15-03**

**Motion Made By:** Morris Johnson

**Seconded By:** Sharon Walker, with affirmative votes by Brad Browder, Patti Atkins, Cecil McKnight, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board approve the minutes of the December 11, 2014 meeting of the Board of Trustees.

**Executive Director's Report:**

The Executive Director's report is on file.

**Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

**PROGRAM COMMITTEE:**

**Resolution #01-15-04**

**Motion Made By:** Patti Atkins

**Seconded By:** Jacob Paschal, with affirmative votes by Brad Browder, Sharon Walker, Morris Johnson, Cecil McKnight and Janet Qureshi that it be...

**Resolved:**

That the Board appoint Mr. Richard Duren to the Regional Planning Network Advisory Committee.

**Resolution #01-15-05**

**Motion Made By:** Sharon Walker

**Seconded By:** Patti Atkins, with affirmative votes by Brad Browder, Morris Johnson, Cecil McKnight, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board approve the submission of the Adult Substance Abuse Treatment, Youth Substance Abuse Treatment and Co-occurring Psychiatric and Substance Use Disorder Grant for FY 2016.

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Reports for November and December 2014 were reviewed for information purposes only.

The Program Updates were reviewed for information purposes only.

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

The 1<sup>st</sup> Quarter FY 2015 Corporate Compliance and Quality Management Report was reviewed for information purposes only.

The 2<sup>nd</sup> Quarter FY 2015 Corporate Compliance Training was reviewed for information purposes only.

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

### **EXECUTIVE COMMITTEE:**

The Personnel Reports for November and December 2014 were reviewed for information purposes only.

The Texas Council Risk Management Fund Claim Summaries for November and December 2014 were reviewed for information purposes only.

Executive Committee Information Item VII-C, Texas Council Quarterly Board Meeting Update was deferred for review and discussion at the February 26, 2015 meeting of the Board of Trustees.

### **BUSINESS COMMITTEE:**

#### **Resolution #01-15-06**

**Motion Made By:** Morris Johnson

**Seconded By:** Janet Qureshi, with affirmative votes by Brad Browder, Sharon Walker, Patti Atkins, Cecil McKnight and Jacob Paschal that it be...

**Resolved:**

That the Board approve the November 2014 Financial Statements.

#### **Resolution #01-15-07**

**Motion Made By:** Morris Johnson

**Seconded By:** Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Patti Atkins, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board approve the December 2014 Financial Statements.

#### **Resolution #01-15-08**

**Motion Made By:** Morris Johnson

**Seconded By:** Sharon Walker, with affirmative votes by Brad Browder, Patti Atkins, Cecil McKnight, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board approve the revision to Board Policy E.3 – Handling of Tri-County Mail and Receipt of Checks through the Mail.

**Resolution #01-15-09**

**Motion Made By:** Morris Johnson

**Seconded By:** Patti Atkins, with affirmative votes by Brad Browder, Sharon Walker, Cecil McKnight, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board approve the revision to Board Policy E.4 – Allowable Expenditures.

**Resolution #01-15-10**

**Motion Made By:** Sharon Walker

**Seconded By:** Patti Atkins, with affirmative votes by Brad Browder, Morris Johnson, Cecil McKnight, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board authorize the Executive Director to work with legal counsel from Jackson Walker to develop a Tri-County Consumer Foundation.

**Resolution #01-15-11**

**Motion Made By:** Morris Johnson

**Seconded By:** Patti Atkins, with affirmative votes by Brad Browder, Sharon Walker, Cecil McKnight, Jacob Paschal and Janet Qureshi that it be...

**Resolved:**

That the Board authorize the Executive Director to work with legal counsel and consultants to negotiate the purchase of 2000 Panther Lane, Liberty, Texas up to \$795,000; to obtain the necessary regulatory approvals for the purchase of the building and modifications up to \$250,000; and, to secure appropriate financing for the property and remodel.

The Montgomery Building Update was reviewed for information purposes only.

The 1<sup>st</sup> Quarter FY 2015 Investment Report was reviewed for information purposes only.

The Board of Trustees' Unit Financial Statements for November and December 2014 were reviewed for information purposes only.

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

**There was no need for Executive Session.**

**The regular meeting of the Board of Trustees adjourned at 12:17 p.m.**

**Adjournment:**

[Redacted Signature]

Brad Browder  
Chairman

Date

**Attest:**

[Redacted Signature]

Tracy Sorensen  
Secretary

Date



## Executive Director's Report

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*February 26, 2015*

### **Announcements**

- The next regularly scheduled Board meeting is Thursday, March 26, 2015.
- I would like to welcome each of you to the new Tri-County Board room. We believe that this room will serve our needs for the next couple of years as we work to transition to a new facility in Montgomery County. Several staff changed offices to make this conference room possible, but we are all getting settled. This was a good time of year to make the move because the lawn maintenance crew is slow in February. The move was relatively inexpensive with the major expense being new carpet for this room.
- I wanted to let you know that Tanya Bryant had her baby boy on February 18<sup>th</sup>. As you may know, Tanya's husband, Derrick Bryant, is a photographer and I have included one of his pictures below. We expect Tanya back in late April or early May.





- We have been told by Anasazi that they plan to announce the sunset of the Fiscal and Human Resources software products at their annual meeting in May. At this meeting, we hope to learn more about the replacement for these software products that they are designing. If we are not satisfied with their new product, I will ask Millie McDuffey, Amy Foerster and Kenneth Barfield to begin looking for a replacement for these two products. It should be noted that most replacement products we have seen are much more expensive than the current solution.

## **Managed Care**

- This year, as the Board is aware, the Center began receiving payments from Managed Care Organizations (MCOs) for mental health Targeted Case Management (TCM) and Rehabilitation (Rehab) services. I have put some new administrative processes in place to manage the transition and to ensure that services are authorized which had some negative impact on expense, but thus far, revenue has been fairly steady (though receipt of cash is slower).

Recently however, MCOs have started having **meetings with Centers in Texas in which they have discussed their expectations** for the care provided by Centers. Many of these expectations are built on national quality standards like Healthcare Effectiveness Data and Information Set (HEDIS) and National Quality Forum (NQF) measures. These measures are the focus of MCOs because they are best practices and also because they are financially incentivized for set performance levels.

The challenge for the Center as a part of the transition is that these national quality standards would require different clinical service designs than our current DSHS-focused system, and it will be difficult to balance the demand for both types of care.

- In addition to new clinical structures to meet MCO expectations, Senate Bill 58 allows the MCOs to begin **developing a provider network** in addition to the traditional providers like the Community Centers. Recently, Tri-County received a notice from a provider in Houston to discharge five persons from services because they were enrolling them into their services. All five consumers have United Behavioral Health's OPTUM managed care product.

Senate Bill 58 requires these new providers to be 'comprehensive,' meaning that they must provide psychiatry, along with TCM and Rehab.

## **East Texas Behavioral Healthcare Network (ETBHN)**

- At a recent **ETBHN Utilization Management (RUM) meeting**, Dr. Ken Minkov of the Meadows Foundation and Melissa Rowan of the Texas Council met with UM/QM staff to discuss measuring data in a way that supports these new realities.

Dr. Minkov suggested that we implement the following steps:

1. Proactive Utilization Management which focuses on ‘How we know that individuals we serve are getting quality services.’
2. Sell our unique position as the 11 Centers that make up ETBHN.
3. Build relationships with managed care organizations and sell our unique abilities.

Dr. Minkov stated that “when the world is in flux, you have the opportunity to occupy a piece of space. If you sit back, it will be figured out without you.”

- In March, the ETBHN Regional Oversight Committee will meet to discuss changes in Utilization Management activities.

### **Department of Aging and Disability Services (DADS)**

- The **IDD Local Authority Survey** went well, but not as well as we would have liked. Auditors commended Service Coordinators for knowing the individuals and the needs of the family. However, this year’s audit was much more detailed than in the past and reviewed more than systemic issues. Some examples of findings were: Service Coordinators must include all services on documentation whether funded or not funded; timeframes for documentation to be completed and to the provider; services must be monitored at least every 90 days; outcomes/goals must be specific to the individual; and, any contact information must be current.

Since the audit, our administrators have provided Service Coordinators with an extensive training in reviewing the development of the PDP, outcomes, and new forms to assist in meeting expectations.

The reviewers are planning to return in six months for follow-up and the authority administrators have devised a plan of correction.

### **Community First Choice Waiver**

- The Community First Choice (CFC) Waiver, which allows states to provide home and community-based attendant services and supports to Medicaid recipients with disabilities, has been delayed again. Originally, CFC was to begin in September of 2014, but it was delayed to March of 2015 and has now been delayed to June 1, 2015. Although we are eager to begin enrolling persons in this new service, we were pleased that the Health and Human Services Commission decided to delay the waiver start date because there were many questions yet to be answered.

### **MHMRA of Brazos Valley**

- I am pleased to announce that we are close to completing a **Memorandum of Understanding with MHMRA of Brazos Valley** to begin utilizing the Crisis Stabilization Unit (CSU) in Conroe. MHMRA serves seven counties west of our service area, but they

often have to transport to north Houston psychiatric hospitals for care. MHMRA will cover a portion of their costs for the clients that stay at the CSU and are responsible for transportation.

### **Legislative Updates**

- The House Appropriations Committee Article II Subcommittee (HAC) and Senate Finance Committee (SFC) heard public testimony all last week on budget items for Article II (Health and Human Services).

The discussion with committee members for mental health has centered on helping Centers like Tri-County get closer to the median per capita level of funding. The Texas Council frames this as “ready access to care” for mental health treatment capacity.

In addition to access, there is quite a bit of activity around creating hospital capacity. DSHS hired Cannon Consulting and Engineering to evaluate the state hospital system and they have recommended tearing down five state hospitals and remodeling four others. DSHS has estimated that these changes would cost \$2.5 billion over 10 years.

For Intellectual and Developmental Disabilities, the Texas Council is advocating for restoring rates for service providers to the pre-2010 levels, to expand crisis services for persons with intellectual disabilities, and investment in the DARS Autism program. Children served by Texana Center testified about the value of ECI and Autism services in a very powerful way again this session.

With Senator Schwertner on the Senate Finance Committee and Representative Otto overseeing the House Appropriations Committee, we are sure to be called on to advocate for the Community Center system. Please be aware that I may be contacting you to discuss these issues.

## **CHIEF FINANCIAL OFFICER'S REPORT**

### **February 26, 2015**

**FY 2014 Audit Management Letter Response** - Last month, Tommy Nelson from Scott, Singleton, Fincher and Company, P.C. presented the FY 2014 Audited Financial Statements to the Board of Trustees. With the audit, he presented a Management Letter that listed one item to be considered for change. Here is the Management Response to the item listed:

1. **Custodial Credit Risk – Bank Deposits** – At August 31, 2014, Center bank deposits in the amount of \$14,322 were not covered by federal deposit insurance or by a collateral pledge agreement.

**Management Response** – This condition has been corrected. A check was received in the amount of \$14,500 on 12/5/14 from First Liberty National Bank. We will continue to monitor all bank accounts to ensure this does not happen again.

**Cost Accounting Methodology (CAM)** - We have spent many hours working on the FY 2014 CAM report. We sent the preliminary report to DSHS on January 28<sup>th</sup>. We have continued to work on the report over the last month to fine tune our numbers and the final report will be submitted to DSHS by tomorrow at 5. After the final submission, we will continue to review our data and compare to our prior year CAM numbers as well as with state average cost for services.

**FY 2015 Budget Revision** – We are working on the 1<sup>st</sup> budget revision for FY 2015. This should be on the March agenda for your approval.

**FY 2014 HCS, ICF and Texas Home Living and MEI Cost Reports** – We are in the process of completing all the cost reports for FY 2014. The reports are all submitted in a program called the Fairbanks system which has been used for many years so the process has not changed for this fiscal year. The cost reports are all due on April 15<sup>th</sup>.

**CFO Consortium** - The CFO meeting was held the second week in February. The topics presented were as follows: Sunset Review and Legislative Updates, Revenue Maximization Committee Update, Population Outcomes – Looking to the future, Community First Choice and Managed Care, DADS Update, DSHS Update, and Public Funds Investment Training.

**W/C Audit** – We did finally receive the final report on our Workers Compensation Audit. The final report showed that we are due back \$9. So basically that is very good news that we were that close to perfect throughout the fiscal year on our monthly submissions.

<b>Agenda Item:</b> Community Resources Report  <b>Committee:</b> Program	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Community Resources Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Community Resources Report

## January 30, 2015 – February 26, 2015

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### Volunteer Hours:

Location	January
Conroe	288.55
Cleveland	7.30
Liberty	15.65
Huntsville	10.50
<b>Total</b>	322

### COMMUNITY ACTIVITIES:

1/30/15	We Care Treatment Center – Youth Substance Abuse Prevention Program Presentation	Spring
2/2/15	Montgomery County Homeless Coalition Board Meeting	Conroe
2/3/15	Montgomery County United Way Health and Wellness Impact Council Meeting	The Woodlands
2/4/15	Walker County Community Resource Coordination Group Meeting	Huntsville
2/4/15	Treehouse Residential Treatment Center – Youth Substance Abuse Prevention Program Presentation	Conroe
2/4/15	Veterans Peer Group Luncheon	Conroe
2/4/15	Veterans Peer Mentors Basic Training Course	Huntsville
2/5/15	Cleveland Chamber of Commerce Luncheon	Cleveland
2/11/15	Roots of Change Coalition Meeting	Conroe
2/11/15	Walker County Child Fatality Review Team Meeting	Huntsville
2/11/15	Veteran's Breakfast	Montgomery
2/12/15	Huntsville Chamber of Commerce Breakfast	Huntsville
2/12/15	Liberty County Child Fatality Review Team Meeting	Liberty
2/17/15	Montgomery County Community Resource Coordination Group Meeting	Conroe
2/18/15	Lone Star Veterans Association Luncheon	The Woodlands
2/18/15	Conroe Veterans of Foreign Wars Meeting	Conroe
2/19/15	Up2Youth Coalition Meeting	Huntsville
2/19/15	Montgomery County Emergency Assistance Hands Up Partners Meeting	Conroe
2/20/15	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
2/20/15	Montgomery County Youth Services In Service Training	The Woodlands

### UPCOMING ACTIVITIES:

3/5/15	Cleveland Chamber of Commerce Luncheon	Cleveland
3/5/15	Walker County Community Resource Coordination Group Meeting	Huntsville
3/5/15	Conroe ISD Transition/Resource Fair for Students with Disabilities	The Woodlands
3/5/15	Leadership Montgomery County Presentation	The Woodlands



**UPCOMING ACTIVITIES (Continued):**

3/11/15	Roots of Change Coalition Meeting	Conroe
3/12/15	Huntsville Chamber of Commerce Breakfast	Huntsville
3/17/15	Montgomery County Community Resource Coordination Group Meeting	Conroe
3/19/15	Up2Youth Coalition Meeting	Huntsville
3/25/15	Montgomery County United Way Behavioral Health Steering Committee Meeting	The Woodlands

<b>Agenda Item:</b> Consumer Services Report for January 2015  <b>Committee:</b> Program	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Consumer Services Report for January 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Consumer Services Report

## January 2015

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
<b>Crisis Services, MH Adults/Children</b>					
Persons Screened, Intakes, Other Crisis Services	477	38	39	60	614
Crisis and Transitional Services (Loc 0, Loc5)	38	2	6	6	52
Psychiatric Emergency Treatment Center (PETC) Served	60	7	2	5	74
Psychiatric Emergency Treatment Center (PETC) Bed Days	270	35	15	27	347
Contract Hospital Admissions	8	0	0	0	8
Diversion Admits	12	1	0	4	17
Total State Hospital Admissions	7	0	0	0	7
<b>Routine Services, MH Adults/Children</b>					
Adult Service Packages (LOC 1m,1s,2,3,4)	1067	135	89	116	1407
Adult Medication Services	796	68	74	85	1023
Child Service Packages (LOC 1-4 and YC)	422	36	18	55	531
Child Medication Services	195	22	8	19	244
TCOOMMI (Adult Only)	93	15	9	8	125
Adult Jail Diversions	4	0	0	0	4
<b>Persons Served by Program, IDD</b>					
Number of New Enrollments for IDD Services	17	0	0	1	18
Service Coordination	505	35	53	62	655
<b>Persons Enrolled in Programs, IDD</b>					
Center Waiver Services (HCS, Supervised Living, TXHmL)	46	6	22	28	102
Contractor Provided ICF-MR	17	12	11	6	46
<b>Substance Abuse Services</b>					
Children and Youth Prevention Services	65	0	0	0	65
Youth Substance Abuse Treatment Services/COPSD	28	0	0	0	28
Adult Substance Abuse Treatment Services/COPSD	35	0	0	0	35
<b>Waiting/Interest Lists as of Month End</b>					
Home and Community Based Services Interest List	1440	124	131	129	1824
<b>January Served by County</b>					
Adult Mental Health Services	1387	156	122	195	1860
Child Mental Health Services	442	35	22	54	553
Intellectual and Developmental Disabilities Services	535	46	55	64	700
<b>Total Served by County</b>	<b>2364</b>	<b>237</b>	<b>199</b>	<b>313</b>	<b>3113</b>
<b>December Served by County</b>					
Adult Mental Health Services	1305	169	125	183	1782
Child Mental Health Services	431	32	13	57	533
Intellectual and Developmental Disabilities Services	525	45	56	67	693
<b>Total Served by County</b>	<b>2261</b>	<b>246</b>	<b>194</b>	<b>307</b>	<b>3008</b>
<b>November Served by County</b>					
Adult Mental Health Services	1258	143	111	176	1688
Child Mental Health Services	417	34	11	57	519
Intellectual and Developmental Disabilities Services	529	45	58	63	695
<b>Total Served by County</b>	<b>2204</b>	<b>222</b>	<b>180</b>	<b>296</b>	<b>2902</b>

<b>Agenda Item:</b> Program Updates  <b>Committee:</b> Program	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Program Updates	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **Program Updates**

## **January 30, 2015 – February 26, 2015**

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### **MH Crisis Services**

1. During this past quarter, the Crisis Stabilization Unit (CSU) has served an increased number of individuals with insurance benefits. The business office has been fastidiously working on getting authorized CSU level of care services reimbursed.
2. Staff at the Psychiatric Emergency Treatment Center (PETC) met with key employees from MHMRA of Brazos Valley to develop ways to partner with them in their efforts to help stabilize acute individuals in remote areas.
3. Admissions are increasing at the Intensive Evaluation and Diversion Unit. The program has already assisted with diverting individuals from both the jail and local emergency rooms.
4. The Director of Nursing at the PETC resigned effective February 26<sup>th</sup>. Several applications have been received and interviews are currently being coordinated.

### **MH Adult Services**

1. The Counseling Team has approximately 20 clients waiting for Cognitive Behavior Therapy, and we have approximately 30 clients waiting for Cognitive Processing Therapy.
2. The number of adult clients served in January was 2,662.
3. Teresa Hale, APN, is our new prescriber at William E. Hall. She is seeing patients three (3) days a week.

### **MH Child Services**

1. We are in the planning stages of adding the YES Waiver Program which will expand our Wrap-around Services for children and youth in our community.
2. The number of clients being served in Child Mental Health Services continues to rise.

### **Criminal Justice Services**

1. The Criminal Justice Services Program continues to meet or exceed all standards for the contracts with TCOOMMI and the Texas Department of State Health Services (DSHS).
2. TCOOMMI Adult Program caseloads were full at 118 versus a contracted 110.
3. The Jail Liaison triaged 45 people at the jail in January.
4. The Outpatient Competency Restoration (OCR) Program admitted one (1) in January making a total of four (4) for FY 2015 and eight (8) served.

### **Substance Abuse Services**

1. The Youth Outpatient Substance Abuse Treatment Program is serving more youth each month, increasing by 38% in just one (1) month.

## **IDD Services**

1. The Community First Choice Waiver roll-out has been postponed until June 1, 2015
2. There are 48 individuals residing at nursing facilities who are receiving service coordination.
3. On the IDD Provider side, our census is down, our HCS CAP is 67 and we have four (4) vacant slots. Discharges were due to three (3) deaths between October 2014 and January 2015. Our population is aging and developing more health conditions. Our TxHmL CAP is twelve (12) and we have dropped to 33.

## **Support Services**

1. **Quality Management (QM):**
  - a. Staff have completed the IDD Life Skills Program Reviews for Huntsville, Liberty, and Cleveland.
  - b. Staff reviewed and submitted the Physician Quality Reporting System (PQRS) measurements for 2014. These reports allow the Center to avoid penalty payment to providers who satisfactorily report data on quality measures for covered physician services furnished to Medicare Part B beneficiaries and can potentially provide an incentive for those providers who exceed particular measures. All providers in our system were able to avoid penalty during the FY 2014 measurement period and we are currently working on system improvements to receive the incentive payments going forward.
2. **Utilization Management (UM):** UM and billing staff met with Beacon on January 30<sup>th</sup> and Cenpatco on February 23<sup>rd</sup> in order to address current questions and concerns and to begin setting up quarterly meetings with these Behavioral Healthcare Organizations (BHOs), as we continue to address issues arising from Senate Bill 58 implementation.
3. **ETBHN/Regional Authorization:** Staff attended the Regional Utilization Management Meeting on February 5<sup>th</sup>, where Center UM staff within the East Texas Behavioral Health Network met to discuss possible system and practice changes for utilization management staff that will help the Centers better navigate and prepare for the changes being brought forth by increased involvement by Managed Care Organizations.
4. **Grants:** Staff collected and submitted data requested from Montgomery County United Way related to our currently funded programs: Acute Day Treatment, Substance Abuse as well as the Emergency Food and Shelter Grant.



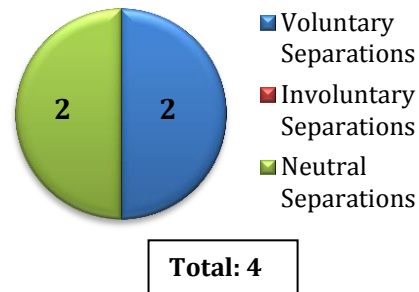
<b>Agenda Item:</b> Personnel Report for January 2015  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Personnel Report for January 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Personnel Report January 2015

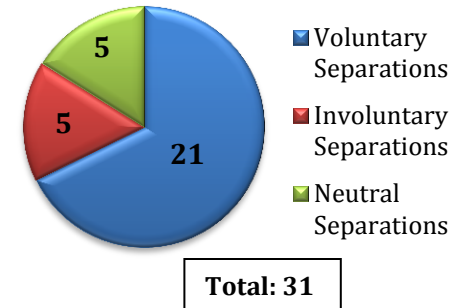
January 2015	FY15	FY14
Number of Active Employees	327	293
Number of Monthly Separations	4	7
Number of Separations YTD	31	29
Year to Date Turnover Rate	9%	10%
January Turnover	1%	2%

Separations by Reason	January Separations	Year to Date
Retired	0	2
Involuntarily Terminated	0	5
Neutral Termination	2	5
Dissatisfied	1	6
RIF	0	0
Deceased	0	0
Illness	0	3
Relocation	0	1
School	0	1
Personal	0	1
Unknown	1	1
New Job	0	6
Temp	0	0
<b>Total Separations</b>	<b>4</b>	<b>31</b>

**January 2015  
Voluntary, Involuntary  
& Neutral Separations**



**Year to Date  
Voluntary, Involuntary  
& Neutral Separations**

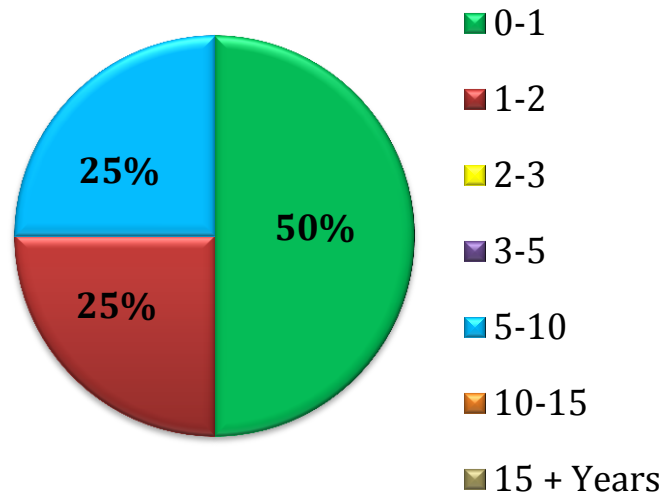


<b>Total Applications received in January=269</b>
<b>Total New Hires for the month of January=6</b>
<b>Total New Hires Year to date =41</b>

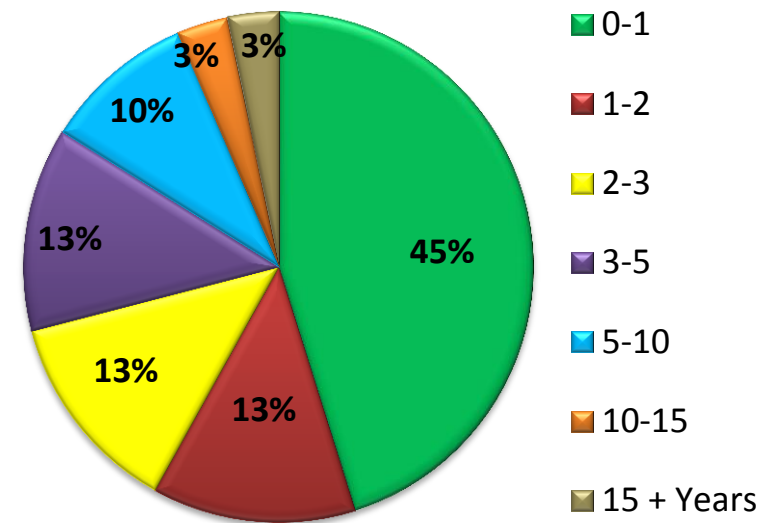
<b>Separation by EEO Category</b>	<b># of Employees</b>	<b>Monthly</b>	<b>Year to Date</b>	<b>% January</b>	<b>% Year to Date</b>
Supervisors & Managers	24	0	2	0%	8%
Medical (MD,DO, LVN, RN, APN)	38	1	2	3%	5%
Professionals (QMHP)	91	0	10	0%	11%
Professionals (QIDP)	23	0	3	0%	13%
Licensed Staff (LCDC, LPC...)	16	1	1	6%	6%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	21	0	1	0%	5%
Program Support(Financial Counselors, QA, Training, Med. Records)	43	0	2	0%	5%
Nurse Technicians/Aides	17	0	2	0%	12%
Service/Maintenance	20	1	2	1%	10%
Direct Care (HCS, Respite, Life Skills)	23	1	6	4%	26%
<b>Total Separations</b>	<b>327</b>	<b>4</b>	<b>31</b>	<b>1%</b>	<b>9%</b>

<b>Management Team</b>	<b># of Employees</b>	<b>Monthly Separations</b>	<b>Year to Date Separations</b>	<b>% January</b>	<b>% YTD</b>
<b>Evan Roberson</b>	14	0	1	0%	7%
<b>Millie McDuffey</b>	43	1	2	2%	5%
<b>Amy Foerster</b>	8	0	0	0%	0%
<b>Tanya Bryant</b>	8	0	0	0%	0%
<b>Catherine Prestigiovanni</b>	134	2	15	1%	11%
<b>Breanna Robertson</b>	52	0	4	0%	8%
<b>Kelly Shropshire</b>	27	0	3	12%	12%
<b>Kathy Luker-Foster</b>	32	1	6	3%	19%
<b>Kenneth Barfield</b>	9	0	0	0%	0%
<b>Total</b>	<b>327</b>	<b>4</b>	<b>31</b>	<b>1%</b>	<b>9%</b>

### January 2015 Separations by Tenure



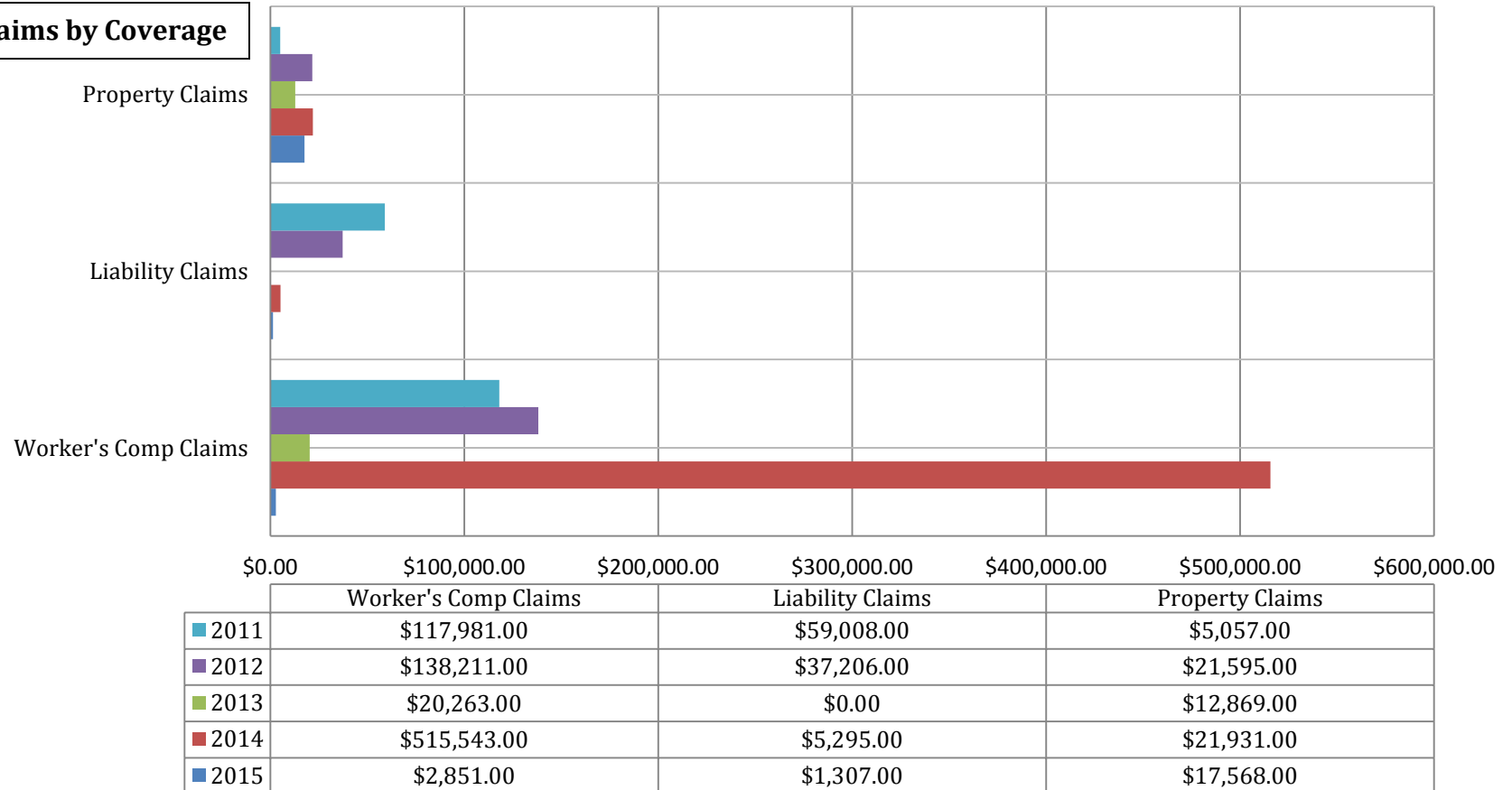
### Year to Date Separations by Tenure



<b>Agenda Item:</b> Texas Council Risk Management Fund Claim Summary for January 2015  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Texas Council Risk Management Fund Claim Summary for January 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	

## TCRMF Claims Summary January 2015

### Claims by Coverage



**Gross Total Reported**

**Total Open  
Worker's Comp  
Claims: 8**



<b>Agenda Item:</b> Texas Council Quarterly Board Meeting Update  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  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.	
<b>Supporting Documentation:</b>  Texas Council Staff Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	



**Texas Council**  
of Community Centers

**Texas Council Report  
Quarterly Meeting  
January 2015**

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# Chief Executive Officer Report

## Engagement Highlights

Since the November 8, 2014 board meeting, the Texas Council engaged in a number of key initiatives and priorities:

- Negotiations and meetings with state officials and legislative offices on: MH Performance Contract Targets; 1115 Transformation Waiver; Managed Care; Local Authority IDD Service Coordination; Local Authority/SSLC Pilot; PASRR and related Local Authority responsibilities (Attachment G); SB7 (Community First Choice - IDD Future Service System); SB58 (MH Future Service System); HB3793 provisions related to Mental Health First Aid and MH Advisory Panel; Sunset Advisory Commission Review; Interim Charges; DEA/Telemedicine;
- Meetings with advocacy organizations and other associations, including Conference of Urban Counties and Texas Association of Counties, to discuss MH and IDD service delivery issues and priorities in preparation for the 84<sup>th</sup> Legislative Session and recommendations from the Sunset Staff Report;
- 2015 Texas Council Annual Conference.

## MH Performance Targets 2014

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

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

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

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

## **Negotiating Team Composition**

### **Texas Council**

Danette Castle  
Roddy Atkins  
Terry Crocker  
Susan Garnett  
Lynn Rutland  
Linda Werlein

### **DSHS**

Ross Robinson  
Tamara Allen  
Suzanne Alston  
Lauren Lacefield-Lewis  
Dean Ortega  
Rod Swan

### **Negotiations**

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

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

### **Performance Target Methodology: Guiding Principles**

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

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

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

Despite the verbal agreement not to impose sanctions, penalties or recoupments for the first six (6) month timeframe, on April 25, 2014 DSHS notified the Texas Council of its intent to recoup funds from two Local Mental Health Authorities for failure to meet average monthly

served target. The two LMHAs appealed the subsequent notice of alleged noncompliance; but DSHS denied the appeals.

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

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

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

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

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

### **FY2014 Target Methodology: Actuarial Services**

Texas Council FY2014 budget includes funds to secure consultative services we anticipated needing this coming year to support our negotiations with state leadership on future rates and performance expectations, particularly as MH Rehabilitative Services and TCM are shifted into managed care.

As a result of the FY2014 DSHS Target Methodology we encompassed this issue in the immediate scope of work and secured the services of recently retired HHSC Chief Actuary, David Palmer, Ph.D.

In late October 2013, Dr. Palmer initiated work on a fiscal analysis of funding levels across the system and the system-wide implications of the FY2014 DSHS Target Methodology. The analysis is important in negotiations now underway between the Texas Council and DSHS to align funding levels with performance target expectations—a long held policy premise that to date has never been realized in the Texas mental health system.

Although securing services of a professional statistician with actuarial expertise is new territory for the Texas Council, actuarial services have long been central to the risk-bearing environment of insurance. Actuaries are experts in measuring and managing risk using fiscal and programmatic data as well as consideration of other factors that impact the financial well-being of organizations (such as circumstances in frontier, rural, suburban, and urban areas of Texas).

Dr. Palmer completed his work in January 2014 and provided a summary of the analysis at the January 2014 quarterly meeting of the ED Consortium. Texas Council staff provided a summary to the Board of Directors. The outcome of Dr. Palmer's work affirmed the position of the Texas Council: that current DSHS Target Methodology does not have a rational basis and targets should be realigned using reasonable cost and funding levels to determine LMHA average monthly targets.

### **Drug Enforcement Agency (DEA) & Telemedicine**

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

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

DPS and DEA both understand the governmental status of Community Centers and recognize the important and growing role of telemedicine in meeting the needs of people accessing services through the public mental health system.

On June 26, 2014 our legal counsel secured a commitment from DPS to expedite the application process. A test application was conducted and DPS quickly issued the necessary registration for submission to DEA. Other Centers have since obtained the DPS registration with relative ease.

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

Additionally, the Texas Council engaged with HHSC officials and representatives from other organizations, such as UTMB, Texas Society for Psychiatric Physicians (TSPP), and TMA to seek remedy. On September 9, 2014 a meeting was held with representatives from these organizations and DEA officials. Texas Council legal counsel served as our representative. During that meeting the DEA agreed to consider an agency letter confirming the authority of Community Centers relative to controlled substances. Since that time the Texas Council has engaged in ongoing efforts with HHSC and DPS to seek a resolution that satisfies the DEA.

On January 12, 2015 HHSC Executive Commissioner Janek issued an official letter to the DEA regarding the statutory role of Community Centers relative to mental health service delivery. This letter is intended to address DEA stated concerns and allow DPS to resume issuing the registrations necessary to obtaining DEA registration for clinics using telemedicine. The letter directs the DEA to the HHSC Associate Commissioner for Mental Health Coordination as the point person on this issue.

In addition to the effort to address this issue at the state level, efforts by other stakeholders have been underway at the Federal level to direct the DEA to issue interim rules that would favorably address the problem created by DEA regulatory action in Texas related to the Ryan Haight Act.

The Texas Council recognizes this issue seriously threatens the ability of Community Centers to provide critical mental health services and will continue seeking resolution.

### **HB 3793 Advisory Panel Update**

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

#### **TIMELINE**

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

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

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

1. Service Needs



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

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

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

- A state-level waitlist for civil / voluntary patients in need of a bed;
- Alternatives to inpatient beds and manage incentives that maximize resources, and;
- A process to monitor utilization of community-based alternatives to inpatient care.
- To enhance stakeholder (e.g., judges, law enforcement, community providers, etc.) education, the panel recommends: Simplifying nomenclature related to crisis mental health alternatives to inpatient beds;
- Creating a list of available resources for information, training and technical assistance (NOTE: this is was also included by Sunset Staff as a “Management Action” in the DSHS report due for completion by December 2014.)
- Providing training and information to judges and attorneys;
- Technical assistance to state hospital and LMHA staff on effective engagement with the criminal justice system; and,
- Work to increase the number of clients transitioning from forensic to civil commitments.

## **NEXT STEPS**

During a recent House County Affairs committee interim hearing, Chairman Garnet Coleman, D – Houston, directed DSHS to hold an additional HB 3793 Advisory Panel meeting to review the final plan before it is publicly released. To date, this meeting has not been scheduled.

## **MHSA Access to Care Workgroup (MACW)**

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

The first meeting of the MCAW was held December 9, 2014 to consider the purpose, membership and meeting logistics for 2015. A substantial discussion was held related to the circumstances (emerging at the time) surrounding the decision of San Antonio State Hospital leadership to restrict access for people in need of an inpatient bed due to significant staffing

shortages in the facility. Ultimately, DSHS held a stakeholder meeting in the local community and a short term solution was put in place to increase capacity at the hospital.

MCAW will meet monthly throughout 2015.

For more information about the HB 3793 Advisory Panel, visit:

<https://www.dshs.state.tx.us/mhsa/hb3793/>

## **State Budget Update**

On Monday, January 12, 2015 newly elected Comptroller Glenn Hegar released the latest Biennial Revenue Estimate (BRE), which projects \$113 billion available for general purpose spending for the 2016-17 biennium. This reflects an increase of 9.5 percent (\$9.7 billion) over the current two-year budget cycle (FY2014-15) and is the certified amount the Legislature will be able to spend during the 84<sup>th</sup> session.

In addition, tax and fee collections are projected to total \$97.7 billion for the 2016-17 budget period. The state's largest tax revenue source is the sales tax, which accounts for more than half of the general revenue. The tax is expected to generate \$61.2 billion in FY2016-17, which is an 8.9% (\$5 billion) increase from the current biennium.

December 2014 marks the 57th consecutive month of year-over-year increases in sales tax collections.

Other budget projections and key factors include:

- Federal receipts and other funds are projected to be \$110.5 billion, which will bring the total state revenue to \$220.9 billion.
- The Economic Stabilization Fund (ESF), also known as the Rainy Day Fund, is expected to grow to \$11.1 billion at the end of the next biennium (FY2016-17), if the fund remains untouched by the Legislature. The ESF constitutional limit is estimated to be at \$16.1 billion.
- The unemployment rate is expected to remain around 5% through 2017.
- The state also expects to see an annual job growth of 213,000 in fiscal 2015, 252,000 in 2016, and 271,000 in 2017.

Additional information on the BRE report can be found at:

[http://www.texastransparency.org/State\\_Finance/Budget\\_Finance/Reports/Biennial\\_Revenue\\_Estimate/2016\\_17/](http://www.texastransparency.org/State_Finance/Budget_Finance/Reports/Biennial_Revenue_Estimate/2016_17/).

## **Sunset Advisory Commission Update (HHSC)**

As you are aware, the Sunset Advisory Commission met Wednesday, December 10, 2014 to consider member modifications and formally adopt recommendations for the Health and Human Services Commission. On Wednesday, January 14, 2015 the Sunset Commission adopted recommendations to move Vocational Rehab and Eligibility Determination to Texas Workforce Commission.

Updated decision materials for HHSC are available at the following link:

[https://www.sunset.texas.gov/public/uploads/files/reports/HHSC and System Issues DM.pdf](https://www.sunset.texas.gov/public/uploads/files/reports/HHSC%20and%20System%20Issues%20DM.pdf)

This document formed the basis for discussions during the Sunset Advisory Commission hearing. Updated comments and proposed modifications are included in the gray boxes within the document.

To download the archived hearing video, see the link below:

<http://www.senate.state.tx.us/avarchive/>

### **Summary of Sunset Commission Decisions (Select):**

NOTE: Excerpts are taken from HHSC Sunset Staff Report with Decision Material.

#### **Commission Decision on Issue 1 - Consolidation (p. 40a)**

#### **Modifications to Recommendation 1.1 (proposed health and human services agency reorganization)**

##### **The following would be provided in statute:**

The executive commissioner shall consider the following functional divisions in organizing the commission:

- medical and social services
- state institutions and facilities
- family and protective services
- public health services
- regulatory services
- centralized services
- inspector general (appointment of the inspector general is addressed in Issue 10)

Other statutory provisions of Recommendation 1.1, such as the removal of the four health and human services agencies and agency councils and the establishment of the policy and performance office under the executive commissioner, continue to apply.

##### **The following would be a management recommendation:**

This modification also moves, for the executive commissioner's consideration, prevention programs together in the medical and social services division, including home visiting programs;

prevention programs related to developmental disabilities such as those caused by fetal alcohol spectrum disorder; and other prevention programs currently located at DFPS.

An updated version of the organization chart reflecting this change is on page 40c. The executive commissioner would consider this organization chart as a starting point for preparing the transition plan the executive commissioner is to prepare and submit to the transition legislative oversight committee by December 1, 2015, for its approval as specified below.

### **Modifications to Recommendation 1.2 (transition planning and structure)**

Modify requirements of the transition plan as follows:

- a. Require in statute that the executive commissioner submit a transition plan outlining the structure and a plan to carry out the reorganization to the transition legislative oversight committee for its review and approval, and to the governor and the Legislative Budget Board by December 1, 2015.
- b. Before submitting the transition plan to the transition legislative oversight committee, governor, and Legislative Budget Board, require HHSC in statute to hold public hearings and accept public comment regarding the transition plan in various geographic areas of the state.
- c. As a management recommendation, direct the executive commissioner to submit to the transition legislative oversight committee a separate plan for consolidation of administrative support services as recommended in Issue 2 of the staff report for consideration as part of the overall transition plan.
- d. As a management recommendation, direct the executive commissioner to report to the transition legislative oversight committee how to satisfy federal requirements related to the organizational placement of programs, such as programs for the aging or rehabilitation programs, so that federal funds are not forfeited.
- e. As a management recommendation, direct the executive commissioner to report to the transition legislative oversight committee how the reorganized structure emphasizes information technology and contracting so that these functions receive ongoing high-level attention to help ensure their proper performance.
- f. As a management recommendation, direct the executive commissioner to report to the transition legislative oversight committee how the reorganized structure would ensure needed coordination for people served across system components, such as between state hospital facilities and mental health services, state supported living centers and disability services, and behavioral health and physical health services.

Change statutory provisions regarding the transition legislative oversight committee as follows:

- g. Require the transition legislative oversight committee to have the following composition: 11 voting members, those being four members from the House appointed by the Speaker, four members from the Senate appointed by the Lieutenant Governor, and three public members appointed by the Governor; and the executive commissioner as an ex officio nonvoting member. A member of the committee serves at the pleasure of the appointing official.
- h. Require the Speaker to name a co-chair from among the House appointees and the Lieutenant Governor to name a co-chair from among the Senate appointees.
- i. Require the committee to meet at least quarterly or at the call of the co-chairs through August 31, 2016, and then at least once a year or at the call of the co-chairs through August 31, 2023. The transition legislative oversight committee would disband on September 1, 2023.
- j. Apply the Open Meetings Act (Chapter 551, Government Code) to the meetings of the transition legislative oversight committee.

Require the transition legislative oversight committee to report to the Lieutenant Governor, Speaker, and Governor on progress and issues related to the transition not later than December 1 of even-numbered years, with its last report due on December 1, 2022.

**Modification to Recommendation 1.3 (future Sunset reviews)**

In addition to the full Sunset review with a September 1, 2027 date recommended by staff, also require in statute that the reorganized agency undergo a limited Sunset review for the 2022 – 2023 biennium, but would not be subject to abolishment at that time. The review would be limited to providing an update on agency progress in meeting reorganization requirements and identifying any other changes deemed appropriate.

*(Representative Four Price, Work Group Chair, Senator Brian Birdwell, Senator Charles Schwertner, Representative Harold V. Dutton Jr., Representative Cindy Burkett, and Mr. Tom Luce, Members – Sunset Advisory Commission)*

**Commission Decision on Issue 4 – Oversight of Managed Care (p. 80a)**

**Recommendation 4.2**

*Require HHSC to regularly evaluate the appropriateness of requested performance data and develop a dashboard that identifies key performance data for agency leadership.*

**Modification Adopted:** Require HHSC in statute to develop the dashboard for key performance indicators for oversight of the Medicaid program and managed care organization performance

not later than March 1, 2016. (*Senator Charles Schwertner, Member – Sunset Advisory Commission*)

#### **Recommendation 4.6**

*Eliminate the Pharmaceutical and Therapeutics Committee, transfer its functions to the Drug Utilization Review Board, and expand the repurposed board's membership to include managed care representation.*

Modification Adopted: Add two, instead of one, non-voting members representing managed care organizations to the combined P&T/DUR Committee. One managed care representative must be a pharmacist and one representative must be a physician. (*Senator Charles Schwertner, Member – Sunset Advisory Commission*)

#### **Additional Sunset Member Modifications to Issue 4**

Direct HHSC as a management recommendation to report to the Sunset Commission by February 1, 2015 recommendations related to the following aspects of network adequacy for Medicaid managed care organizations:

- Improvements in network adequacy standards for managed care organizations, such as implementation of minimum provider ratios, mileage standards by provider type, and evaluation of client wait times or other access measures.
- Ways to strengthen HHSC's contract oversight and enforcement of managed care organizations' compliance with network adequacy standards.
- Considerations for impacts to clients and managed care organizations for any recommended changes related to network adequacy.

(*Senator Charles Schwertner, Member – Sunset Advisory Commission*)

Direct HHSC as a management recommendation to routinely measure and publicly report on non-emergent utilization of the emergency department by managed care members, by health plan, by region. (*Senator Charles Schwertner, Member – Sunset Advisory Commission*)

#### **Commission Decision on Issue 6 – Improve Quality of Care (p. 94a)**

##### **Recommendation 6.1**

*Require HHSC to develop a comprehensive, coordinated operational plan designed to ensure consistent approaches in its major initiatives for improving the quality of health care.*

Adopted Member Modification: As a management recommendation, direct HHSC, as part of its comprehensive, coordinated operational plan in Recommendation 6.1 to coordinate its major initiatives for improving the quality of health care to, at a minimum, ensure consistency across state contracts and oversight of Medicaid managed care organizations, DSRIP projects, and local mental health authorities to align performance metrics, especially for behavioral health

crisis services, cross-payer transitions, and coordination of benefits. (*Mr. Tom Luce, Member – Sunset Advisory Commission*)

### **Commission Decision on Issue 9 – NorthSTAR (p. 126a)**

#### **Recommendation 9.1**

*Transition provision of behavioral health services in the Dallas area from NorthSTAR to an updated model.*

**Adopted Member Modification:** This modification would allow the local communities that comprise NorthSTAR to work with HHSC to develop a mutually agreed upon solution, within certain timelines, to move the current NorthSTAR model into one that meets the state’s priorities and maintains the strengths of the NorthSTAR model, as described in the following.

#### **Local Plans**

- In lieu of a competitive RFP process, this modification would allow each of the seven counties that comprise NorthSTAR, either as an individual county or in partnership with other counties, to exercise local control and submit a local plan to DSHS, in consultation with HHSC, for indigent services.
- The local plan must be agreed to by a majority of the county commissioners, as well as the board of directors of the local mental health community center, in each county covered by the local plan.
- The plan must meet the criteria below:
  1. experience or plan to provide and coordinate integrated care for mental health, substance abuse, and crisis services;
  2. status as a public entity eligible to put up non-federal funds to match federal DSRIP funds;
  3. intent and ability to integrate behavioral health and primary care services;
  4. provider payment plan and mechanisms to ensure a competitive provider market and an adequate network of providers capable of providing broad access to services;
  5. plan to ensure quality of services provided to clients; and
  6. incentives or inclusion of local participation or match requirements.
- If DSHS, HHSC and NorthSTAR have not reached an agreement that meets all the criteria listed above by March 10, 2015, as determined by HHSC and DSHS, DSHS would solicit proposals through a competitive bid for management of indigent behavioral health services in the NorthSTAR region, as described in the Sunset staff recommendation.
- Counties who do not want to remain within the NorthSTAR system may adopt the current DSHS model of behavioral health service delivery found in other parts of the state outside of NorthSTAR.

- For any county for which an acceptable plan for indigent services is not agreed to by March 10, 2015, DSHS, in consultation with HHSC, would solicit proposals through a competitive bid as described in the Sunset staff recommendation.
- Transition of Medicaid services would occur as described in the Sunset staff recommendation.

#### **Timeframes for Service Delivery**

- Local plans for indigent services must go into effect no later than January 1, 2017. If no acceptable local plan for indigent services is developed in an affected county, DSHS, together with HHSC, should release its request for proposals by December 2015 and select an entity to begin services by January 1, 2017.
- For Medicaid, funding for children should be transitioned to STAR and STAR Kids plans no later than September 1, 2016. Funding for adults should be transitioned to STAR and STAR+PLUS plans no later than January 1, 2017.

*(Senator Brian Birdwell and Mr. Tom Luce, Members – Sunset Advisory Commission)*

#### **Commission Decision on Issue 13 – Advisory Committees (p. 174b)**

##### **Add the following provisions to Recommendation 13.1**

Require the executive commissioner in statute to establish and maintain advisory committees to consider issues and solicit public input across all major areas of the agency, including but not limited to:

- a) Medicaid and other social services programs
- b) managed care
- c) quality initiatives
- d) aging
- e) individuals with disabilities, including autism
- f) rehabilitation, including brain injuries
- g) children's issues
- h) public health
- i) behavioral health
- j) regulatory matters
- k) protective services
- l) prevention efforts
- m) faith and community-based matters

As a statutory change, apply Chapter 2110, Government Code, to an advisory committee appointed by the executive commissioner. The agency would be required to adopt rules, in compliance with Chapter 2110, Government Code, by March 1, 2016, in conjunction with the management action below. Such rules would cover an advisory committee that primarily



functions to advise the agency, including rules governing an advisory committee's purpose, tasks, reporting requirements, and expiration date. The agency should also adopt rules regarding an advisory committee's:

- a) size and quorum requirements;
- b) qualifications for membership, including experience requirements and geographic representation;
- c) appointment procedures;
- d) terms of service; and
- e) compliance with the requirements for open meetings under Chapter 551, Government Code.

The modification would not change any of the specific provisions in Recommendation 13.1, including removing 32 advisory committees from HHSC's statute, maintaining the three HHSC committees addressed elsewhere in the report, removing separate Sunset dates for advisory committees, or abolishing the regional advisory committees. The recommendation, as modified, would not affect Recommendation 13.2, reconfiguring committees for children with special needs, or any committees for other system agencies previously acted on by the Sunset Commission.

*(Representative Four Price, Work Group Chair, Senator Brian Birdwell, Senator Charles Schwertner, Representative Harold V. Dutton Jr., Representative Cindy Burkett, and Mr. Tom Luce, Members – Sunset Advisory Commission)*

## **NEXT STEPS**

Sunset staff recommendations for DSHS, DARS, DFPS and DADS were formally adopted in August 2014 (see Texas Council staff report November 2014).

Ultimately, legislation will be filed during the 84<sup>th</sup> Legislative Session. Most recent chatter indicates on-going discussion about whether to file separate bills for each agency or a single bill that includes Sunset recommendations for all HHS agencies.

## **Sunset Statutory Clean Up Bill Filed**

As you know, on Friday, December 19, 2014, Chairman Charles Schwertner and Representative Four Price filed identical, companion bills: SB 219 and HB 550. The bills relate to provision of health and human services in Texas, including the powers and duties of the Health and Human Services Commission and other state agencies, and the licensing of certain health professionals.

To Review this legislation see the following:

<http://www.capitol.state.tx.us/BillLookup/History.aspx?LegSess=84R&Bill=SB219>

On June 25, 2014, the Sunset Commission voted unanimously to direct a review of all statutes related to health and human services as part of the broader HHS system review. Over the last several months, Sunset Staff, Texas Legislative Council (TLC) and impacted state agencies spent more than 20,000 hours on this massive effort.

SB 219 and HB 550 seek to clarify certain statutory provisions, update outdated language and generally lay the groundwork for more substantive Sunset legislation to follow. The filed bills contain revisions to 9 codes and 262 chapters of law. Each bill is over 2,000 pages long and currently under review by Texas Council staff.

## **84<sup>th</sup> Legislative Session Update**

The 84th Texas Legislature gaveled in for the opening day of session on Tuesday, January 13, 2014. House and Senate members were all sworn-in.

In the Texas House, Rep. Joe Straus (R-San Antonio) was re-elected for his fourth term, defeating his challenger, Rep. Scott Turner (R-Frisco), by a vote of 127-19.

**House Rules Adopted** - The House had a spirited debate on the House Rules Thursday. The following select changes made to the House Rules will impact issues we are tracking this session:

- There are two committees now charged with working on local government transparency issues.
  - There is a new Committee on Government Transparency and Operation.
  - The Committee on Investment and Financial Services has a new Subcommittee on State and Local Indebtedness.
- The membership of the Ways and Means Committee has been increased from nine members to 11. The rules also require the chair of the committee to appoint one or more subcommittees, with each subcommittee focusing on a specific method of taxation. One subcommittee must be appointed to consider property taxation.
- A Juvenile Justice and Family Issues Committee has been created to work specifically on issues regarding the commitment and rehabilitation of youths and legislation on familial relationships.

NOTE: House rule changes will not impact Public Health or Human Services committees.

For more on House rule changes see:

<http://www.hro.house.state.tx.us/pdf/fr2015/150115A.PDF>

## **What's Ahead?**

- Lt. Governor-elect Dan Patrick will be sworn in January 20, 2015
- Governor-elect Greg Abbott will be sworn in January 20, 2015
- The Senate will debate the Senate Rules.
- Committee appointments by the speaker and lieutenant governor

## Key Dates

### ***Session Begins***

**Tuesday, January 13, 2015** (1st day)

84th Legislature convenes at noon

*[Government Code, Sec. 301.001]*

**Friday, March 13, 2015** (60th day)

Deadline for filing bills and joint resolutions other than local bills, emergency appropriations, and bills that have been declared an emergency by the governor *[House Rule 8, Sec. 8; Senate Rules 7.07(b); Senate Rule 10.01 [subjects joint resolutions to the rules governing proceedings on bills]*

### ***Session Ends***

**Monday, June 1, 2015** (140th day)

Last day of 84th Regular Session; corrections only in house and senate

*[Sec. 24(b), Art. III, Texas Constitution]*

**Sunday, June 21, 2015** (20th day following final adjournment)

Last day governor can sign or veto bills passed during the regular legislative session

*[Sec. 14, Art. IV, Texas Constitution]*

**Monday, August 31, 2015** (91st day following final adjournment)

Date that bills without specific effective dates (that could not be effective immediately) become law

*[Sec. 39, Art. III, Texas Constitution]*

## Interim Committee Reports (Select)

### House Select Committee on Health Care Education and Training

Download the complete report:

<http://www.house.state.tx.us/media/pdf/committees/reports/83interim/House-Select-Committee-Health-Care-Education-and-Training-Interim-Report-2014.pdf>

## FINDINGS (Select)

### Mental Health

1. Require a joint study of the mental health care system conducted by the Department of State Health Services, (DSHS), Texas Department of Insurance (TDI) and an institute of higher education to evaluate the full spectrum of payment and reimbursements for mental health services in Texas, to determine if payment reform and regulatory changes are needed to better meet the demand for services and strengthen the workforce.

4. The Legislature should authorize the development of a pilot program that would incentivize and reward institutes of higher education willing and able to develop and demonstrate innovative multimodal and multidisciplinary models for delivering and expanding access to mental and behavioral health services in Texas.

5. The Health and Human Services Commission should develop a strategy for increasing the number of certified peer specialists in the state. The plan/strategy should also indicate ways in which certified peer specialists can help reduce costs in the Medicaid program.

6. Require the Health and Human Services Commission (HHSC) to evaluate and adjust Medicaid reimbursement rates where appropriate to mental health providers to incentivize community based mental health services, increase access to mental health professionals, as well as realize cost savings from care provided by community based providers versus emergency room care or county correctional costs.

### Veterans

2. Establish in statute that a single state agency is the lead point for both veterans' health care services and veterans' employment in health related fields.

5. Create a statewide public-private partnership to establish and expand veteran peer specialist programs for addressing veterans' mental health needs.

## **House Human Services Committee**

Download the complete report:

<http://www.lrl.state.tx.us/scanned/interim/83/H88.pdf>

## **Recommendations (Select)**

**Charge 1: Examine Crisis Resources for individuals with co-occurring mental illness and intellectual/developmental disabilities. Identify strategies to serve individuals with complex behavioral and medical needs in the community.**

- For purposes of uniformity and transparency across all state programs, including crisis services, HHSC should study the benefits and feasibility of developing and utilizing standard definitions for the terms "Developmental Disability" and "Related Condition".
- HHSC should expand awareness and the use of trauma-informed care for persons with I/DD.
- LAs and LMHAs should whenever feasible integrate training and education for personnel providing intake services, assessments, service coordination and crisis services.

**Charge 3: Monitor and evaluate implementation of SB 7 (83R), including agency preparations for the statewide rollout of STAR+PLUS.**

- Implementation of S.B. 7 should continue as planned using the timeline cited by HHSC and included with this report.

- This committee should continue to closely monitor the various managed care carve-ins required by S.B.7, and any resulting impact to service delivery.
- HHSC should require participating STAR+PLUS MCOs to adhere to network adequacy standards that to the greatest extent possible align with Medicare Advantage standards.
- HHSC should implement a single portal for provider claims submission and work with providers to decrease unnecessary paper-based claims.
- HHSC should work to increase its efforts to solicit and consider relevant stakeholder input as specifically called for in S.B. 7.

Additional Interim Committee Reports are available as follows:

- Senate Health and Human Services Committee:  
[www.lrl.state.tx.us/scanned/interim/83/H349.pdf](http://www.lrl.state.tx.us/scanned/interim/83/H349.pdf)
- Senate Committee on Veterans Affairs and Military Installations:  
[www.lrl.state.tx.us/scanned/interim/83/V641.pdf](http://www.lrl.state.tx.us/scanned/interim/83/V641.pdf)

## Federal Update

### Policy issues and happenings in the 114<sup>th</sup> Congress follow:

#### **Monday, January 12, 2015**

The US House passed legislation that allows the Veterans' Administration to team with nonprofits focused on promoting mental health to carry out its suicide prevention programs. Additionally, the legislation establishes a three-year pilot program to pay for psychiatrists' education if they work at the VA for at least two years.

The measure, called the **Clay Hunt Suicide Prevention for American Veterans Act**, had strong support in last Congress but was blocked from a vote in the Senate by now-retired Senator Tom Coburn (R-OK). House Veterans' Affairs Committee Chairman Jeff Miller (R-FL) argued that the legislation would ensure accountability and progress from the VA in curbing the growing suicide epidemic.

The legislation passed the House by a vote of 403-0 and now heads to the Senate where it is expected to be approved easily.

#### **Thursday, January 8, 2015**

The US House voted 252-172 to approve legislation (H.R. 30) that would change the definition of full-time employees under the Affordable Care Act (ACA) employer mandate from those who work 30 hours per week to 40 hours per week.

All Republican members and a dozen Democrats voted in favor of the bill.

Currently, the employer mandate requires businesses with more than 50 full-time employees working 30 hours or more per week to provide affordable health coverage to workers or face fines.

Republicans contend the current statute gives employers an incentive to cut workers' hours to avoid paying fines as a result of the health law. While congressional Democrats contend increasing the ACA definition of a full-time workweek would result in more employees being forced to work more hours and still not be eligible for insurance. The bill now goes to the Senate for consideration where Republicans need six Democrats to join them to overcome a filibuster. The White House has vowed to veto the bill.

This is the first of what is expected to be a series of legislative moves to alter and replace the Affordable Care Act in the 114<sup>th</sup> Congress.

According to the US Senate Republican Policy Committee, various groups are discussing options that would allow:

- Tax credits to buy insurance;
- High risk pools; and,
- Insurance to be sold across state lines.

### Hill Day 2015

The 11th Annual National Council Hill Day will take place October 5-6, 2015 in Washington, D.C. Stay tuned for additional information about registering for this event.

# Health Care Policy Update

## Healthcare Opportunities Workgroup (HOW)

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

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

This guide is available at: [http://www.txcouncil.com/healthcare\\_opportunities.aspx](http://www.txcouncil.com/healthcare_opportunities.aspx)

## System Design for Persons with Intellectual and Developmental Disabilities

The Healthcare Opportunity Workgroup developed a policy document addressing the future service delivery system design for persons with intellectual and developmental disabilities. In addition to HOW members, other Center representatives with specific expertise in current system design were included in the workgroup meetings.

The policy document outlines the Texas Council's priorities and vision for a service delivery design for person with IDD in this state. The Executive Directors Consortium and the Board received a copy of the draft paper at the April 2014 quarterly meeting. Texas Council staff took comments throughout May 2014 and the HOW finalized the document in June 2014. The document can be found at

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

## Technology

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

In order to provide a recommendation to the Executive Directors Consortium on moving this important strategy forward, the HOW determined the need for outside expertise in facilitating a work session to better organize the groups thinking on technology and to begin to define a path forward. The Information Management Consortium funded the work session for the HOW. According to the IMC Executive Committee, "The IMC enthusiastically embraces a unified strategy and vision for IT among Centers." In January 2013, the Executive Directors Consortium unanimously supported moving forward to engage Healthcare Intelligence Partners to lead the Texas Council's Learning Collaborative on Technology, Informatics and Accelerated Innovation.

The Behavioral Health Data Workgroup was appointed in February 2013 and leads Texas Council efforts on this initiative. Ongoing meetings are focused on each component of the project. In June 2013, the Texas Council responded to a request from the Texas Health and Human Services Commission for a recommended set of additional outcome measures for the 1115 waiver. The workgroup created a set of recommendations based on nationally recognized quality measures. This process led to a set of recommendations from HHSC to the federal government (CMS) for an expansion of behavioral health measures in Category 3 of the 1115 Transformation Waiver, which CMS approved.

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

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

At the January 2015 Executive Directors' Consortium, a primer on technology will be distributed and David Bergman will facilitate a discussion on the primer.

The Behavioral Health Data Workgroup is currently focusing two important initiatives:

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

### **Coding Compliance Project**

At the request of the Medical Services Consortium, the HOW requested consulting proposals to review Community Centers use of billing codes for psychiatric services. In 2013, there were significant changes made to how psychiatrists bill for services. This review will allow Centers to better understand how they have used the new codes, whether they meet required standards and how a Center compares each other and to national norms. MTM Services was selected as the vendor and the project is in progress. There are 37 Centers participating in the project.

The consultants have shared their findings with each participating Center and held a webinar on October 17, 2014 to review statewide findings and provide technical assistance on strategies to improve areas of concern. Texas Council staff are currently working with the consultants and several Consortium to schedule staff training for medical personnel, quality management staff, compliance staff and behavioral health leaders.



## **Healthcare Transformation and Quality Improvement Program: 1115 Waiver**

On October 1, 2014, the state's 1115 Transformation Waiver moved into the fourth demonstration year. At this time, Centers continue to implement, report and receive payment on approved projects, participate in learning collaboratives and think about waiver renewal. HHSC must submit a request to extend the waiver to CMS no later than September 30, 2015. The Texas Council is participating in discussions on waiver extension with HHSC and other vested stakeholders.

On January 20, 2015 Texas Council staff and HHSC staff will participate in two on-site visits to DSRIP programs in the Houston area. MHMRA of Harris County will host the visit in the morning and Texas Children's Hospital/Baylor College of Medicine will host in the afternoon. The goal of the visit is to increase HHSC's hands-on understanding of the impact on DSRIP locally.

Texas A&M University is conducting an evaluation of primary care-behavioral health care integration projects. The Texas Council has been meeting with A&M, and the Meadows Foundation, to discuss the project's methodology and deliverables. Ten centers are participating in this project.

CMS is also conducting a financial review, with some programmatic elements. The Texas Council coordinated efforts among Centers on responding to CMS questions and requests for data. During the financial review, CMS identified certain financial arrangements that have been called into question and issued a "deferral letter" to HHSC. CMS has since rescinded the deferral letter and will continue to work with HHSC on any remaining concerns.

The opportunity the state of Texas has given to communities in this waiver cannot be understated. Regional Health Partnership Plans provide an opportunity for new federal dollars to fund expansion of needed services, reduction in high-cost services and increased health outcomes for members of the community. The Texas Council continues to actively engage with HHSC on implementation issues related to the 1115 waiver, along with other state agencies which allocate General Revenue to Community Centers.

HHSC has established a website to inform the public about the 1115 Transformation Waiver: <http://www.hhsc.state.tx.us/1115-waiver.shtml>

## **Meadows Mental Health Policy Institute**

The Meadows Foundation launched The Meadows Mental Health Policy Institute for Texas. Tom Luce was named the Institute's President and Andrew Keller was named Chief Operating Officer. Both Mr. Luce and Mr. Keller spoke with the Executive Directors at the January 2014 quarterly meeting. The official launch of the Institute was April 16, 2014. Centers have been active participants in the launch of the Institute, with many serving as the lead for conducting stakeholder meetings in local communities. In addition, the Texas Council and Centers have been active in educating the Institute's staff and consultants on best practices

at Centers, challenges in mental health in communities and our vision for a future service delivery design for mental health services in Texas. Melissa Rowan was a member of the Institute's Planning Committee prior to the launch and will be a member of the ongoing Collaborative Council. Danette Castle and Lee Johnson are active members in both the Collaborative Council and the Collaborative Council's Legislative Committee.

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

See final report on page 41 at this link:

[http://www.ihcqe.org/images/reports/2014-02\\_2014\\_Appendices\\_Policy\\_Recommendations\\_Texas\\_Legislature\\_FINAL\\_121914.pdf](http://www.ihcqe.org/images/reports/2014-02_2014_Appendices_Policy_Recommendations_Texas_Legislature_FINAL_121914.pdf)

## **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 in which Board Member Jamie Travis spoke about her commitment to Transition Medicine. This 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 are promoting the development of an adult system of health care for persons with IDD. This engagement began in September 2012, when the Texas Council organized a meeting with the University of Texas Office of Health Affairs, UTMB Health, Texas Children's Hospital, Transition Medicine Clinic at Baylor College of Medicine and Gulf Coast Center to discuss the potential for an 1115 DSRIP project related to issues encountered by youth with special needs transitioning into the adult health care arena.

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

The Texas Council 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 will conduct an on-site visit to better understand the program and its impact on individuals with special healthcare needs in Houston.

### **Operating in a Managed Care Environment**

Medicaid Managed Care continues to grow in Texas. As we have discussed, the platform for the Texas Medicaid program is managed care. As more specialized services are included in the managed care program, the Council has been active in advocating for policies that best protect the individuals we serve and to reduce the administrative burden on providers when possible.

On September 1, 2014, Medicaid Mental Health Rehabilitation and Mental Health Targeted Case Management became a part of the managed care program as required by SB 58. This was a significant change in how Centers receive authorization and payment for these services. The major implementation issues have been resolved at this time. There are concerns among Centers regarding the funding between the fee-for-service and managed care programs. Texas Council staff has been collecting financial data from all Centers for the first quarter of this fiscal year and will present this data to HHSC on February 2, 2015. From the beginning of the implementation, HHSC has been open to discussions about the allocation between the two types of systems if warranted.

The Texas Council has also established an internal workgroup to look at the impact of SB 58 on DSHS requirements and the future of how the Texas Recovery and Resiliency program will operate as a utilization management tool in Managed Care. The HOW has adopted a set of recommendations that will be presented to the Executive Directors' Consortium in January 2015.

The Texas Council continues to support Community Centers as they develop and maintain relationships with Medicaid MCOs. The Texas Council provides technical assistance on contractual issues, provides information to HHSC on provider issues, participates in strategic planning on future relationships with MCOs and facilitates meetings between MCOs and Centers when needed.

The Texas Council continues to facilitate a Managed Care Workgroup, which now includes a Steering Committee. The workgroup provides a forum for updates regarding the Medicaid managed care program and discussion of systemic issues occurring across Centers. From this meeting, Texas Council staff conducts further analysis and/or leads discussions with HHSC on issues that are identified as needing further attention. In addition, the Texas Council provides staff support to the Reimbursement Consortium-Special Interest Group on managed care issues.

Both groups had significant issues related to the MCO credentialing process and as a result of analysis and discussion with HHSC, the HHSC-MCO contract language has been amended to directly address the issue.

Information on Managed Care and the monthly workgroup call, can be found at <http://www.txcouncil-intranet.com/texas-council-initiatives/managed-care-page/>

## Mental Health Update

### 84<sup>th</sup> Legislative Session Updates

The Texas Council is currently tracking 43 pre-filed bills relating to mental health and substance use. These include:

Bill	Legislator	Description
HB 116	Martinez Fischer, Trey (D)	Relating to expanding eligibility for benefits under the Medicaid program.
HB 550	Price, Four (R) also SB 219 Schwertner, Charles (R)	Relating to the provision of health and human services in this state, including the powers and duties of the Health and Human Services Commission and other state agencies, and the licensing of certain health professionals.
SB 55	Nelson, Jane (R)	Relating to the creation of a grant program to support community mental health programs for veterans with mental illness.
SB 133	Schwertner, Charles (R)	Relating to mental health first aid training for school district employees and school resource officers.

### New Learning Opportunities Page

The Texas Council's new resource on the Texas Council website has generated great interest for finding information on conferences, webinars and training opportunities of interest to Texas Council membership. Visitors to the page can subscribe to an RSS feed to receive updates as they become available. The page is found at the following link:

[http://www.txcouncil.com/training\\_opportunities.aspx](http://www.txcouncil.com/training_opportunities.aspx). Personnel across the system are invited to contribute learning opportunities by contacting Karen Justice at [kjustice@txcouncil.com](mailto:kjustice@txcouncil.com).

### 10 Year Plan: State Hospitals

As directed by Rider 83 of the 83rd Legislature, DSHS is completing a 10-year plan for provision of psychiatric inpatient hospitalization to persons served by the department. DSHS contracted CannonDesign to evaluate the hospitals and make recommendations to the state. The plan summary can be found at <https://www.dshs.state.tx.us/Mental-Health/Mental-Health-Data-Research-and-Reports/>.

According to the report, the total number of beds that Texas requires today to provide inpatient psychiatric care to people with and without a third party payer is 5,425 beds. This number is based on a calculation of observed demand plus unmet/latent need.

Observed demand is 4,855 beds. This is the bed need for all persons receiving inpatient psychiatric care in Texas in the current year (April 2013 to March 2014). This bed count includes care delivered at state hospitals and community hospitals, and includes persons who have a public or private third party payer as well as people who are medically indigent.

Unmet/Latent need is 570 beds. This is an estimate of the number of individuals in need of inpatient psychiatric services who are not currently able to access care. These individuals are assumed to require forensic and/or indigent care.

### **A Guide to Understanding Mental Health Systems and Services in Texas**

The Hogg Foundation for Mental Health has released a comprehensive guidebook that demystifies Texas' complex maze of mental health systems and services as a research tool for policymakers, nonprofits and advocacy groups to give an understanding of:

- How behavioral health services are provided,
- Populations served, and
- Challenges of meeting the growing and often unmet needs of Texans.

The guide is divided into four main parts:

- National Context: A basic overview of national activities related to behavioral health services.
- The Texas Environment: A summary of what is happening at the state level with respect to behavioral health services, including a description of new programs and organizational approaches to care.
- Public Behavioral Health Services in Texas: A summary of state agency programs that provide behavioral health services.
- Best Practices: A discussion of behavioral health best practices.

The guide can be found at <http://www.hogg.utexas.edu/initiatives/mhguide.html>.

### **10% Withhold Outcome Measures**

The CAP 10% Withhold Committee, LANAC and the Behavioral Health Consortium (BHC) Chair with the Executive Director liaisons of the BHC met to discuss revising the 10% Withhold measures. This meeting did not discuss AMH and CMH performance targets. This group recommended adding ANSA strengths to modify current measures. The group also recommended removing most of the Crisis measures. DSHS statisticians are in the process of taking all of our concerns and will be presenting them to the Council of Advising and Planning. LANAC will follow a similar process. These recommendations will then be sent formally to the DSHS Executive staff.

## **Veteran's Advisory Committee**

Texas Council continues hosting monthly Military Veteran Peer Network (MVPN) Statewide calls with the Texas Veterans Commission. The calls are designed to coordinate efforts across the state with Veteran Peer Coordinators, give new ideas and share success stories. The most recent call was January 7, 2015.

Members of the network participated for the first time in a pre-conference meeting at the 2014 Texas Council Conference. This was an opportunity for MVPN members to better understand the scope of work at Centers and vice versa. Because of the success of this first engagement with the Texas Council Conference, MVPN members have expressed interest in making this an annual event.

## **Disaster Behavioral Health**

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

Texas Council attends the state Disaster Behavioral Health (DBH) meetings. Also attending are DSHS employees and representatives from Red Cross, Texas Department of Public Safety (TDPS) Victims Services Division and the Voluntary Organizations Active in Disaster (VOAD). Discussion topics include training requirements, conferences and preparing organizations and the general public for the event of a disaster. Texas Council surveyed DBH responders to inquire what training they currently hold. Texas Council is working with DBH staff to bring the Incident Command System (ICS) 300/400 training at no cost to Centers. ICS 100, 200, 700 and 800 are prerequisites. These free three- hour trainings can be found on the Learning Opportunities Page.

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

## **Peer Opportunities**

The Texas Council is taking a closer look at the work of peers in Community Centers in preparation for the 84<sup>th</sup> Legislative Session. The Texas Council has toured 4 Centers and reviewed various peer programs to generate policy recommendations for practices involving peers. Site visits have been made to MHMRA of Harris County, Tropical Texas, Community Health Core and Hill Country MHDD. Site visits to Texas Panhandle, Helen Farabee and LifePath are scheduled for February 2015.

Areas to be reviewed include:

- Current peer involvement
- Training needs

- Future utilization of peers within programs

In addition, the Texas Council is developing an online presence to provide information about peer activities in Community Centers, projects in which they participate, and job opportunities for peers.

The Texas Council has engaged peers at various Centers to plan for a Peer Specialist Pre-Conference at the Texas Council Conference. This would give peers a chance to develop stronger ties to each of the Community Centers, exchange ideas and support each other.

### **Council for Planning and Advising (CAP)**

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

The CAP is currently working on these issues:

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

The next meeting is January 23, 2015.

### **Via Hope Advisory Committee**

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

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

Via Hope has been working to add endorsements to the Certified Peer Specialist Training. The endorsements are being developed in areas such as whole health, trauma informed care, and



substance use disorders. The “whole health” endorsement is available now as is the newly developed “Trauma Informed Care.”

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

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

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

## **Mental Health First Aid**

### **HB 3793 Mental Health First Aid Initiative**

HB 3793(83<sup>rd</sup> Regular Session) requires DSHS to provide grants to LMHAs to train Mental Health First Aid (MHFA) trainers and to provide MHFA training to public school educators. LMHAs submitted applications during the fourth quarter of FY2014 and revisions to those applications began in November 2014. LMHAs can access up to \$30,000 [for each local service area] to train a minimum of two (2) but not more than thirty (30) LMHA employees and/or contractors to become certified MHFA instructors. DSHS will also pay LMHAs \$100 per educator trained in MHFA, not to exceed \$40,000 per local service area.

The Texas Council clarified who qualifies as an “educator” for purpose of fulfilling the LMHA contract. An educator includes the following school personnel (holding an appropriate certificate or permit):

- Teachers
- Teacher interns or trainees
- Librarians
- Educational aides,
- Administrators, educational diagnosticians, and/or
- Counselors
- Full-time school nurses

New legislation has been filed to expand this list. Senator Charles Schwertner pre-filed SB 133 relating to mental health first aid training for school district employees and resource officers.

The Texas Education Administration (TEA) has agreed to adopt MHFA as acceptable training to meet legislative intent for SB 460. TEA will distribute a communication to relay this change to school districts and Education Service Centers.

### **MHFA Leadership**

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

- 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
Suzette Sova Shaikh	Harris County MHMRA
Catherine Carlton	MHMR Tarrant County
Susan Holt	Spindletop Center
Rene Hurtado	Emergence Health Network

Steering Committee Members meet monthly along with Lloyd Shangreaux who oversees the MHFA process at DSHS. Next meeting will be January 21, 2015. The larger MHFA workgroup will meet quarterly to share ideas, concerns and techniques in a networking conference call. The next meeting is February 23, 2015.

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

### **MHFA and the HHSC Enterprise**

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

### **MHFA Pre- Conference to the Texas Council Conference**

To bring MHFA Instructors together and support their work in the field, the Steering Committee identified areas of interest for an MHFA pre-conference:

- Updated stats and information about MHFA in Texas
- Rates and trends of MH disorders in Texas
- Effective techniques for engaging educators and getting by in from the schools
- A National Council Update on MHFA and trainings
- Motivational energy

The Steering Committee envisions the Pre-conference would be for MHFA trainers and anyone who is interested.

Additionally, the MHFA Steering Committee would like to see breakout sessions at the conference on:

- Differences between MHFA and SB 460 Educators who have used their training to make a difference in their classroom
- De-escalating in school settings and working with aggressive behavior
- Collaborating with others for self-help support strategies and religious communities

**MHFA Summary**

Staff & Contractor Trained FY14	Educator Trainings FY14	Non Educator Trainings FY14	Staff & Contractor to Train FY15	Educators to Train FY15
405	7,774	2,688	258	10,992

Texas Council will be sending out a new survey to assess the training needs for MHFA and work with Centers to schedule trainings.

# Intellectual and Developmental Disabilities Update

## Redesign of IDD Services and Supports: FY2014-15

Following FY2014-15 timeline includes redesign activities directed by SB 7. Certain implementation deadlines are directed in SB 7 while others are not\* but are projected by HHSC and/or are reflected in FY2014-15 state appropriations:

Timeline	IDD Redesign Requirements and Related Activities	Status as of 01.12.15
October 1, 2013	SB 7 deadline to appoint IDD System Redesign Advisory Committee members	Meetings held July 16, 2014, October 7, 2014. Next meeting January 20, 2015.
Fall, 2013*	HHSC and DADS prepares Community First Choice (CFC) Medicaid state plan amendment for submission to CMS (CFC option implements SB 7 basic attendant and habilitation services provided through STAR + PLUS)	HHSC submitted proposed State Plan Amendment to CMS October 10, 2014 with a requested effective date of March 1, 2015.
Fall, 2013*	Informal consideration of pilot(s) to test managed care strategies based on capitation to be implemented "no later than September 1, 2016" per SB 7	Pilot RFP not yet issued; HHSC anticipates RFP release by December 31, 2014, but DADS officials indicate release may not occur until March 2015 or later.
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	March 1, 2015 projection
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	Projected March 1, 2015
September 30, 2014	SB 7 deadline for annual IDD System Redesign report to legislature	Deadline extended. At IDD System Redesign Committee Meeting October 7, 2014, DADS announced this report would be subsumed into larger staff report and submitted to Legislature at a later date.
December 1, 2014	SB 7 deadline for report to legislature on role of Local Authority as service provider	Anticipated December 2014
September 1, 2015	IDD Comprehensive Assessment Evaluation	Stakeholder input requested by DADS via survey. RFI released August 25, 2014.

For frequently asked questions about managed care initiatives:

<http://www.hhsc.state.tx.us/medicaid/managed-care/mmc.shtml#faq>

## SB 7 Implementation Activities:

- **House Committee on Human Services.** Hearings held March 24, 2014 and June 4, 2014. The committee heard invited testimony from HHSC and DADS, and public testimony (3/24/14 only) in response to the committee's interim charge to oversee implementation of SB 7 expansion of STAR+PLUS, including the carve-in of IDD acute care services for people in IDD waiver and ICF/IID programs beginning September 1, 2014.

To view archived hearings:

[http://tlchouse.granicus.com/MediaPlayer.php?view\\_id=28&clip\\_id=8214](http://tlchouse.granicus.com/MediaPlayer.php?view_id=28&clip_id=8214) (3/24/14)

[http://tlchouse.granicus.com/MediaPlayer.php?view\\_id=28&clip\\_id=8383](http://tlchouse.granicus.com/MediaPlayer.php?view_id=28&clip_id=8383) (6/4/14)

To view HHSC and DADS committee presentations:

<http://www.hhsc.state.tx.us/news/presentations/2014/Managed-Care-Initiatives.pdf>

To view House Committee on Human Services Interim Report 2014:

<http://www.house.state.tx.us/media/pdf/committees/reports/83interim/House-Committee-on-Human-Services-Interim-Report-2014.pdf>

- **IDD System Redesign Advisory Committee.** The committee held meetings July 16, 2014 and October 7, 2014 and anticipates meeting quarterly. The next meeting is scheduled January 20, 2015. Community Centers are represented by John Delaney, Executive Director, Lakes Regional MHMR Center, and Susan Garnett, CEO, Tarrant MHMR.

Committee information is located at:

[http://www.hhsc.state.tx.us/about\\_hhsc/AdvisoryCommittees/iddsrac.shtml](http://www.hhsc.state.tx.us/about_hhsc/AdvisoryCommittees/iddsrac.shtml)

- **Pilot to test managed care strategies.** To date HHSC and DADS have not provided public details about agency plans to release a request for proposals necessary to implement the IDD managed care pilot program authorized by SB 7. Unofficial comments from DADS leadership indicate release may not occur until March 1, 2015 or later. SB 7 requires pilot implementation no later than September 2016.

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

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

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

For purpose of obtaining enhanced federal match, the proposed Texas CFC design includes current attendant and habilitation services provided by existing 1915(c) waiver programs (such as HCS and TxHmL), as well as future CFC services provided as a STAR+PLUS benefit. HHSC provided to each Local Authority unofficial estimates of the numbers of adults and children who are potentially eligible for CFC on the basis of IDD. These estimates were provided for planning purposes on January 9, 2015. HHSC intends to maintain existing service delivery structures and reimbursement rates for CFC services provided through 1915(c) waivers. Rules proposed in late November, but not yet approved, would establish CFC rates using pre-existing attendant and habilitation, consumer directed services, support consultation, financial management services agency, and emergency response services rates.

On September 3, 2014, HHSC hosted a stakeholder forum to hear public testimony on CFC implementation. Texas Council provided public comment, emphasizing importance of an assessment tool appropriate for people with IDD and encouraging the agency to add transportation services to CFC service array.

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

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

The Texas Council, MCOs, and representatives from Local Authorities have met several times to develop standard elements for agreements between LIDDAs and MCOs to guide the respective CFC roles and responsibilities. These meetings are ongoing.

HHSC submitted a proposed SPA to CMS on October 10, 2014. As of January 19, 2015, Texas has not received approval.

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

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

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

- **HHSC Listening Sessions.** The Texas Council and Local Authorities assisted HHSC to host twelve listening sessions throughout the state. Several Local Authorities hosted sessions on their premises and many Local Authorities assisted with identifying appropriate venues, provided logistical support at the sessions, and helped to publicize the sessions. These sessions gave people with IDD, family members, providers, MCOs, and Local Authorities an opportunity to raise concerns and ask questions of HHSC. A consistent theme throughout the sessions was concern about network adequacy, especially adequacy of specialty services such as psychiatry and neurology.
- **Service coordination activities.** Each person transitioned to STAR+PLUS for acute care has a named STAR+PLUS MCO Service Coordinator (for acute care services only). Local Authority Service Coordinators are encouraging MCO SC participation with the IDD waiver Service Planning Team, as desired by the person/LAR, to facilitate coordinated acute and long-term services and supports. HHSC requires ongoing exchange of service plan information among MCOs, LAs and providers. To facilitate this exchange of information, all Local Authorities provided names and contact information of at least three Local Authority Service Coordinators to HHSC for use by MCOs.
- **Communications with enrollment broker (MAXIMUS) and STAR+PLUS MCOs.** Texas Council urged HHSC to implement mechanisms that allow Local Authorities and IDD service providers to communicate and coordinate with STAR+PLUS MCOs and MAXIMUS (enrollment broker) to effectively assist people in accessing necessary and timely acute care services through STAR+PLUS. MCOs and the enrollment broker sometimes refused to communicate with LAs and providers on behalf of mutually served individuals, based on perceived HIPPA limitations. MCOs agreed to counsel their front line staff that communication with LAs and providers can be appropriate. Reports of this refusal to communicate have decreased. MCOs have also counseled their front line staff to more clearly

identify themselves when they call, to avoid confusion between MCO Service Coordinators and LA service coordinators.

### **PASRR and Related Local IDD Authority Responsibilities**

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

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

To view the Steward Interim Settlement Agreement:

<http://www.ada.gov/olmstead/documents/steward-settlement.pdf>

### **LA Requirements Related to PASSR Quality Service Reviews**

Beginning January 2015, DADS will be conducting reviews of the PASRR process and the processes described in Attachment G of the current Performance Contract. DADS has 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).

Ms. du Pree and her team must review records and documentation in preparation for reviews. To that end, a new Secure File Transfer Protocol (SFTP) site has been created to transfer confidential PASSR documents between Local IDD Authorities (LIDDAs) and DADS. The new SFTP site is titled PIRM (PASRR Individual Review Monitoring). LIDDAs will be required to upload the required documents to the new PIRM SFTP site IN folder where they will be retrieved by DADS staff.

### **Quality Service Reviews (QSR)**

Ms. du Pree (the Expert Reviewer) and her team members will conduct 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 that these individuals are receiving:

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

### **Use of Nursing Facility Alternatives**

As previously reported, the 83<sup>rd</sup> Legislature appropriated funds for community waiver program services to serve as nursing facility alternatives. According to DADS FY2014-2015 HCS enrollment data as of November 3, 2014, following is status of the use of nursing facility alternatives:

- Individuals moving from nursing facilities:
  - 147 authorizations released (Total 360 allocated for FY14-15: 120 FY14, 240 FY15)
  - 73 enrolled
  - 41 pre-enrolled/pending
- Individuals diverted from nursing facility admission:
  - 86 authorizations released (Total 150 allocated for FY14-15: 75 FY14, 75 FY15)
  - 53 enrolled
  - 33 pre-enrolled/pending

### **PASRR Rate Issues**

The Texas Council and Local Authority representatives are working with DADS to identify actual costs of PASRR evaluations, as well as Local Authority Service Coordination for nursing facility residents with IDD and LA consultative services required by the interim settlement agreement. This cost analysis informs DADS Legislative Appropriations Request (LAR) for FY 2016-2017 as well as DADS recent Money Follows the Person (MFP) proposal submitted to CMS.

PASSR-related rates continue to be a concern for Local Authorities. The Texas Council facilitated reconstitution of a workgroup composed of Local Authority representatives (Executive Directors, IDD leadership, and CFOs) and DADS staff to identify possible resolutions to these concerns. The first meeting occurred on November 4, 2014. Workgroup members recommended a time study of PASSR-related activities to identify specific areas of needed improvement in the current rate structure. Local Authorities will receive further information about the proposed time study in early 2015.

### **Discontinuation of Alerts for “Potential PASRR Eligibility”**

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

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

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

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

### **DADS Money Follows the Person (MFP) Proposal**

In May 2014, DADS submitted a proposal to CMS for MFP funding to provide enhanced, better-coordinated services for people with IDD relocating from institutional settings, including State Supported Living Centers (SSLCs) and nursing facilities (NFs). Local IDD Authorities will play a crucial role in this effort. If approved, the proposal would enhance: 1) medical, behavioral and psychiatric supports, and 2) community coordination, as follows:

- 1) Eight medical, psychiatric and behavioral support regional teams would support all 254 counties, including all 39 Local IDD Authorities and all community waiver providers within a designated region. These teams would provide, in general:
  - Educational activities focused on increasing expertise of Local Authorities and providers in supporting individuals in the targeted groups
  - Technical assistance upon request from Local Authorities and program providers on specific conditions, with examples of best practices and evidence-based services for individuals with significant challenges
  - Case and peer review support to service planning teams to provide effective care for an individual.
- 2) Community coordination would (in part):
  - Enhance current Local Authority responsibilities for service planning and continuity (pre- and post-relocation), crisis and critical care help to access behavioral and/or medical supports, ensure uniquely designed supports through person-centered process, and increase responsibility to ensure services are delivered as planned and intervene as needed to adapt care to meet individual needs.
  - Once a person relocates to community, Local Authority will monitor for up to one year.
  - For persons in institutions, strengthen information about community options and participation in the planning process.
  - Designated funds to enhance natural supports and promote successful community integration, including one-time emergency assistance, special needs not funded by other sources and resources for diversion from institutions.

## **Changes to HCS and TxHmL Interest List Manual, effective January 1, 2015**

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

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

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

A new provision has been added to the manual. The provision relates to the LA's preparation for the biennial contact and requires the LA to ensure the individual's record contains documentation supporting the primary contact's request that the individual's name be added to the HCS interest list or an explanation of why the documentation does not exist (e.g., the individual's name was added to the HCS interest list automatically when the individual was under 22 years and residing in an institutional setting or another LA has the documentation because the other LA registered the individual on the interest list).

Please note the *HCS and TxHmL Interest List Manual* is part of the Local Authority Handbook located on the DADS website at: <http://www.dads.state.tx.us/handbooks/lah/>. However, there may be a delay in posting the new *HCS and TxHmL Interest List Manual*.

## **Employment Services Initiatives**

### **Employment First Task Force (EFTF)**

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

### Employment Assistance and Supported Employment Services in Medicaid Waivers

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

### Data Collection and Reporting

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

### Money Follows the Person Employment Pilot

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

### DADS Guide to Employment for People with Disabilities

- The purpose of the guide is to provide information on how to support and assist working-age people with disabilities who are receiving DADS services to obtain and maintain competitive, integrated employment.
- The guide implements and expands on a recommendation from the workgroup established by H.B. 1230, 80th legislative session, 2007, enacted to improve services provided to Texas youth with disabilities as they transition from school to adult living with an emphasis on transition into successful employment, for DADS and DARS to develop an employment manual for people in ICF-IIDs.
- The guide has been completed and was posted on the DADS website July 1, 2014.

### **Co-occurring Intellectual/Developmental Disability and Mental Illness**

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

## Medicaid Home and Community-based Settings Requirements

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

### Purpose and Scope

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

### Timeline for Compliance

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.

### Application to Day Programs

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

### Qualities of HCBS Settings

According to the rule, a home and community-based setting:

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

### **Additional Requirements**

The rule includes additional, more specific requirements, including:

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

### **Exceptions to Additional Requirements**

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

### **Outreach**

The Texas Council was represented by Associate Director of IDD Erin Lawler at Communities in Schools, a nonprofit organization dedicated to increasing high school graduation rates. Ms. Lawler presented a training to Communities in Schools staff on employment law requirements of the Americans with Disabilities Act on January 20, 2015.

## **DADS Legislative Appropriations Request (LAR) and Budget Hearing**

The Legislative Budget Board (LBB) held a DADS LAR budget hearing Monday, September 22, 2014.

Themes of interest to Community Centers:

- a) The demand for community-based services continues to outpace funding.
- b) There is a need to develop system-wide capacity to serve people with high behavioral health and/or intensive medical needs; DADS is requesting funds to expand crisis respite and behavioral intervention programs and to increase Intermediate Care Facility and Home and Community-based Services (HCS) rates to encourage active treatment of these issues (**Exceptional Item 5**).
- c) Improving local access to long-term services and supports through the desired “no wrong door” approach will require continued cooperation between Local Authorities, Area Agencies on Aging and expansion of Aging and Disability Resource Centers (ADRCs).
- d) The expansion of STAR+PLUS managed care over the past six years has significantly affected DADS funding request; each successive expansion moves people previously served by DADS to Health and Human Services Commission (HHSC).
- e) DADS has two exceptional items related to reducing community waiver program interest lists: **Exceptional Item 3** would result in an increase of 15,145 DADS slots for community-based services; **Exceptional Item 4** would fund 1,260 slots as part of the Texas Promoting Independence Plan initiative.
- f) Protecting “vulnerable” Texans is a priority, including through a proposed doubling of the HCS cap on dental expenses per person from \$1,000 to \$2,000 per year and assistance for small HCS facilities to install required fire sprinkler systems.

### **Baseline Request Summary**

The FY2016–17 baseline request will serve an estimated 142,611 Texans, with 121,692 served in community settings. The baseline request totals almost \$8.2 billion (AF) over the biennium, \$3.4 billion in general revenue-related funds (GRR). This is a reduction of \$3.5 billion AF from the FY2014-15 base budget of \$11.7 billion. The biennial GRR reduction is \$1.4 billion, from a base of \$4.8 billion, largely due to individuals receiving or slated to receive Community-Based Alternatives (CBA), nursing facility (NF), or Medically Dependent Children Program (MDCP) services through STAR+PLUS Medicaid managed care at HHSC instead of DADS.

The baseline request does not include approximately \$53.5 million GR to serve people who are currently receiving services or are expected to receive services by the end of FY2015. Continuing services to these people is addressed in DADS exceptional items.

The following table summarizes each DADS Exceptional Items (EI):

Exceptional Items (DADS)	GR	AF
<b>MAINTENANCE OF CURRENT SERVICE LEVELS</b> - These items total approximately \$77.2 million General Revenue (GR) and \$167.4 million All Funds (AF). Funds will continue services to eligible individuals and prevent deficits in entitlement and waiver programs.		
<b>EI 1: Caseload / Maintain Current Service Levels</b>	\$53.5M	\$112.0M
<b>EI 2: Cost Trends</b>	\$23.7M	\$55.4M
<b>REDUCING COMMUNITY WAIVER PROGRAM INTEREST LISTS</b> - DADS has two exceptional items totaling approximately \$336.3 million GR and \$810.8 million AF to provide community-based services to individuals with intellectual and developmental disabilities.		
<b>EI 3: Community Expansion</b>	\$305M	\$725.7M
<b>EI 4: Promoting Independence Slots</b>	\$31.2M	\$85.1M
<b>EI 5: Enhancing Community IDD Services</b>	\$41.1M	\$58.3M
<b>EI 6: Complying with Federal PASRR Requirements</b>	\$43.3M	\$117.7M
<b>EI 7: Protecting Vulnerable Texans</b>	\$21.2M	\$41.8M
<b>EI 8: Maintaining/Improving SSLC Operations</b>	\$11.2M	\$112M
<b>EI 9: ADRC Structural Enhancements (Veterans)</b>	\$2.2M	\$2.2M

The Texas Council provided testimony, emphasizing:

1. Overall support for Exceptional Items (EIs) proposed by DADS;
2. Importance of maintaining current services at FY 2015 levels in FY 2016-17 budget (EI 1);
3. Need to increase rates to ensure providers can improve quality of care, address complex medical needs and sustain 1115 T Waiver DSRIP projects for people with IDD in the community (EI 5);
4. Support for reducing the interest list for community-based services (EI 3 & 4);
5. Critical need to increase funding for PASRR related functions (EI 6); and,
6. Importance of the HCS cap on per person dental expenses from \$1,000 to \$2,000 per year and financial assistance for HCS providers to install required fire sprinkler systems (EI 7);

For the complete DADS LAR summary developed by the Texas Council, visit [http://www.txcouncil-intranet.com/wp-content/uploads/2012/08/DADS-LAR-Summary\\_FINAL\\_9-23-14.pdf](http://www.txcouncil-intranet.com/wp-content/uploads/2012/08/DADS-LAR-Summary_FINAL_9-23-14.pdf).



## DARS Legislative Appropriations Request and Budget Hearing

On Tuesday, September 30, 2014 the Legislative Budget Board (LBB) held an agency budget hearing on the DARS Legislative Appropriations Request (LAR) for the FY 2016-2017 biennium.

The following table summarizes each DARS Exceptional Item (EI):

<b>Exceptional Items (DARS)</b>	<b><u>GR (in millions)</u></b>	<b><u>AF (in millions)</u></b>
<b>EI 1: Maintain Caseload in ECI</b>	<b>\$17.0</b>	<b>\$25.1</b>
<b>EI 2: Fund Forecasted Caseload Growth in ECI</b>	<b>\$17.5</b>	<b>\$25.9</b>
<b>EI 3: Support Texans with Autism</b>	<b>\$7.8</b>	<b>\$7.8</b>
<b>EI 4: Invest in Independence and Blindness Prevention</b>	<b>\$5.4</b>	<b>\$5.5</b>
<b>EI 5: Ensure Communication Access for People who are Deaf or Hard of Hearing</b>	<b>\$1.2</b>	<b>\$2.1</b>
<b>EI 6: Reduce the Independent Living Services General Waiting List</b>	<b>\$0.9</b>	<b>\$0.9</b>
<b>EI 7: Reduce the Comprehensive Rehabilitation Services Waiting List</b>	<b>\$2.6</b>	<b>\$2.6</b>

The Texas Council provided testimony at the hearing, supporting Exceptional Items 1 and 2, which would maintain ECI caseload at fiscal year 2015 levels and fund the forecasted growth in caseload for fiscal years 2016 and 2017, and emphasizing the significance of ECI services to a child's developmental trajectory.

## **ECI: Family Cost Share and Other Updates**

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

The new Family Cost Share Fee Scale can be found at:

<http://www.dars.state.tx.us/ecis/FCSFeeScale.pdf>

Details of the new Family Cost Share can be found at:

[http://www.dars.state.tx.us/ecis/FCS\\_booklet\\_Jan%201.pdf](http://www.dars.state.tx.us/ecis/FCS_booklet_Jan%201.pdf)

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

## **Op-Ed on Importance of ECI Funding**

The Austin American-Statesman recently published an op-ed on the importance of making Early Childhood Intervention (ECI) a funding priority during the 84<sup>th</sup> Legislative Session.

Click here [to read the op-ed.](#)

The Texas Council contributed to the op-ed, written by Alice Bufkin of Texans Care for Children, through its participation in the ECI Advocacy Coalition.

The ECI Advocacy Coalition was formed as a collaboration among the Texas Council of Community Centers, Texans Care for Children, the Texas Council for Developmental Disabilities, the Arc of Texas, and Disability Rights Texas.

The coalition seeks to secure strong ECI services that promote the best outcomes for Texas and its children.

<b>Agenda Item:</b> Approve January 2015 Financial Statements  <b>Committee:</b> Business	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  January 2015 Financial Statements	
<b>Recommended Action:</b>  <b>Approve January 2015 Financial Statements</b>	

## January 2015 Financial Summary

Revenues for January 2015 were \$2,555,388 and operating expenses were \$2,366,266 resulting in a gain in operations of \$189,122. Capital Expenditures and Extraordinary Expenses for January were \$163,316 resulting in a gain of \$25,805. Total revenues were 101.00% of the monthly budgeted revenues and total expenses were 100.99% of the monthly budgeted expenses.

Year to date revenues are \$11,612,010 and operating expenses are \$11,167,466 leaving excess operating revenues of \$444,544. YTD Capital Expenditures and Extraordinary Expenses are \$199,405 resulting in a gain YTD of 245,139. Total revenues are 99.42% of the YTD budgeted revenues and total expenses are 97.57% of the YTD budgeted expenses

### **REVENUES**

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

<b>Revenue Source</b>	<b>YTD Revenue</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
ICF Program – Title XIX	977,555	1,013,950	96.41%	36,395
Rehab – Title XIX	811,278	876,432	92.56%	65,153

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

Rehab – Title XIX – Now that the holiday season is over, improvement has been made since the prior month and we should see this revenue line continue to increase. We also have a few vacant positions in this program which are offset by a reduction in the payroll expenses for these vacant positions.

### **EXPENSES**

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

<b>Expense Source</b>	<b>YTD Expenses</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Consultant - Other	67,294	27,069	2.49%	40,225
Employee Recruitment	31,560	12,500	2.52%	19,060

Consultant – Other – This line item includes a Building Consultant that was approved after the original budget was completed. The upcoming budget revision will include the necessary adjustment.

Employee – Recruitment – This expense went over budget due to recruitment fees incurred in the recent hiring of new doctors recruited through an employment service.

**TRI-COUNTY SERVICES**  
**CONSOLIDATED BALANCE SHEET**  
For the Month Ended January 31, 2015

	<b>TOTALS COMBINED FUNDS January 2015</b>	<b>TOTALS COMBINED FUNDS December 2014</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	6,437	6,437	-
Cash on Deposit-General Fund	11,161,210	10,799,204	362,006
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,594,298	1,694,205	(99,907)
Inventory	8,670	8,713	(44)
<b>TOTAL CURRENT ASSETS</b>	<b>12,770,615</b>	<b>12,508,559</b>	<b>262,055</b>
<b>FIXED ASSETS</b>	<b>5,487,590</b>	<b>5,487,590</b>	<b>-</b>
<b>OTHER ASSETS</b>	<b>24,248</b>	<b>36,628</b>	<b>(12,380)</b>
<b>TOTAL ASSETS</b>	<b>18,282,454</b>	<b>18,032,779</b>	<b>249,675</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	<b>949,449</b>	<b>892,661</b>	<b>56,788</b>
<b>NOTES PAYABLE</b>	<b>536,765</b>	<b>536,765</b>	<b>-</b>
<b>DEFERRED REVENUE</b>	<b>3,069,189</b>	<b>2,908,274</b>	<b>160,915</b>
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	808,406	827,918	(19,512)
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	637,006	611,201	25,805
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(808,406)	(827,918)	19,512
Reserved for Debt Retirement	963,631	963,631	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	5,487,590	5,487,590	-
Reserved for Vehicles & Equipment Replacement	387,871	387,871	-
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	30,831	24,664	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	1,939,391	1,939,391	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>18,282,454</b>	<b>18,032,779</b>	<b>249,675</b>

**TRI-COUNTY SERVICES**  
**CONSOLIDATED BALANCE SHEET**  
For the Month Ended January 31, 2015

	<b>TOTALS</b>		
	<b>Memorandum Only</b>		
	<b>General Operating Funds</b>	<b>January 2015</b>	<b>Final August 2014</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	6,437	6,437	4,350
Cash on Deposit-General Fund	11,161,210	11,161,210	7,523,501
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,594,298	1,594,298	1,634,194
Inventory	8,670	8,670	8,787
<b>TOTAL CURRENT ASSETS</b>	<b>12,770,615</b>	<b>12,770,615</b>	<b>9,170,832</b>
<b>FIXED ASSETS</b>	5,487,590	5,487,590	5,487,590
<b>OTHER ASSETS</b>	24,248	24,248	42,111
	-	-	-
	<b>18,282,454</b>	<b>18,282,454</b>	<b>14,700,532</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	949,449	949,449	908,243
<b>NOTES PAYABLE</b>	536,765	536,765	536,765
<b>DEFERRED REVENUE</b>	3,069,189	3,069,189	(195,556)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	808,406	808,406	905,707
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	637,006	637,006	391,867
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt service-Restricted	(808,406)	(808,406)	(905,708)
Reserved for Debt Retirement	963,631	963,631	963,631
<b>COMMITTED</b>			
Net Assets-Property and Equipment-Committed	5,487,590	5,487,590	5,487,590
Reserved for Vehicles & Equipment Replacement	387,871	387,871	387,871
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	2,426,254
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
<b>ASSIGNED</b>			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	30,831	30,831	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	(536,765)
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	1,939,391	1,939,391	1,939,391
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>18,282,454</b>	<b>18,282,454</b>	<b>14,700,532</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**For the Month Ended January 2015**  
**and Year To Date as of January 2015**

<b>INCOME:</b>	<b>MONTH OF January 2015</b>	<b>YTD January 2015</b>
Local Revenue Sources	124,024	559,115
Earned Income	1,142,609	5,109,141
General Revenue-Contract	1,288,754	5,943,754
<b>TOTAL INCOME</b>	<b>2,555,388</b>	<b>11,612,010</b>
<b>EXPENSES:</b>		
Salaries	1,263,847	6,023,202
Employee Benefits	275,910	1,211,498
Medication Expense	57,245	202,631
Travel-Board/Staff	31,861	173,387
Building Rent/Maintenance	38,438	105,022
Consultants/Contracts	489,750	2,339,361
Other Operating Expenses	209,214	1,112,366
<b>TOTAL EXPENSES</b>	<b>2,366,266</b>	<b>11,167,466</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>189,122</b>	<b>444,544</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	163,316	199,405
Capital Outlay-Debt Service Bonds	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>163,316</b>	<b>199,405</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,529,582</b>	<b>11,366,871</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>25,805</b>	<b>245,139</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of January 2015**

	YTD January 2015	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	559,115	538,450	20,665
Earned Income	5,109,141	5,186,232	(77,091)
General Revenue-Contract	5,943,754	5,955,067	(11,313)
<b>TOTAL INCOME</b>	<b>11,612,010</b>	<b>11,679,749</b>	<b>(67,739)</b>
<b>EXPENSES:</b>			
Salaries	6,023,202	6,135,503	(112,301)
Employee Benefits	1,211,498	1,233,013	(21,515)
Medication Expense	202,631	229,452	(26,821)
Travel-Board/Staff	173,387	187,458	(14,071)
Building Rent/Maintenance	105,022	100,213	4,809
Consultants/Contracts	2,339,361	2,359,525	(20,164)
Other Operating Expenses	1,112,366	1,188,479	(76,113)
<b>TOTAL EXPENSES</b>	<b>11,167,466</b>	<b>11,433,643</b>	<b>(266,177)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>444,544</b>	<b>246,106</b>	<b>198,438</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	199,405	216,687	(17,282)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>199,405</b>	<b>216,687</b>	<b>(17,282)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>11,366,871</b>	<b>11,650,330</b>	<b>(283,459)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>245,139</b>	<b>29,419</b>	<b>215,720</b>



**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended January 2015**

<b>INCOME:</b>	<b>MONTH OF January 2015</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	124,024	109,095	14,929
Earned Income	1,142,609	1,139,892	2,717
General Revenue-Contract	1,288,754	1,281,130	7,624
<b>TOTAL INCOME</b>	<b>2,555,388</b>	<b>2,530,117</b>	<b>25,271</b>
<b>EXPENSES:</b>			
Salaries	1,263,847	1,261,545	2,302
Employee Benefits	275,910	290,724	(14,814)
Medication Expense	57,245	50,890	6,355
Travel-Board/Staff	31,861	33,389	(1,528)
Building Rent/Maintenance	38,438	23,041	15,397
Consultants/Contracts	489,750	461,856	27,894
Other Operating Expenses	209,214	221,189	(11,975)
<b>TOTAL EXPENSES</b>	<b>2,366,266</b>	<b>2,342,634</b>	<b>23,632</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>189,122</b>	<b>187,483</b>	<b>1,639</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	163,316	162,216	1,100
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>163,316</b>	<b>162,216</b>	<b>1,100</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,529,582</b>	<b>2,504,850</b>	<b>24,732</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>25,805</b>	<b>25,267</b>	<b>538</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With January 2014 Comparative Data**  
**Year to Date as of January 2015**

<b>INCOME:</b>	<b>YTD January 2015</b>	<b>YTD January 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	559,115	594,280	(35,165)
Earned Income	5,109,141	3,746,619	1,362,522
General Revenue-Contract	5,943,754	5,714,262	229,492
<b>TOTAL INCOME</b>	<b>11,612,010</b>	<b>10,055,161</b>	<b>1,556,849</b>
<b>EXPENSES:</b>			
Salaries	6,023,202	5,131,841	891,361
Employee Benefits	1,211,498	965,944	245,554
Medication Expense	202,631	159,718	42,913
Travel-Board/Staff	173,387	159,702	13,685
Building Rent/Maintenance	105,022	103,569	1,453
Consultants/Contracts	2,339,361	2,263,177	76,184
Other Operating Expenses	1,112,366	981,845	130,521
<b>TOTAL EXPENSES</b>	<b>11,167,466</b>	<b>9,765,796</b>	<b>1,401,670</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>444,544</b>	<b>289,365</b>	<b>155,179</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	199,405	45,298	154,107
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>199,405</b>	<b>45,298</b>	<b>154,107</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>11,366,871</b>	<b>9,811,094</b>	<b>1,555,777</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>245,139</b>	<b>244,067</b>	<b>1,072</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With January 2014 Comparative Data**  
**For the Month Ended January 2015**

<b>INCOME:</b>	<b>MONTH OF January 2015</b>	<b>MONTH OF January 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	124,024	89,546	34,478
Earned Income	1,142,609	777,396	365,213
General Revenue-Contract	1,288,754	1,196,402	92,352
<b>TOTAL INCOME</b>	<b>2,555,388</b>	<b>2,063,344</b>	<b>492,044</b>
<b>EXPENSES:</b>			
Salaries	1,263,847	1,067,350	196,497
Employee Benefits	275,910	204,075	71,835
Medication Expense	57,245	36,619	20,626
Travel-Board/Staff	31,861	28,574	3,287
Building Rent/Maintenance	38,438	19,736	18,702
Consultants/Contracts	489,750	430,902	58,848
Other Operating Expenses	209,214	181,513	27,701
<b>TOTAL EXPENSES</b>	<b>2,366,266</b>	<b>1,968,769</b>	<b>397,497</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>189,122</b>	<b>94,575</b>	<b>94,547</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	163,316	19,261	144,055
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>163,316</b>	<b>19,261</b>	<b>144,055</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,529,582</b>	<b>1,988,030</b>	<b>541,552</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>25,805</b>	<b>75,314</b>	<b>(49,509)</b>

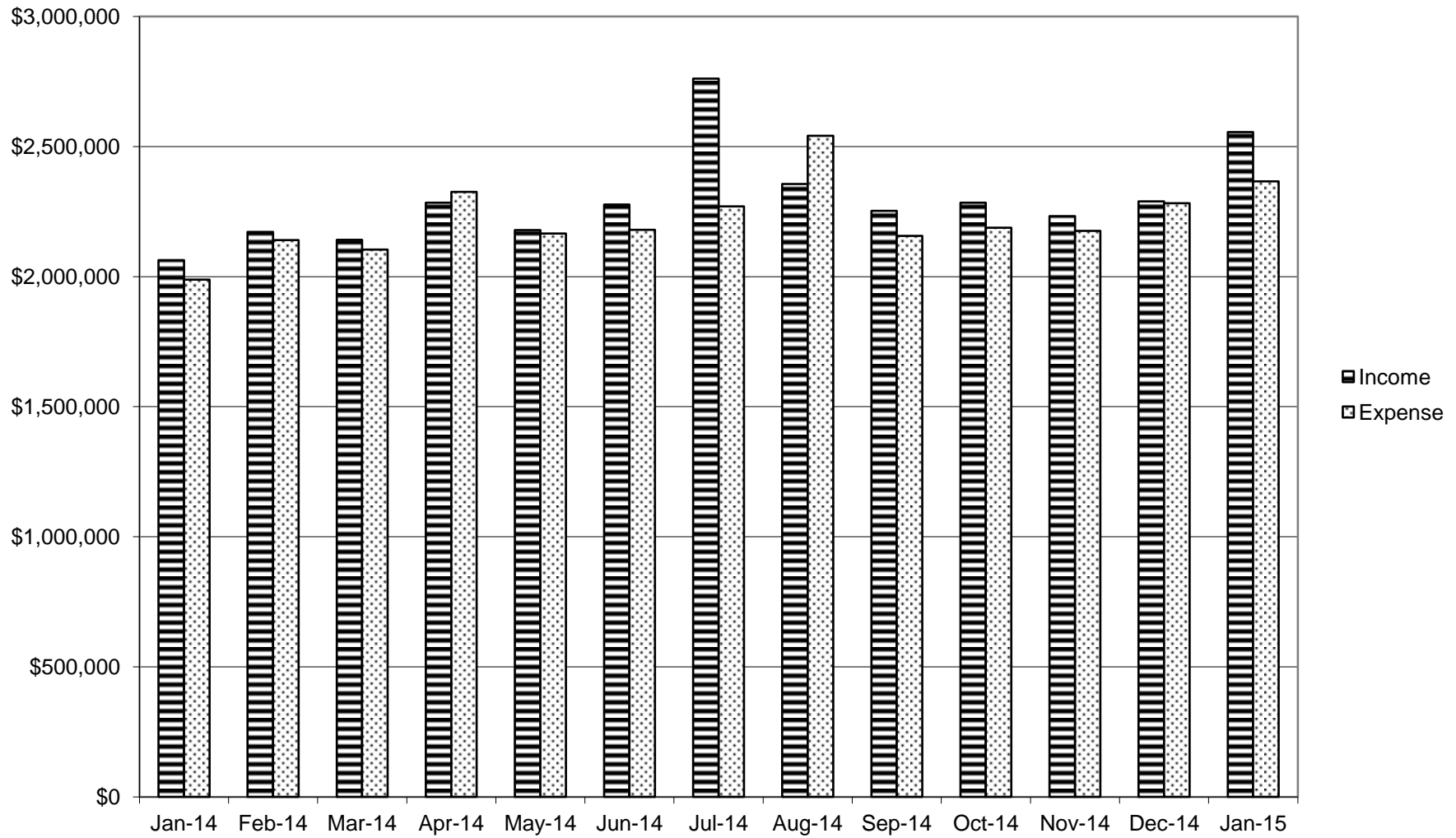
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With December 2014 Comparative Data**  
**For the Month Ended January 2015**

<b>INCOME:</b>	<b>MONTH OF January 2015</b>	<b>MONTH OF December 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	124,024	104,207	19,817
Earned Income	1,142,609	983,034	159,575
General Revenue-Contract	1,288,754	1,201,473	87,281
<b>TOTAL INCOME</b>	<b>2,555,388</b>	<b>2,288,714</b>	<b>266,673</b>
<b>EXPENSES:</b>			
Salaries	1,263,847	1,206,512	57,336
Employee Benefits	275,910	240,700	35,210
Medication Expense	57,245	39,297	17,949
Travel-Board/Staff	31,861	29,696	2,165
Building Rent/Maintenance	38,438	22,938	15,500
Consultants/Contracts	489,750	495,995	(6,245)
Other Operating Expenses	209,214	247,383	(38,169)
<b>TOTAL EXPENSES</b>	<b>2,366,266</b>	<b>2,282,521</b>	<b>83,745</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>189,122</b>	<b>6,193</b>	<b>182,928</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	163,316	5,044	158,272
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>163,316</b>	<b>5,044</b>	<b>158,272</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,529,582</b>	<b>2,287,565</b>	<b>242,017</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>25,805</b>	<b>1,149</b>	<b>24,656</b>

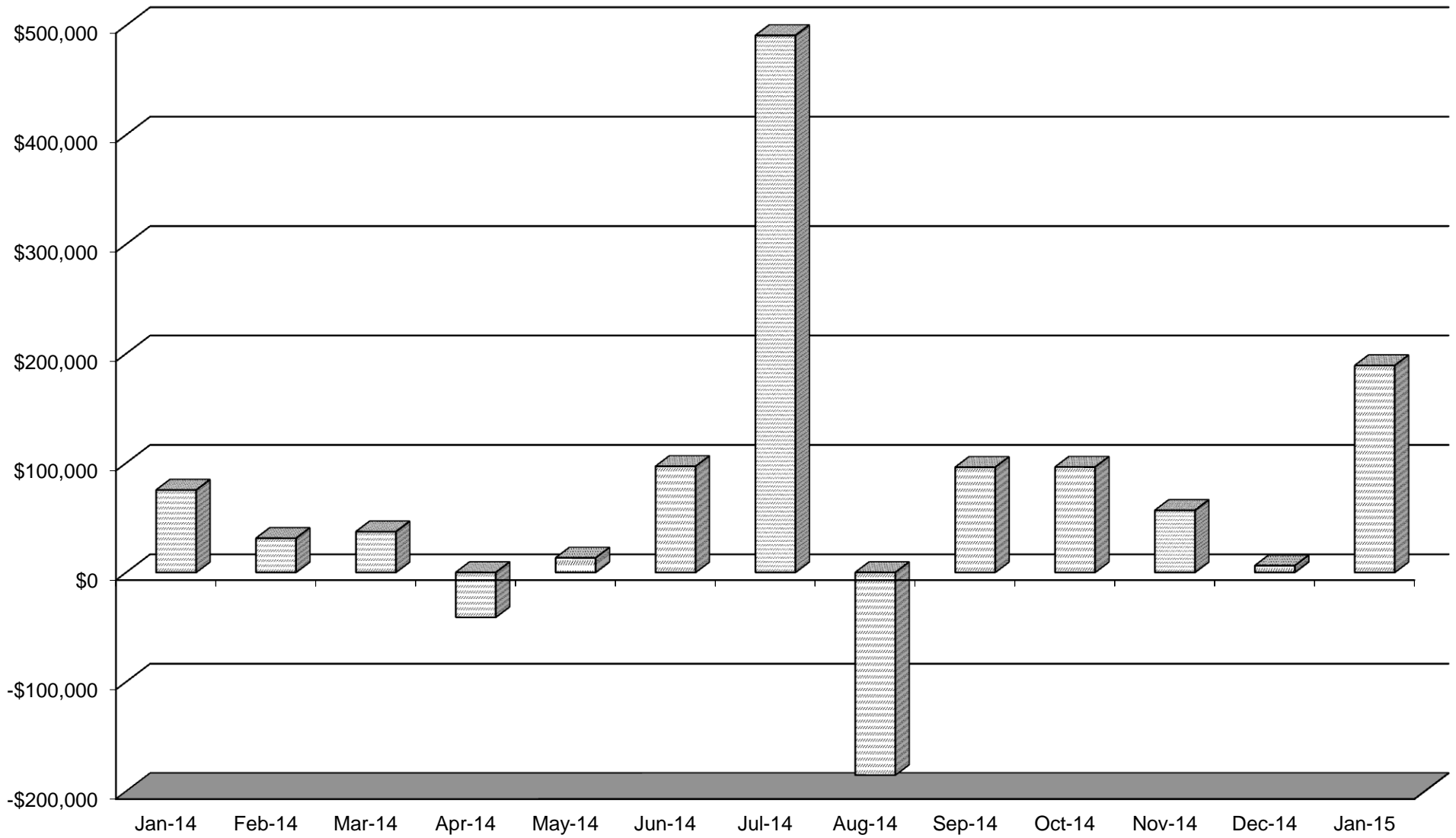
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of January 2015**

	YTD Mental Health January 2015	YTD IDD January 2015	YTD Other Services January 2015	YTD Agency Total January 2015	YTD Approved Budget January 2015	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	446,330	103,442	9,344	559,115	538,450	20,665
Earned Income	1,318,321	2,380,898	1,409,922	5,109,141	5,186,232	(77,091)
General Revenue-Contract	5,190,828	752,926		5,943,754	5,955,067	(11,313)
<b>TOTAL INCOME</b>	<b>6,955,479</b>	<b>3,237,266</b>	<b>1,419,266</b>	<b>11,612,010</b>	<b>11,679,749</b>	<b>(67,739)</b>
<b>EXPENSES:</b>						
Salaries	3,967,659	1,116,221	939,321	6,023,201	6,135,503	(112,302)
Employee Benefits	790,268	241,773	179,456	1,211,498	1,233,013	(21,515)
Medication Expense	176,413		26,217	202,631	229,452	(26,821)
Travel-Board/Staff	107,402	45,392	20,593	173,387	187,458	(14,071)
Building Rent/Maintenance	61,304	32,757	10,960	105,022	100,213	4,809
Consultants/Contracts	856,903	1,419,003	63,454	2,339,361	2,359,525	(20,164)
Other Operating Expenses	745,748	235,261	131,359	1,112,366	1,188,479	(76,113)
<b>TOTAL EXPENSES</b>	<b>6,705,697</b>	<b>3,090,407</b>	<b>1,371,360</b>	<b>11,167,466</b>	<b>11,433,643</b>	<b>(266,177)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>249,782</b>	<b>146,859</b>	<b>47,906</b>	<b>444,544</b>	<b>246,106</b>	<b>198,438</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	77,750	38,698	82,956	199,405	216,687	(17,282)
Capital Outlay-Debt Service Bonds				-		-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>77,750</b>	<b>38,698</b>	<b>82,956</b>	<b>199,405</b>	<b>216,687</b>	<b>(17,282)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>6,783,447</b>	<b>3,129,105</b>	<b>1,454,316</b>	<b>11,366,871</b>	<b>11,650,330</b>	<b>(283,459)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>172,032</b>	<b>108,161</b>	<b>(35,050)</b>	<b>245,139</b>	<b>29,419</b>	<b>215,720</b>

# TRI-COUNTY SERVICES Income and Expense



**TRI-COUNTY SERVICES**  
**Income after Expense**



<p><b>Agenda Item:</b> Approve DSHS Contract Amendment #2015-046397-001A: Youth Prevention-Selective</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>February 26, 2015</p>
<p><b>Background Information:</b></p> <p>Tri-County contracts with the Department of State Health Services (DSHS) to provide Substance Abuse Prevention Education to children and youth in grades 1-12. This is a curriculum based service used in the schools to teach children and youth how to avoid drug and alcohol use.</p> <p>The purpose of this contract amendment was to revise key performance measures for FY 2015 as our previous key performance measures were miscalculated and did not accurately reflect our full-time employee staffing patterns.</p>	
<p><b>Supporting Documentation:</b></p> <p>DSHS Contract Amendment #2015-046397-001A: Youth Prevention-Selective</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve DSHS Contract Amendment #2015-046397-001A: Youth Prevention-Selective</b></p>	



# DEPARTMENT OF STATE HEALTH SERVICES



## Amendment To

The Department of State Health Services (DSHS) and TRI-COUNTY MHMR SERVICES (Contractor) agree to amend the Program Attachment # 001 (Program Attachment) to Contract #2015-046397 (Contract) in accordance with this Amendment No. 001A: Youth Prevention - Selective, effective 01/27/2015.

The purpose of this Amendment is to revise Performance Measures.

Therefore, DSHS and Contractor agree as follows:

PROGRAM ATTACHMENT NO. 001A

### **SECTION II. PERFORMANCE MEASURES AND GOALS:** Are revised as follows:

Contractor's performance will be measured in part on the achievement of the following key performance measures. Contractor shall report these performance measures monthly through CMBHS under the Measures component. Each report is due by the 15<sup>th</sup> of the following month for the month being reported.

#### **KEY PERFORMANCE MEASURE(S):**

	<u>Sep-Nov</u>	<u>Dec-Feb</u>	<u>Mar-May</u>	<u>Jun-Aug</u>	<u>Annual Goal</u>
Number of alcohol and other drugs (AOD) presentations	25	15	20	5	65
Number of adult involved in tobacco alternative activities	60	45	75	15	195
Number of youth attending minors and tobacco presentations	248	184	304	64	800
Number of youth involved in tobacco alternative activities	100	150	400	50	700
Number of adults attending minors and tobacco presentations	50	37	60	13	160
Number of prevention presentation that include minors and tobacco info	20	15	25	5	65
Number of youth attending alcohol and other drugs (AOD) presentations	248	184	304	64	800
Number of adults attending alcohol and other drugs (AOD) presentations	50	37	60	13	160

Number of adults receiving alcohol, tobacco and other drugs (ATOD) information	100	250	250	60	660
Number of youth receiving alcohol, tobacco and other drugs (ATOD) information	500	1250	1250	300	3300
Number of written Community Agreements (CAs) or Memorandum of Understanding (MOUs)	45	10	30	5	90
Number of youth receiving prevention education/skills training (approved evidence-based curriculum)	200	200	95	45	540
Number of adults involved in alcohol and other drugs (AOD) alternative activities (Do Not Include Tobacco Specific Activities)	200	50	100	50	400
Number of youth involved in alcohol and other drugs (AOD) alternative activities (Do Not Include Tobacco Specific Activities)	1500	220	190	90	2000

All other terms and conditions not hereby amended are to remain in full force and effect. In the event of a conflict between the terms of the Contract and the terms of this Amendment, this Amendment shall control.

## Department of State Health Services

## TRI-COUNTY MHMR SERVICES

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Lauren Lacefield

Name: Evan Roberson

Assistant Commissioner for Mental Health and Substance Abuse

Title: Executive Director

1100 WEST 49TH STREET  
AUSTIN, TEXAS 78756

Address: PO Box 3067

512.206.5968

Conroe, TX 77305

Lauren.Lacefieldlewis@dshs.state.tx.us

Phone: 936-521-6119

Email: EvanR@tricountysservices.org

<p><b>Agenda Item:</b> Ratify DSHS Contract Amendment #2015-046833-001A: Co-occurring Mental Health and Substance Abuse Services</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>February 26, 2015</p>
<p><b>Background Information:</b></p> <p>Tri-County contracts with the Department of State Health Services (DSHS) to provide Co-occurring Mental Health and Substance Abuse Services (COPSD).</p> <p>The purpose of the contract amendment was to increase the program funded amount based on the utilization of funds and to increase matching funds. As the Board will remember, the COPSD contract award amount was cut at the end of last year, but DSHS indicated that they would increase funding if our performance improved. The service target for the contract was increased from 13 to 26, but we have already served 38 this year.</p> <p>Evan Roberson visited with Mr. Browder, Board Chair, who authorized him to sign the contract amendment.</p>	
<p><b>Supporting Documentation:</b></p> <p>DSHS Contract Amendment #2015-046833-001A: Co-occurring Mental Health and Substance Abuse Services</p>	
<p><b>Recommended Action:</b></p> <p><b>Ratify DSHS Contract Amendment #2015-046833-001A: Co-occurring Mental Health and Substance Abuse Services</b></p>	

## DEPARTMENT OF STATE HEALTH SERVICES



### Amendment to Substance Abuse Contract

The Department of State Health Services (DSHS) and TRI-COUNTY MHMR SERVICES (Contractor) agree to amend the Program Attachment # 001 (Program Attachment) to Contract # 2015-046833 (Contract) in accordance with this Amendment No. 001A : Co-occurring Mental Health and Substance Abuse Services, effective 12/23/2014.

The purpose of this Amendment is to increase the program funded amount based on the utilization of funds and to increase matching funds.

Therefore, DSHS and Contractor agree as follows:

#### SECTION IX. FUNDING: is revised to read as follows:

The Contractor shall contribute an amount equal to at least five percent (5%) of the total DSHS share of the Program Attachment expenditures in matching cash or in-kind contributions from sources eligible to be used for matching purposes.

Funding Source: 93.958.000; 93.959.000; State

DUNS Number: 102639093

Program Amount: ~~\$14,024.00~~ \$26,016.00

Match Required: ~~\$701.00~~ \$1,301.00

Total: ~~\$14,725.00~~ \$27,317.00

The Contractor shall comply with the match requirements in the DSHS Contractors Financial Procedures Manual.

#### SECTION X. PROGRAM SERVICES AND ACTIVITIES: is revised to read as follows:

The Contractor shall provide the following services:

Service Type	Number Served	# of Units Purchased	Unit Rate	Amount	Clinic	Address
Subs Abuse-COPSD	26	407	64.00	26,016.00	103968	1020 Riverwood Court, Suite 3 - CONROE
					104816	7045 State Hwy. 75 South, Suite B - HUNTSVILLE

All other terms and conditions not hereby amended are to remain in full force and effect. In the event of a conflict between the terms of the Contract and the terms of this Amendment, this Amendment shall control.

**Department of State Health Services**

**TRI-COUNTY MHMR SERVICES**

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Lauren Lacefield

Name: Evan Roberson

Assistant Commissioner for Mental Health and  
Substance Abuse

Title: Executive Director

1100 WEST 49TH STREET  
AUSTIN, TEXAS 78756

Address: PO Box 3067

512.206.5968

Conroe, TX 77305

Lauren.Lacefieldlewis@dshs.state.tx.us

Phone: 936-521-6119

Email: EvanR@tricountysservices.org

<p><b>Agenda Item:</b> Approve Non-Refundable Earnest Money for 2000 Panther Lane, Liberty, Texas</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>February 26, 2015</p>
<p><b>Background Information:</b></p> <p>In principle, the owners have agreed upon a purchase price of \$795,000 for 2000 Panther Lane in Liberty, Texas. However, as the negotiations have developed on the property, the owners have required that 1% non-refundable earnest money, \$7,950, be paid to hold the property for a 60 day feasibility period.</p> <p>In addition, the owners have indicated that an additional \$4,000 in non-refundable earnest money would be required to extend the feasibility period for an additional 30 days.</p> <p>As the Board is aware, the process to seek and receive approval for the purchase of this building may take long enough that the additional feasibility period may be required. Staff have been unable to begin the state approval process until the contract on the property is agreed upon; however, much of the documentation is prepared and the process will begin after Board approval is received.</p>	
<p><b>Supporting Documentation:</b></p> <p>Property Contract Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve \$7,950 in Non-Refundable Earnest Money for 2000 Panther Lane, Liberty, Texas; and Authorize the Executive Director, in Consultation with the Board Chair, to Approve Additional \$4,000 Non-Refundable Earnest Money if Required to Extend the Feasibility Period</b></p>	

<b>Agenda Item:</b> 401(a) Retirement Plan Account Review  <b>Committee:</b> Business	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  A representative from ISC Group will present an update of the 401(a) Retirement Plan account activity for FY 2014 and will provide a forecast for the future.	
<b>Supporting Documentation:</b>  Information to be Distributed by an ISC Representative at the Board Meeting	
<b>Recommended Action:</b>  <b>For Information Only</b>	

<b>Agenda Item:</b> Board of Trustees' Unit Financial Statements for January 2015  <b>Committee:</b> Business	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Board of Trustees' Unit Financial Statements for January 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	



**Unit Financial Statement**  
FY 2015

		<b>January 2015 Actuals</b>	<b>January 2015 Budgeted</b>	<b>Variance</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>	<b>Percent</b>	<b>Budget</b>
80103998	Revenues								
	Allocated Revenue	\$ 2,640.00	\$ 3,640.00	\$ (1,000.00)	\$ 13,200.00	\$ 14,200.00	\$ (1,000.00)	92.96%	\$ 31,680.00
	<b>Total Revenue</b>	<b>\$ 2,640.00</b>	<b>\$ 3,640.00</b>	<b>\$ (1,000.00)</b>	<b>\$ 13,200.00</b>	<b>\$ 14,200.00</b>	<b>\$ (1,000.00)</b>	<b>92.96%</b>	<b>\$ 31,680.00</b>
	Expenses								
80105275	Food Items	\$ 276.15	\$ 167.00	\$ 109.15	\$ 965.22	\$ 831.00	\$ 134.22	116.15%	\$ 2,000.00
80105320	Insurance-Worker Compensation	\$ 7.83	\$ 19.00	\$ (11.17)	\$ 34.80	\$ 97.00	\$ (62.20)	35.88%	\$ 230.00
80105388	Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	100.00%	\$ 18,000.00
80155605	Postage-Express Mail	\$ -	\$ 4.00	\$ (4.00)	\$ -	\$ 22.00	\$ (22.00)	0.00%	\$ 50.00
80105715	Supplies-Office	\$ -	\$ 4.00	\$ (4.00)	\$ 12.00	\$ 22.00	\$ (10.00)	0.00%	\$ 50.00
80105750	Training	\$ 1,950.00	\$ 900.00	\$ 1,050.00	\$ 1,950.00	\$ 2,100.00	\$ (150.00)	92.86%	\$ 3,600.00
80105755	Travel - Local	\$ 78.52	\$ 62.00	\$ 16.52	\$ 365.04	\$ 310.00	\$ 55.04	117.75%	\$ 750.00
80105757	Travel - Non-local Mileage/Air	\$ -	\$ 167.00	\$ (167.00)	\$ 154.96	\$ 831.00	\$ (676.04)	18.65%	\$ 2,000.00
80105758	Travel - Non-local Hotel	\$ -	\$ 317.00	\$ (317.00)	\$ 124.20	\$ 1,581.00	\$ (1,456.80)	7.86%	\$ 3,800.00
80105759	Travel - Meals	\$ 7.46	\$ 100.00	\$ (92.54)	\$ 60.02	\$ 500.00	\$ (439.98)	12.00%	\$ 1,200.00
	<b>Total Expenses</b>	<b>\$ 3,819.96</b>	<b>\$ 3,240.00</b>	<b>\$ 579.96</b>	<b>\$ 11,166.24</b>	<b>\$ 13,794.00</b>	<b>\$ (2,627.76)</b>	<b>80.95%</b>	<b>\$ 31,680.00</b>
	<b>Total Revenue minus Expenses</b>	<b>\$ (1,179.96)</b>	<b>\$ 400.00</b>	<b>\$ (1,579.96)</b>	<b>\$ 2,033.76</b>	<b>\$ 406.00</b>	<b>\$ 1,627.76</b>	<b>12.01%</b>	<b>\$ -</b>

<b>Agenda Item:</b> Building Consolidation Updates  <b>Committee:</b> Business	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  <p><u>Liberty, Texas</u> – As the Board is aware, we have come to an agreement with the owners of 2000 Panther Lane in Liberty, Texas to purchase the building at \$795,000. The contract, reviewed by Jackson Walker, was provided to the owner. Staff have begun the process of seeking the appropriate approvals for the purchase of the property. We will have 60 days to complete this process. Staff are also seeking financing options for the property. Further updates will be provided at the Board meeting.</p> <p><u>Montgomery County</u> – We hope to have updates on a potential site for the new facility at the Board meeting.</p> <p>Staff will update the Board on both projects at the meeting.</p>	
<b>Supporting Documentation:</b>  None	
<b>Recommended Action:</b>  <b>For Information Only</b>	

<b>Agenda Item:</b> Montgomery Supported Housing, Inc. Update  <b>Committee:</b> Business	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  <p>The Montgomery Supported Housing, Inc. Board (MSHI) met on December 9, 2014 where they reviewed project updates and financial information and discussed nominations for Board Chair replacement. The board has since approved the following officer nominations:</p> <p>Sharon Walker, President  Bill Bonito, Vice President/Treasurer  Barbara Duren, Secretary</p> <p>As you may recall, MSHI is currently seeking nominations for new membership. These nominations may be made by either the MSHI or Tri-County Board but must be approved by the Tri-County Board per the By-Laws. At this time, they are still seeking interested parties and nominations are welcome.</p> <p>McDougal Property Management continues to seek a permanent replacement for the Community Director (CD) position, and is currently interviewing qualified applicants. Jenet Genwright, CD for Independence Village continues to split her time between both sites to ensure stability and reports that Independence Place Apartments and its residents are doing well at this time. Currently, IPA is at capacity and there are 14 approved individuals on the wait list.</p> <p>As a reminder, the next MSHI Board meeting is scheduled for March 31, 2015.</p>	
<b>Supporting Documentation:</b>  Housing Board Membership Information	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **HOUSING BOARD MEMBERSHIP INFORMATION**

Tri-County Behavioral Healthcare is the Sponsor for three non-profit housing boards within their service area. They are Independence Communities, Inc. in Walker County, Montgomery Supported Housing, Inc. in Montgomery County and Cleveland Supported Housing, Inc. in Liberty County.

These housing projects are HUD 811 funded and are required to fulfill their original purpose (subsidy housing for low income individuals who also have a mental health diagnosis) for a 40 year period, in order to avoid having to pay back any of the funding received from HUD.

The Boards are formed while in the beginning stages of construction and continue to oversee the overall health of the program, which is managed by a designated management company, to ensure that the project stays viable for this 40 year period (and hopefully longer).

These projects are considered independent living but do have a community director who lives on-site and can assist the residents as issues arise to help them maintain housing stability.

Here are a few facts in reference to the housing boards:

- Members are Volunteers from the community and are appointed by the Tri-County Behavioral Healthcare Board of Trustees.
- Members attend quarterly Board meetings (March, June, September, December)
- Members oversee the overall health of the program including financial information, property maintenance, and resident stability.

Nominations for Board membership can be provided to Crystal Sullivan by phone at: (936) 521 – 6144 or by email at: [crystals@tricountyservices.org](mailto:crystals@tricountyservices.org)

<b>Agenda Item:</b> Cleveland Supported Housing Inc. Update  <b>Committee:</b> Business	<b>Board Meeting Date</b>  February 26, 2015
<b>Background Information:</b>  <p>The Cleveland Supported Housing, Inc. Board (CSHI) met on February 20, 2015 to review project updates, the current timeline for construction and requisitions 4 and 5. During the meeting, the Board interviewed interested Management Agents and made selections for the interior paint, cabinets, counters and flooring.</p> <p>The Housing Coordinator held meetings with Tri-County staff in the Cleveland, Liberty and Huntsville clinics to present information on general eligibility and how individuals may be added to the interest list if they so desire. This list will be given to the management company a few months prior to opening.</p> <p>At this time, the tentative date for construction completion is estimated to be early to mid summer.</p> <p>On January 30<sup>th</sup>, the project team met with HUD on-site to review the progress and discuss the allocations for the 5<sup>th</sup> requisition. The next meeting with HUD will be held on-site February 26, 2015.</p>	
<b>Supporting Documentation:</b>  Recent Project Pictures	
<b>Recommended Action:</b>  <b>For Information Only</b>	

Independence Oaks, Cleveland  
Photos Taken February 12, 2015

Building A



Building B





Independence Oaks, Cleveland  
Photos Taken February 12, 2015

Building C



Building E



Independence Oaks, Cleveland  
Photos Taken February 12, 2015

Interior of Building C



Interior of Building C





Independence Oaks, Cleveland  
Photos Taken February 12, 2015

Interior of Building C



Interior of Building C



Independence Oaks, Cleveland  
Photos Taken February 12, 2015

Building E



Building E



# UPCOMING MEETINGS

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## **March 26<sup>th</sup>, 2015 – Board Meeting**

- Approve Minutes from February 26, 2015 Board Meeting
- Approve Submission of Montgomery County United Way 2015 Request for Funding Application
- Community Resources Report
- Consumer Services Report for February 2015
- Program Updates
- Year-to-Date FY 2015 Goals & Objectives Progress Report
- 2<sup>nd</sup> Quarter FY 2015 Corporate Compliance & Quality Management Report
- 3<sup>rd</sup> Quarter FY 2015 Corporate Compliance Training
- Medicaid 1115 Transformation Waiver Project Status Report
- Program Presentation
- Personnel Report for February 2015
- Texas Council Risk Management Fund Claim Summary for February 2015
- Approve February 2015 Financial Statements
- Approve FY 2015 Budget Revision
- 2<sup>nd</sup> Quarter FY 2015 Investment Report
- Board of Trustees Unit Financial Statement for February 2015
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues

## **April 23<sup>rd</sup>, 2015 – Board Meeting**

- Approve Minutes from March 26, 2015 Board Meeting
- Community Resources Report
- Consumer Services Report for March 2015
- Program Updates
- Annual Board & Management Team Training
- Personnel Report for March 2015
- Texas Council Risk Management Fund Claim Summary for March 2015
- Texas Council Quarterly Board Meeting Update
- Approve March 2015 Financial Statements
- Board of Trustees Unit Financial Statement for March 2015
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues