

Tri-County Services Board of Trustees' Meeting

January 26, 2012



Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, January 26, 2012. The Business Committee will convene at 8:30 a.m., the Program Committee will convene at 9:00 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

II. Recognition and Program Presentation - *From the Heart*

III. Presentation to ExxonMobil Day of Caring Volunteers

IV. Approve Minutes - December 8, 2011

V. Executive Director's Report - Cindy Sill

- A. Department of State Health Services (DSHS)
 - 1. Progress Note Review
 - 2. Outpatient Competency Restoration Contract Amendment
 - 3. Public Hearing for Comprehensive Analysis of the Public MH System
 - 4. Psychiatric Emergency Treatment Center (PETC) Update
 - 5. Substance Abuse Service Expansion
- B. Department of Aging and Disability Services (DADS)
 - 1. Local Authority Review
 - 2. FY 2012 Targets and Improvements
 - 3. Targeted Case Management
- C. East Texas Behavioral Healthcare Network (ETBHN)
 - 1. Centers for Medicare and Medicaid Services (CMS) Grant Submission
 - 2. Business Expansion

VI. Chief Financial Officer's Report - Millie McDuffey

- A. DSHS Fiscal Monitoring Review
- B. Cost Accounting Methodology (CAM)
- C. CFO Consortium
- D. FY 2012 Budget Revision

VII. Program Committee

Action Items

- A. Appoint New Members for the Intellectual and Developmental Disabilities Planning Network Advisory Committee.....Page 8
- B. Appoint New Member for the Mental Health Planning Network Advisory Committee.....Page 9
- C. Approve Participation in the Tenant Based Rental Assistance Reservation System.....Page 10

Information Items

- D. 1st Quarter FY 2012 Corporate Compliance & Quality Management Report.....Pages 11-13

E. 2 nd Quarter FY 2012 Corporate Compliance Training.....	Pages 14-15
F. Year to Date FY 2012 Goals & Objectives Progress Report.....	Pages 16-19
G. Community Resources Report for December 2011.....	Pages 20-21
H. Consumer Services Reports for November & December 2011.....	Pages 22-24
I. Program Updates for November & December 2011.....	Pages 25-28

VIII. Executive Committee

Information Items

A. Personnel Reports for November & December 2011.....	Pages 29-31
B. Texas Council Quarterly Meeting Update.....	Page 32

IX. Business Committee

Action Items

A. Appoint New Director for the Montgomery Supporting Housing, Inc. Board.....	Page 33
B. Approve FY 2011 Independent Financial Audit.....	Page 34
C. Approve November 2011 Financial Statements.....	Pages 35-47
D. Approve December 2011 Financial Statements.....	Pages 48-60
E. Approve Revisions to the Board Policy on Nepotism.....	Pages 61-65
F. Amendment to 401(a) Retirement Plan Adoption Agreement.....	Pages 66-67
G. Disposition of 507 Bryant Road and 103 North Thompson, Conroe, Texas.....	Page 68
H. CSU Construction Closeout.....	Page 69

Information Items

I. Revenue Improvement Plan.....	Pages 70-71
J. 1 st Quarter FY 2012 Quarterly Investment Report.....	Pages 72-76
K. November & December 2011 Board of Trustees' Unit Financials.....	Pages 77-79

X. Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney

Posted By:

Sami Tuminas
Executive Assistant

Tri-County Services

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES' MEETING

December 8, 2011

BOARD MEMBERS PRESENT:

Len George
David Walker
Brad Browder
Patti Atkins
Morris Johnson
Cecil McKnight
Janet Qureshi
Tracy Sorensen
Sharon Walker

BOARD MEMBERS ABSENT:

None

TRI-COUNTY STAFF PRESENT:

Cindy Sill, Executive Director
Millie McDuffey, Chief Financial Officer
Evan Roberson, Director of Organizational Support
Don Teeler, Director of Operations
Sandy Kelly, Director of Administrative Support
Sami Tuminas, Executive Assistant
Shane Burks, Coordinator of Community Resources
Manuela Garza, Staff
Danielle Newlon, Staff
Brandy Maraviglia, Staff
Sharon Prescott, Staff
Chuck Lowman, Staff
Delia Morales, Staff
Elliot Rivas, Staff
Lisa Bradt, Staff
Trish Janek, Staff
Melanie Auman, Staff
Terri Newberry, Staff
Jackie Yates, Staff
Kathy Luker, Staff
Jeanne Jackson, Staff
Lashonda Denman, Staff
Mary Lou Flynn-DuPart, Legal Counsel

GUESTS:

Genelle Edwards, Empowerment Options
Marlene Wozniczka, Empowerment Options
Virginia Jackson, Empowerment Options
Rodney, guest
Laura, guest

CALL TO ORDER: Chairman, Len George, called the meeting to order at 10:03 a.m. at 1506 FM 2854, Conroe, TX.

PUBLIC COMMENT: There were no public comments.

QUORUM: There being nine (9) members present, a quorum was established.

Program Presentation: Huntsville Life Skills Christmas Carolers.

Presentation of awards to consumer Christmas card contest winners.

Presentation of longevity recognitions to Tri-County staff.

RESOLUTION #12-11-01

MOTION MADE BY: Morris Johnson

SECONDED BY: Cecil McKnight, with affirmative votes by Len George, David Walker, Brad Browder, Patti Atkins, Janet Qureshi, Tracy Sorensen, and Sharon Walker that it be...

RESOLVED:

That the Board approve the minutes of the October 20, 2011 meeting of the Board of Trustees.

EXECUTIVE DIRECTOR'S REPORT:

The Executive Director's report is on file.

CHIEF FINANCIAL OFFICER'S REPORT:

The Chief Financial Officer's report is on file.

PROGRAM COMMITTEE:

The Community Resources Report for October and November 2011 were reviewed for information purposes only.

The Consumer Services Report for October 2011 was reviewed for information purposes only.

The Program Updates for October 2011 were reviewed for information purposes only.

EXECUTIVE COMMITTEE:

The Personnel Report for October 2011 was reviewed for information purposes only.

The Texas Council quarterly meeting verbal update was presented by Patti Atkins.

BUSINESS COMMITTEE:

RESOLUTION #12-11-02

MOTION MADE BY: Morris Johnson

SECONDED BY: Patti Atkins, with affirmative votes by Len George, David Walker, Brad Browder, Cecil McKnight, Janet Qureshi, Tracy Sorensen, and Sharon Walker that it be...

RESOLVED: That the Board approve the October 2011 financial statements.

RESOLUTION #12-11-03

MOTION MADE BY: Morris Johnson

SECONDED BY: Cecil McKnight, with affirmative votes by Len George, David Walker, Brad Browder, Patti Atkins, Janet Qureshi, Tracy Sorensen, and Sharon Walker that it be...

RESOLVED: That the Board approve the banking services contract extension with JPMorgan Chase Bank, N.A.

RESOLUTION #12-11-04

MOTION MADE BY: Morris Johnson

SECONDED BY: Janet Qureshi, with affirmative votes by Len George, David Walker, Brad Browder, Patti Atkins, Cecil McKnight, Tracy Sorensen, and Sharon Walker that it be...

RESOLVED: That the Board ratify expenses, not to exceed \$30,000, to remodel the Huntsville Respite house and apartment for use by HCS consumers and include this amount in the FY 2012 budget.

RESOLUTION #12-11-05

MOTION MADE BY: Morris Johnson

SECONDED BY: Sharon Walker, with affirmative votes by Len George, David Walker, Brad Browder, Patti Atkins, Cecil McKnight, Janet Qureshi, and Tracy Sorensen that it be...

RESOLVED: That the Board approve revisions to the Board policy on Employee Benefits as presented.

RESOLUTION #12-11-06

MOTION MADE BY: Morris Johnson

SECONDED BY: Patti Atkins, with affirmative votes by Len George, David Walker, Brad Browder, Cecil McKnight, Janet Qureshi, Tracy Sorensen, and Sharon Walker that it be...

RESOLVED: That the Board approve revisions to the Board policy on Depositories as presented.

RESOLUTION #12-11-07

MOTION MADE BY: Patti Atkins

SECONDED BY: Janet Qureshi, with affirmative votes by David Walker, Brad Browder, Morris Johnson, Cecil McKnight, Tracy Sorensen, and Sharon Walker with one abstention by Len George that it be...

RESOLVED: That the Board reappoint Mr. Morris Johnson and Mr. Lee Murrah to serve on the Independence Communities, Inc. Board of Directors for an additional two year term expiring in January 2014.

RESOLUTION #12-11-08

MOTION MADE BY: Morris Johnson

SECONDED BY: Cecil McKnight, with affirmative votes by David Walker, Brad Browder, Patti Atkins, Janet Qureshi, Tracy Sorensen, and Sharon Walker with one abstention by Len George that it be...

RESOLVED:

That the Board reappoint Mrs. Brenda Shuttlesworth, Mr. David Walker and Mrs. Barbara Duren to serve on the Montgomery Supported Housing, Inc. Board of Directors for an additional two year term expiring in January 2014.

The Board of Trustees' October 2011 Unit Financials were reviewed for information purposes only.

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

The regular meeting of the Board of Trustees recessed at 11:42 a.m. to go into Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney.

The meeting of the Board of Trustees reconvened at 12:05 p.m., to go into regular session.

No action was taken after Executive Session.

RESOLUTION #12-11-09

MOTION MADE BY: Cecil McKnight

SECONDED BY: Brad Browder, with affirmative votes by Len George, David Walker, Patti Atkins, Morris Johnson, Janet Qureshi, Tracy Sorensen, and Sharon Walker that it be...

RESOLVED:

That the December 8, 2011 meeting of the Board of Trustees be adjourned at 12:06 p.m.

ADJOURNMENT:

ATTEST:

Len George
Chairman

Date

Brad Browder
Secretary

Date

Executive Director's Report January 26, 2012

INFORMATION

- Next regularly scheduled Board meeting is Thursday, February 23rd.
- The next Texas Council Risk Management Fund quarterly meeting is February 9-10th; strategic planning will occur on Thursday, the 9th.
- The Gulf Bend Center staff and some of their stakeholders will be visiting the PETC on February 1st to discuss operations and financing of the building.
- ETBHN will be meeting here on February 3rd.

OPERATIONS

- Department of State Health Services (DSHS) – DSHS recently required a progress note review and our documentation was submitted. The results will not be known for at least two (2) months. In conjunction with this review, DSHS is conducting a training session today in Houston for area centers.

As previously announced via email, our collaborative proposal with the Gulf Coast Center for Outpatient Competency Restoration (OCR) services was one of seven awards made by DSHS. The funded amount was less than requested for FY 2012 and 2013 and a counter proposal was submitted and accepted by DSHS. Two staff will be hired and we expect to serve 7-10 individuals this year and about 14 next year. Individuals eligible for these intensive services are charged with non-violent misdemeanors and will be provided with residential options if needed.

The 82nd Legislature ordered that an independent study of the public mental health be conducted and DSHS contracted with the Public Consulting Group to conduct this study. The last of the six (6) public hearings was held last night in Houston and area centers were present as well as numerous other stakeholders. Their report and recommendations will be submitted to the next Legislature.

Nurse staffing at the Psychiatric Emergency Treatment Center (PETC) has stabilized. We had a very productive meeting with law enforcement last week and representative agreed to renew their efforts to divert individuals from incarceration. There was also a very productive meeting with Montgomery County EMS and Conroe Regional Medical Center to further streamline our collaboration. Montgomery County EMS is exploring having specially trained and designated EMTs who will handle behavioral health calls. Heather Robison has

done an outstanding job working with our local partners to improve the community response for persons with mental illness.

We finally received license approval to expand our youth and adult substance abuse treatment to Huntsville and services are beginning there now. We have been in communication with both the juvenile and adult probation staff and expect significant referrals for services. Two intakes were scheduled yesterday and two are scheduled for today. A copy of the Huntsville Item article announcing our services is attached.

The 419th District Court, Travis County, ruled in favor of the plaintiffs on January 23rd, requiring DSHS to admit individuals to the state hospital system within 21 days of being determined incompetent to stand trial. This lawsuit was filed on behalf of individuals with mental illness who were charged with a criminal offense but deemed incompetent and were waiting sometimes many months in jail prior to being transferred to a state hospital for competency restoration. We have not received any guidance from DSHS since this ruling was made on Monday, but obviously this will have a significant detrimental impact on civil commitment capacity at state hospitals.

DSHS provided guidance about the process for centers to request transfer of funds between funding strategies as instructed by the Legislature in Rider 82 of the appropriations bill. The Leadership Team has determined if we transfer a small portion of funds from our crisis redesign funds to adult services, we can remove about 100 persons from the waiting list. There are several steps that must be taken, including posting our proposal on the website, informing consumers, stakeholders, the Planning Network Advisory Committee (PNAC) and approval by the Board of Trustees. We will present our formal plan at the February Board meeting for your approval.

- Department of Aging and Disability Services (DADS) – Our annual local authority (LA), Texas Home Living waiver (TxHmL) and HCS review began Monday afternoon and concluded yesterday afternoon, a day early. At other locations, this review is normally 2 weeks in length; however, the DADS staff said that since our center is so well organized and has historically done very well, they only schedule 4 days for our review. Our preliminary overall weighted score was **97%**, each reviewed area scoring between 96 and 98% compliance. The TxHmL program had **zero** findings and one section of another component had **zero** findings; they reviewers said that we were the center thus far to have zero findings in this area. The reviewers were very complimentary of our staff and the services they provide; they also commented that the consumers and families that they interviewed were very pleased and spoke highly of our staff. Don Teeler and his IDD Service Administrator, Trish Janek, Evan Roberson and his

QM Administrator and all the IDD authority staff are to be highly commended for their quality services.

About 66% of the centers, including Tri-County, are struggling to meet their DADS targets are a result of the 26% reduction in funding in FY2012 and the refinancing our numerous individuals into the TxHmL program. We have had conversations with DADS staff and they understand our efforts to increase our number served. All centers will be held harmless this fiscal year for target compliance; however, if improvement is not made by the end of the year, centers may be subject to recoupment and reallocation of funds. We will keep you apprised of our performance.

As noted in our improvement plan, we have made some adjustments to our targeted case management services to improve our performance. Two (2) case managers resigned in December and we will quickly filled these positions and expect continued improvement in performance.

- East Texas Behavioral Healthcare Network (ETBHN) – The Network is preparing a major grant proposal to the Centers for Medicare and Medicaid (CMS) to develop innovations in our system, including, centralized intake, open access and a centralized call center. Another proposal is being submitted to CMS to provide cognitive enhanced treatment for individuals with schizophrenia.

The Heart of Texas Center, headquartered in Waco, is now purchasing medications from the pharmacy. Discussions are ongoing with several centers in the Ft. Worth area about possible business collaborations.

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Friday, January 20, 2012

Tri-County Services offers substance abuse treatment

SPECIAL TO THE ITEM

Tri-County Services is proud to announce a new resource for our community! On Tuesday, January 31, Tri-County Services will begin Adult and Adolescent Substance Abuse Treatment Programs in Walker County. The Adult and Adolescent program will be individualized based on needs but will also have group sessions that meet on a weekly basis.

The Adolescent Substance Abuse Treatment Program will also now be available at the new Tri-County location Walker County. This program is a brief, but intensive, outpatient program for adolescents age 13-17 and their families. The purpose of the Adolescent Substance Abuse Program will be to provide treatment services that facilitate recovery from substance abuse and dependence to youth who do not require a more structured environment to achieve their goals.

The Adolescent Substance Abuse program includes individual Sessions, along with Group Sessions meeting every Wednesday and Thursday, and will consist of Motivational Enhancement Therapy and Cognitive Behavioral Therapy. Family involvement will be highly encouraged. To help with the family involvement the program will also include Parent Support/Education Groups, Family Counseling, and Case Management.

Most Medicaid plans will be accepted. For more information regarding criteria for admittance into the adolescent program please call 936-291-5840.

The new Adult treatment program is individualized to the needs of the client

and plans are based on the state assessment and client feedback. The course of treatment is typically 90 days and consists of weekly group counseling as well as individual substance abuse counseling. Random drug screenings will be conducted.

The new Adult treatment program will only include persons with a single diagnosis of substance abuse, or persons with a co-occurring diagnosis of substance abuse and a mental illness (COPSD). Persons with a co-occurring mental illness will also receive one hour of individual COPSD counseling with the COPSD Specialist as an adjunct to substance abuse treatment.

Eligibility criteria for the adult program include residence in Montgomery, Walker or Liberty County. Individuals must be 18 years or older and must have a diagnosis of substance abuse or dependency. Indigent, private pay and Medicaid will be accepted. For more information about the new Adult Substance Abuse Treatment program in Walker County, inquire about services or schedule an assessment and intake appointment by calling (936) 291-5841 or (936) 521-6317.

Tri-County Services provides services to clients in Montgomery, Liberty and Walker counties. Tri-County Services works to ensure the provision of quality services for individuals with mental illness, substance abuse disorders and intellectual/developmental disabilities to enhance the quality of life in our community. For more information about all programs provided by Tri-County Services, call 936-521-6100 or visit www.tricountyservices.org.

A report from our Tenant Based Rental Assistance Staff:

We were assisting one of our clients secure housing at a local apartment complex. After introductions, the leasing agent began to tell us the story of her son who was eventually diagnosed with a mental illness. She told us about how troubled their lives were in the beginning of his illness. Eventually, Tri-County Services began assisting her son. She had so many wonderful things to say about how Tri-County had helped her son.

She particularly praised her son's Psychosocial Rehabilitation Specialist - Debra Shipp. She told us all how kind, caring, supportive and hardworking this individual was. She wanted us to know that Debra and Tri-County had made a definite improvement in the quality of both of their lives. We all thanked her for her kind words.

It was really good to hear people in our community express such a positive view of what it is we do here.

CHIEF FINANCIAL OFFICER'S REPORT

January 26, 2012

DSHS Fiscal Monitoring Review – On December 12th through 15th, we had an On-Site DSHS Fiscal Monitoring Review. The review looked at the following contracts: Mental Health Contract, PATH (Projects for Assistance in Transition from Homelessness), Youth Substance Abuse Prevention and the PETC (Psychiatric Emergency Service Center). We were notified of the On-Site Review on November 4th.

The scope and methodology of the visit encompassed a review of supporting documentation and analysis of: Payroll, Other Contract Expenditures, Cost Allocation Plan, Subcontracts, Program Income, Equipment Paid by the Contract, Matching Requirements, and General Compliance with rules, regulations, contract provisions, and policies and procedures.

The list of documents requested by DSHS were sent to them by the due date of November 18th. We had an additional list of items that needed to be pulled and available for the auditors when they arrived on site. On January 10, 2012, we received the preliminary report that allowed 14 days to provide a management response to their findings. Below were the findings and the management responses that we submitted back to DSHS on January 24th:

- **Finding #1:** Match was recorded as in-kind match for both the Substance Abuse and PATH grants. They have a mixture of in-kind and cash match.

Management Response: A budget revision will be completed that will include the match that is required for both the Substance Abuse and PATH grants. The budget revision will be presented for Board approval on February 23, 2012. The total costs and match will be shown in the general ledger for both grants in the correct cost center reports. Review of the services provided to PATH consumers will be reviewed weekly to ensure that they are coding to the correct cost center.

- **Finding #2:** For the last three years, employees have been given an across the board 3% pay raise. These pay raises are documented in CFO office and approved by the Board but there is no documentation in the employee file.

Management Response: Documentation of pay increases will be added to all employee personnel files when pay raises are approved in the budget process. Letters will be added by March 1st for current employees to ensure personnel files are up to date and correctly documented.

- **Finding #3:** Two pieces of equipment (an ACER 22" flat panel monitor and a banner stand display) were recorded as located at The Woodlands, Texas address. The equipment had been moved to the Conroe administration office but the GC-11 equipment report did not reflect that change.

Management Response: A revision to Procedure #2.14 – Property, Furniture and Equipment Inventory will include a section on completing the GC-11 Equipment report for DSHS funded equipment. Also, we will resubmit a revised GC-11 report correcting the location of the two pieces of equipment that were misstated (draft of Procedure and corrected GC-11 Report were provided to DSHS).

- **Finding #4:** The current methodologies do not follow the accepted Cost Allocation Plan dated 9/1/2009:
 - Copier costs are to be allocated by copy. The provider does not have a way to track copies by program. They are using an allocation methodology based on full-time equivalents.
 - The Cost Allocation Plan lists an alternate methodology for calculating indirect costs that are applicable to the CARE III report but not for the Cost Reimbursement Contracts. For the two SA/YPS contracts and the MH/PATH contracts, the provider is actually using an Indirect Cost Rate Agreement approved by a federally-cognizant agency at a rate of 9.9%, according to their detailed budget and their single audit from 2010.
 - The Cost Allocation Plan does not list a methodology for allocating building costs.

Management Response: Tri-County will work with Heidi Tetz, from DSHS Technical Assistance, to revise the Cost Allocation Plan to reflect the actual cost allocation methodologies being used by the center. We provided the Single Audit determination that indicated the Indirect Cost Rate. Each year after the completion of the Single Audit, the new Indirect Cost Rate will be submitted to DSHS.

- **Finding #5:** Both of the SA/YPS Attachment expenses are in the same cost center. All expenses are in one cost center and divided in half when reported on the Financial Status Report (FSR).

Management Response: Tri-County will separate the two SA/YPS contracts into different cost centers and will code expenses to the correct cost center for each program (provided a draft of the new costs centers). Budget will be separated during the February budget revision process to be presented for Board approval on February 23, 2012.

Cost Accounting Methodology (CAM) Report - We have spent many hours working on the FY 2011 CAM report. We are sending the preliminary CAM report to DSHS on January 30, 2012. We still have a little work to do before the final report will be submitted to both DADS and DSHS at the end of February. We do not foresee any problems in meeting this deadline. After the final submission, our CAM team will be reviewing the cost data and comparing to prior years, as well as with state cost averages.

CFO Consortium - The quarterly CFO meeting was held in Austin on January 11th through 13th. On the 11th, we had a CAM meeting with Spindletop and Gulf Coast Centers in the morning to talk about the current process, and in the afternoon the entire CFO group discussed CAM. It was good information and helped us to know that we are comparable to other centers rather than different. On the next two days, presentations from both DADS and DSHS touched on various current topics concerning all centers. We also received Public Funds Investment training.

FY 2012 Budget Revision - We have started work on our first budget revision for this FY 2012. This revision will be mainly to adjust for any changes in trends that we have seen in the first four months of this fiscal year, as well as any new contracts or program changes that have happened since the beginning budget was put in place. We anticipate that the revision will be ready by the February board meeting.

<p>Agenda Item: Appoint New Members for the Intellectual and Developmental Disabilities Planning Network Advisory Committee (IDDPNAC)</p> <p>Committee: Program</p>	<p>Board Meeting Date</p> <p>January 26, 2012</p>
<p>Background Information:</p> <p>The Department of Aging and Disability Services contract requires that the Planning Network Advisory Committee “...be composed of at least nine members, fifty percent of whom shall be consumers or family members of consumers...” We currently have two (2) IDDPNAC openings.</p> <p>Staff recommends the appointment of the volunteers listed below to the IDDPNAC:</p> <p><u>Barbara Knighton, Family Member</u></p> <ul style="list-style-type: none"> • Serves on the State Early Childhood Intervention Advisory Committee • Volunteers for the Parent Resource Center of CISD <p><u>Barbara Grogan, Family Member</u></p> <ul style="list-style-type: none"> • Parent Liaison with the Parent Resource Center of CISD • Former Special Education Teacher <p>Ms. Knighton has agreed to serve on the IDDPNAC for the remainder of a two-year term, which will expire August 31, 2012. Ms. Grogan has agreed to serve a two-year term which will expire August 31, 2013.</p>	
<p>Supporting Documentation:</p> <p>None</p>	
<p>Recommended Action:</p> <p>Appoint New Members for the Intellectual and Developmental Disabilities Planning Network Advisory Committee</p>	

Agenda Item: Appoint New Member for the Mental Health and Planning Network Advisory Committee (MHPNAC)	Board Meeting Date
Committee: Program	January 26, 2012
Background Information:	
<p>The Department of State Health Services contract requires that the Planning Network Advisory Committee "...be composed of at least nine members, fifty percent of whom shall be consumers or family members of consumers..." We currently have three (3) MHPNAC openings.</p> <p>Staff recommends the appointment of the volunteer listed below to the MHPNAC:</p> <p><u>Barbara Grogan, Community Member</u></p> <ul style="list-style-type: none"> • Parent Liaison with the Parent Resource Center of CISD • Former Special Education Teacher <p>Ms. Grogan has agreed to serve on the MHPNAC for a two-year term, which will expire August 31, 2013.</p>	
Supporting Documentation:	
None	
Recommended Action:	
<p>Appoint New Member for the Mental Health Planning Network Advisory Committee</p>	

Agenda Item: Approve Participation in the Tenant Based Rental Assistance Reservation System Committee: Program	Board Meeting Date January 26, 2012
Background Information: Tri-County has been the recipient of the Tenant Based Rental Assistance (TBRA) grant from the Texas Department of Housing and Community Affairs (TDHCA) since 2005. This grant provides housing vouchers to persons with mental illness who are willing to work on a plan to become self-sufficient by the end of the 24-month voucher period. The TBRA grant for persons with disabilities will be changing to a reservation system and TDHCA will no longer offer contracts. While our current contract does not expire until February 2013, we have expended almost 100% of the contracted funds. The TDHCA Reservation System allows program participants to reserve funding for eligible households individually, at any given time. <ul style="list-style-type: none"> • No contractual requirement to assist a minimum number of households • No performance benchmarks • No match requirements for persons with disabilities Administrative revenues will equal 8% of the household rental request.	
Supporting Documentation: None	
Recommended Action: Approve Submission of a Request for Reservation Funding for Tenant Based Rental Assistance from the Texas Department of Housing and Community Affairs	

Agenda Item: 1 st Quarter FY 2012 Corporate Compliance and Quality Management Report	Board Meeting Date January 26, 2012
Committee: Program	
Background Information:	
<p>The Department of State Health Services' Performance Contract has a requirement that the Quality Management Department provide "routine" reports to the Board of Trustees about "Quality Management Program activities."</p>	
<p>Although quality management activities have been included in the program updates, it was determined that it might be appropriate, in light of this contract requirement, to provide more details regarding quality management activities.</p>	
<p>Since the corporate compliance program and quality management program activities are similar in nature, the decision was made to incorporate quality management program activities into the quarterly corporate compliance program update to the Board, and to format this item similar to the program updates. The Corporate Compliance and Quality Management Report for the 1st Quarter of FY 2012 is included in this Board packet.</p>	
Supporting Documentation:	
1 st Quarter FY 2012 Corporate Compliance and Quality Management Report	
Recommended Action:	
For Information Only	

Compliance and Quality Management Report

1st Quarter, FY 2012

Corporate Compliance Activities

A. Key Statistics:

1. One (1) compliance audit in 4th quarter of FY 2011 was completed in the 1st quarter of FY 2012, unconfirmed with payback of \$4978.22
2. One (1) compliance audit in 1st quarter of FY 2012, unconfirmed with payback of \$4839.97
3. Committee meeting was held on October 19th, 2011

B. Committee Activities

1. Review of compliance activities in the 4th quarter of FY 2011
2. Review of external audit activities for the 4th quarter of FY 2011 and of anticipated audits for FY 2012
3. Review of Encounter set-up and billing ('Chargemaster Review')
4. Legal updates impacting compliance activities

C. Corporate Compliance Cases Reviewed

1. There was one case from the 4th quarter of FY 2011 that was completed in the 1st quarter of FY 2012. This case involved documentation errors which resulted in payback of \$4978.22. This staff person resigned before the compliance review began.
2. There was one new case reviewed in the 1st quarter of FY 2012. This case involved a series of documentation errors which resulted in payback of \$4839.97. This staff person is to be retrained in proper documentation techniques and monitored closely to ensure expectations for documentation are met in the future.

Quality Management Initiatives

A. Key Statistics:

1. One (1) Centers for Medicare and Medicaid Services (CMS) review
2. Three (3) Department of State Health Services (DSHS) reviews
3. One (1) Department of Aging and Disability Services (DADS) review
4. Three (3) Managed Care onsite reviews

B. Reviews/Audits:

1. Centers for Medicare and Medicaid Services – Documentation Review
 - a. Documentation for one client over a one year time period was requested by CMS for review.
2. Department of State Health Services – Mobile Crisis Outreach Team Review
 - a. Ten service encounters from FY 2011 were selected.
 - b. All documentation for the service from the beginning of our encounter with the client until the crisis was resolved was sent.

3. Department of State Health Services – Prescribing Review
 - a. Supporting documentation for a five person sub-sample was requested by DSHS.
4. Department of State Health Services – Progress Note Review
 - a. Ten service encounters were chosen by DSHS.
 - b. All documentation for these service encounters was submitted to DSHS.
 - c. Face-to-face follow-up meeting in Houston on January 26th to discuss improvement needed in the notes.
5. Department of Aging and Disability Services – Local Authority Quality Assurance Review
 - a. A series of DADS authority (contract oversight) activities was reviewed onsite by DADS staff from January 23rd until today.
 - b. Documentation of services for Authority and HCS services was reviewed.
 - c. Interviews were conducted with Home and Community Based Services and Texas Home Living consumers to determine satisfaction with services.
6. Three Managed Care Companies – General Site Reviews in September
 - a. Review of clinic facilities, documentation and Americans with Disability Act accommodations.

C. Internal Programs Reviewed by Quality Management:

1. FY 2011 Program Reviews were completed and submitted to the Leadership Team for review and approval.
2. Crisis services will be the next program fully reviewed by Quality Management.

D. Other Quality Management Activities:

1. Quality Management staff are working with managers in development of progress note templates.
2. Quality Management staff are working with managers and staff on Treatment Plan changes.

Agenda Item: 2 nd Quarter FY 2012 Corporate Compliance Training Committee: Program	Board Meeting Date January 26, 2012
Background Information: <p>As part of the Centers' Corporate Compliance Program, training is developed each quarter for distribution to staff by their supervisors.</p> <p>This training is included in this packet for on-going education of the Tri-County Board of Trustees on Corporate Compliance issues.</p>	
Supporting Documentation: 2 nd Quarter FY 2012 Corporate Compliance Training	
Recommended Action: For Information Only	

Expansion of Insurance Coverage under the Health Reform Law: The Impact on Community Behavioral Health Providers

If the Affordable Care Act of 2010 ("Health Reform Law") survives the current Supreme Court challenges, it has the potential to significantly expand coverage for low-income individuals who are not already eligible for Medicaid. On August 17, 2011, federal agencies published three proposed rules addressing the implementation of the new coverage options. These rules are related to:

1. The Expansion of Medicaid Eligibility;
2. Creation of Affordable Insurance Exchanges; and,
3. Creation of Basic Health Programs.

The Health Reform Law and the proposed rules both expand Medicaid and establish new health insurance coverage options for low-income individuals with the goal of ensuring that **anyone with household income of up to four times the federal poverty level ("FPL")** can obtain health insurance coverage and receive government assistance with health care costs. The increase in availability and affordability of health insurance coverage will benefit not only the low-income individuals who will have coverage, but also safety-net providers like Tri-County, whose total revenues should increase as a result.

That being said, there may be compliance implications raised by a behavioral health **organization's enrolling as a provider to receive reimbursement from Medicaid and commercial insurance plans.** With additional revenue streams, additional billing rules will follow. Behavioral health organizations, like Tri-County, should be prepared to implement systems to ensure that qualified billing staff are aware of these billing rules and are correctly executing them. Compliance programs will have to be aware of the potential penalties that may be imposed for violations of these rules, which may include but are not limited to, recoupment of funds and civil and criminal fines.

The proposed rules collectively address the mechanics of how the insurance affordability **programs would work in tandem to determine eligibility. CMS' proposed rule notes: "Since all of the insurance affordability programs will rely on certain common sources (that is, SSA, DHS, and IRS), once such information is gathered and evaluated by one program, reevaluation or re-verification of data will not be necessary, and thus, not permitted by another program (unless an individual reports a change in circumstances)."**

By understanding the new eligibility standards for health insurance coverage under the insurance affordability programs, healthcare providers like Tri-County can assist their patients in applying for coverage. Furthermore, by familiarizing themselves with the processes for verifying coverage that will be implemented to operationalize the insurance affordability programs, providers can ensure proper billing practices once the expanded health insurance coverage is made available.

Taken in part from an article by Susannah Vance, Esq., Feldesman Tucker Leifer Fidell LLP

Agenda Item: Year to Date FY 2012 Goals and Objectives Progress Report Committee: Program	Board Meeting Date January 26, 2012
Background Information: The Board of Trustees and Leadership Team met on July 23, 2011 for the annual strategic planning retreat and to develop the goals for FY 2012. Goals were discussed and a consensus was reached. Subsequently, the Leadership Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center's contracts with the Department of State Health Services and the Department of Aging and Disability Services. The Board also requested that quarterly progress reports be presented as a "year to date summary". This is the first "year to date" progress report of the FY 2012 Goals and Objectives which provides a summary from September 1, 2011 through November 30, 2011.	
Supporting Documentation: Year to Date FY 2012 Goals and Objectives Progress Report	
Recommended Action: For Information Only	

FY 2012 Goals and Objectives

Year to Date Progress Report

September 1, 2011 – November 30, 2011

GOAL #1

**Provide Training and Education for Staff,
Consumers/Clients, Community Stakeholders**

Objective #1

Provide at least 6 education and professional development events for staff.

- Staff attended a no-cost Drug Impairment Training for Texas Employers in November at Lone Star College-Montgomery.
- A group of managers are currently attending the Managing Employee Performance Program which is a multiple session training opportunity over several weeks.
- The Texas Council Risk Management Fund training “Communicating Effectively” was held in October.
- Two additional training courses have been scheduled for the second quarter.

Objective #2

Develop and routinely distribute topical electronic bulletins for specific stakeholder groups, such as attorneys, judiciary and law enforcement and general stakeholder groups.

- An electronic bulletin was created and sent to a specific stakeholder list that was developed. The 1st quarter e-Bulletin focused on mental health and criminal justice issues.
- The 2nd quarter e-Bulletin for stakeholders will be distributed in late January and will focus on substance abuse treatment and prevention services.

Objective #3

Develop and routinely distribute electronic bulletin for consumers/clients and families.

- An electronic bulletin was created and sent to a client and families e-mail list that was developed. The 1st quarter e-Bulletin focused on changes to IDD and criminal justice services.
- The 2nd quarter e-Bulletin for consumers/families will be distributed in February and will focus on psychiatric medications and patient assistance programs and will include a link to our Network of Care that has extensive information about medications.

Objective #4

Submit at least 12 press releases to area newspaper.

- Four press releases have been submitted to area newspapers. Topics include From the Heart kickoff, Helen Dishongh open house, Veteran’s program, and Burnham Golf Tournament check presentation.

GOAL #2

Recruit and Retain Quality Staff

Objective #1

Analyze effectiveness of incentive plans, modify and implement as needed.

- Information was gathered from other agencies to compare with Tri-County plans. A committee is scheduled to meet to evaluate the Tri-County system and begin the process of suggesting possible improvements.

Objective #2

Enhance employee recognition through gift cards, merchant discounts and other methods.

- The VIP Team is working to develop a recommendation to provide rewards and recognition.
- Several gift cards were received from area merchants and were distributed to staff.

Objective #3

Analyze effectiveness of RN recruitment and retention strategies and modify as needed.

- Significant improvements were made and implemented in the first quarter. There are still some issues associated with holiday leave and coverage that will be addressed in the second quarter.

GOAL #3

Develop Additional Resources to Support Center Services

Objective #1

Streamline volunteer application and training process (in compliance with law and TAC).

- The volunteer application and training process has been streamlined in the new Volunteer Procedure that was completed.

Objective #2

Expand volunteer involvement in Center services and recognize them for the service.

- We had significant volunteer involvement in the first quarter. ExxonMobil and United Way had about 60 volunteers complete a major landscape upgrade at our Riverpoint location.

Objective #3

Expand opportunities for interns and practicum students.

- We have successfully recruited for interns in our Criminal Justice, Adult Rehabilitation, and IDD Authority Services.
- A new and updated center procedure was approved by the Leadership Team for interns and part time students.

Objective #4

Write and submit at least 8 grant and/or contract proposals.

- The Outpatient Competency Restoration grant was submitted to DSHS in October.
- Staff was notified that the HUD 811 application for Cleveland has been awarded.

GOAL #4

Explore and Implement Additional Operational Efficiencies

Objective #1

Consolidate operations when efficiencies can be gained.

- An ETBHN planning meeting was held in early November. ETBHN efficiency opportunities were identified and staff are awaiting team assignments.
- A group of Center staff has been reviewing Center intake processes for possible best practices.

Objective #2

Automate additional processes and practices.

- Staff are developing an electronic incident report and associated process workflows.

Objective #3

Analyze electrical and utilities usage efficiencies.

- We have vacated two buildings in the Conroe area and consolidated services into other buildings that had available space. This should show a decrease in the utilities as the year progresses.
- We are in the process of developing a thermostat procedure to adjust prior to leaving each evening and also on the weekend. We are researching programmable thermostats to have this process automated.

Agenda Item: Community Resources Report for December 2011 Committee: Program	Board Meeting Date January 26, 2012
Background Information: None	
Supporting Documentation: Community Resources Report for December 2011	
Recommended Action: For Information Only	

Community Resources Report

Volunteer Hours:

Location	November	December
Conroe	14	142
Cleveland	0	4
Liberty	0	12
Huntsville	0	17.5
Total	14	175.5

COMMUNITY ACTIVITIES:

12/14/11	Montgomery County Homeless Coalition Board/General Meeting	Conroe
12/14/11	Montgomery County United Way Funded Partners Meeting	The Woodlands
12/15/11	Montgomery County Patient Navigation Task Force Meeting	Conroe
12/20/11	Montgomery County Community Resource Coordination Group	Conroe
12/20/11	Montgomery County Forensic Hospital Advisory Board	Conroe
1/4/12	Mental Health Court Staffing Meeting	Conroe
1/4/12	Liberty County Community Resource Coordination Group	Dayton
1/5/12	Montgomery County Collaborative Court Grant Meeting	Conroe
1/5/12	Cleveland Chamber of Commerce Luncheon	Cleveland
1/5/12	Walker County Community Resource Coordination Group	Huntsville
1/9/12	Aging and Disability Resource Center Meeting	Houston
1/10/12	Montgomery County Managed Assigned Counsel Board Meeting	Conroe
1/12/12	Huntsville Chamber of Commerce Breakfast	Huntsville
1/12/12	Montgomery County Forensic Hospital QM Sub-Committee	Conroe
1/17/12	Montgomery County Community Resource Coordination Group	Conroe
1/17/12	Montgomery County Forensic Hospital Advisory Board	Conroe
1/17/12	Texas Latino Leadership Roundtable	Conroe
1/17/12	Montgomery County United Way Disaster Recovery Taskforce	The Woodlands
1/18/12	Montgomery County Criminal Justice Council Meeting	Conroe
1/18/12	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
1/19/12	PETC Stakeholder Coordination Meeting	Conroe
1/19/12	Adult Protective Services Task Force Meeting	Conroe
1/19/12	Montgomery County Patient Navigation Task Force Meeting	Conroe
1/24/12	Child Fatality Review Team	Dayton

UPCOMING ACTIVITIES:

2/1/12	Liberty County Community Resource Coordination Group	Dayton
2/2/12	Walker County Community Resource Coordination Group	Huntsville
2/2/12	Montgomery County Collaborative Court Grant Meeting	Conroe
2/2/12	Cleveland Chamber of Commerce Luncheon	Cleveland
2/7/12	Montgomery County Managed Assigned Counsel Board Meeting	Conroe
2/9/12	Huntsville Chamber of Commerce Breakfast	Huntsville
2/21/12	Montgomery County Forensic Hospital Advisory Board	Conroe
2/21/12	Montgomery County Community Resource Coordination Group	Conroe
2/21/12	Montgomery County United Way Disaster Recovery Taskforce	The Woodlands

Agenda Item: Consumer Services Reports for November & December 2011 Committee: Program	Board Meeting Date January 26, 2012
Background Information: None	
Supporting Documentation: Consumer Services Reports for November & December 2011	
Recommended Action: For Information Only	

CONSUMER SERVICES REPORT

November 2011

Crisis Services, MH Adults/Children	MONTGOMERY COUNTY	CLEVELAND	LIBERTY	WALKER COUNTY	TOTAL
Persons Screened, Intakes, Other Crisis Services	412	33	20	54	519
Crisis and Transitional Services (SP 0, SP5)	68	2	4	12	86
Psychiatric Emergency Treatment Center (PETC) Served	41	2	2	8	53
Psychiatric Emergency Treatment Center (PETC) bed days	145	10	12	28	195
Total Contract Hospital Admissions	7	1	1	3	12
Total State Hospital Admissions	3	2	2	1	8
Routine Services, MH Adults/Children					
Adult Service Packages (SP 1-4)	706	74	74	119	973
Adult Medication Services	562	56	64	83	765
Child Service Packages (SP 1.1-4)	271	7	5	49	332
Child Medication Services	152	5	3	23	183
TCOOMMI (Adult Only)	89	3	3	8	103
Adult Jail Diversion Services	16	1	0	0	17
Juvenile Detention Diversion Services	3	0	0	0	3
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	4	0	2	0	6
Service Coordination	396	27	37	47	507
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TXHmL)	51	8	22	22	103
Contractor Provided ICF-MR	18	12	12	6	48
Substance Abuse Services					
Children and Youth Prevention Services	174	247	0	0	421
Youth Substance Abuse Treatment Services/COPSD	4	0	0	0	4
Adult Substance Abuse Treatment Services/COPSD	28	0	2	1	31
Waiting/Interest Lists as of Month End					
Department of State Health Services-Adults	264	32	40	5	341
Department of State Health Services-Children	7	2	1	1	11
Home and Community Based Services Interest List	1098	94	91	93	1376
Persons Served Outside of the State Contracts					
Benefit Package 3 Adult/Child	50	12	10	4	76
November Served by County					
Adult Mental Health Services	1135	115	111	165	1526
Child Mental Health Services	317	8	5	52	382
Intellectual and Developmental Disabilities Services	458	51	45	58	612
Total Served by County	1910	174	161	275	2520
October Served by County					
Adult Mental Health Services	1161	125	104	163	1553
Child Mental Health Services	336	11	7	50	404
Intellectual and Developmental Disabilities Services	466	53	45	60	624
Total Served by County	1963	189	156	273	2581
September Served by County					
Adult Mental Health Services	1253	112	101	166	1632
Child Mental Health Services	325	18	7	50	400
Intellectual and Developmental Disabilities Services	462	45	49	61	617
Total Served by County	2040	175	157	277	2649

CONSUMER SERVICES REPORT

December 2011

Crisis Services, MH Adults/Children	MONTGOMERY COUNTY	CLEVELAND	LIBERTY	WALKER COUNTY	TOTAL
Persons Screened, Intakes, Other Crisis Services	446	30	24	62	562
Crisis and Transitional Services (SP 0, SP5)	69	3	3	4	79
Psychiatric Emergency Treatment Center (PETC) Served	52	4	2	7	65
Psychiatric Emergency Treatment Center (PETC) bed days	187	13	15	15	230
Total Contract Hospital Admissions	5	0	1	2	8
Total State Hospital Admissions	7	1	1	0	9
Routine Services, MH Adults/Children					
Adult Service Packages (SP 1-4)	676	73	74	107	930
Adult Medication Services	530	50	69	87	736
Child Service Packages (SP 1.1-4)	282	12	5	50	349
Child Medication Services	151	8	2	16	177
TCOOMMI (Adult Only)	81	3	4	8	96
Adult Jail Diversion Services	16	0	0	0	16
Juvenile Detention Diversion Services	3	0	0	0	3
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	2	0	0	0	2
Service Coordination	389	23	24	36	472
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TXHmL)	54	8	24	22	108
Contractor Provided ICF-MR	18	12	12	6	48
Substance Abuse Services					
Children and Youth Prevention Services	166	0	0	0	166
Youth Substance Abuse Treatment Services/COPSD	3	0	0	0	3
Adult Substance Abuse Treatment Services/COPSD	25	0	0	0	25
Waiting/Interest Lists as of Month End					
Department of State Health Services-Adults	253	33	38	5	329
Department of State Health Services-Children	9	2	1	2	14
Home and Community Based Services Interest List	1115	93	91	94	1393
Persons Served Outside of the State Contracts					
Benefit Package 3 Adult/Child	35	12	11	2	60
December Served by County					
Adult Mental Health Services	1127	107	107	178	1519
Child Mental Health Services	308	13	4	52	377
Intellectual and Developmental Disabilities Services	441	42	48	49	580
Total Served by County	1876	162	159	279	2476
November Served by County					
Adult Mental Health Services	1135	115	111	165	1526
Child Mental Health Services	317	8	5	52	382
Intellectual and Developmental Disabilities Services	458	51	45	58	612
Total Served by County	1910	174	161	275	2520
October Served by County					
Adult Mental Health Services	1161	125	104	163	1553
Child Mental Health Services	336	11	7	50	404
Intellectual and Developmental Disabilities Services	466	53	45	60	624
Total Served by County	1963	189	156	273	2581

Agenda Item: Program Updates for November & December 2011 Committee: Program	Board Meeting Date January 26, 2012
Background Information: None	
Supporting Documentation: Program Updates for November & December 2011	
Recommended Action: For Information Only	

Program Updates

November & December 2011

MH Crisis and Admission Services

- A. Key Statistics:
 - 1. Number of new admissions during the month: November-106, December-84
 - 2. PETC average daily census: November-7.8, December-9.12
- B. Program Comments:
 - 1. There have been fewer persons presenting in crisis during this period, and due to holiday leave we scheduled fewer persons for routine assessments and admissions.
 - 2. We have had very few involuntary admissions to the PETC, and many of the voluntary admissions have left suddenly against medical advice.
 - 3. Staff have been communicating with the Montgomery County Hospital District to assess the decreased number of persons presenting by ambulance.

MH Adult Services

- A. Key Statistics:
 - 1. Number of adults served during the month: November-1526, December-1519
 - 2. Number of adults served in Medication Services: November-765, December-736
- B. Program Comments:
 - 1. Our site based rehabilitation service has been slow to enroll new clients, and we are assessing our program design as a result.
 - 2. We have been actively recruiting for a vacant psychiatry position but have not found a replacement.
 - 3. Steps have been taken to transition into an annual TRAG assessment process for eligible clients which has previously been done on a quarterly basis.

MH Child Services

- A. Key Statistics:
 - 1. Number of children served during the month: November-382, December-377
 - 2. Number of children served in Medication Services: November-183, December-177
 - 3. We served 3 juveniles in Detention Diversion slots and served a total of 7 juveniles from probation in our MH Child Services.
- B. Program Comments:
 - 1. We have hired a new Family Partner employee and are working diligently to satisfy contract targets for family partner services that have suffered during the vacancy.
 - 2. New Child Rehabilitation Specialists were hired in this period, which will hopefully help us overcome lower financial revenue production.
 - 3. We had struggles meeting our minimum hour contract requirements in November and are rapidly training new hires to increase hours of service.

Criminal Justice Services

- A. Key Statistics:
 - 1. Number of adults served through Texas Office on Offenders with Medical and Mental Impairments (TCOOMMI): November-98, December-105
 - 2. Number of jail diversions: November-5, December-5
- B. Program Comments:
 - 1. Significant time was spent on the Outpatient Competency Restoration grant application and it appears we have been funded significantly below our request.
 - 2. We have worked closely with the new Montgomery County Mental Health Court with referrals to the court.
 - 3. Our program appears to have successfully adjusted to some new contract requirements by TCOOMMI during this period.

Substance Abuse Services

- A. Key Statistics:
 - 1. Number of children served in prevention services: November-421, December-166
 - 2. Number of adults served in substance abuse/COPSD treatment services:
 - a. Substance Abuse Outpatient = November-29, December-25
 - b. COPSD = November-13, December-11
 - c. Total unique clients served = November-31, December-25
 - 3. Number of children served in substance abuse treatment services: November-4, December-3
- B. Program Comments:
 - 1. Due to low referrals in Montgomery County, we have transferred a substance abuse intern from child services to adult services with permission from the United Way funding source.
 - 2. We have final approval by DSHS to begin substance abuse services in Huntsville and those should begin in January.
 - 3. Substance Abuse Prevention Services has been very active and appears to be on track to have a busy and successful year.

IDD Services

- A. Key Statistics:
 - 1. Total number of admissions for the month: November-6, December-2
 - 2. Total number enrolled in the Home and Community Based Services (HCS) and Texas Home Living (TxHmL) Provider Services for the month: November 103, December-108
 - 3. Total number served in all IDD services for the month: November-596, December-573
- B. Program Comments:
 - 1. We have taken steps to increase services to general revenue funded clients in our Life Skills Community Support Services and Case Management Services.

2. We have spent significant time enrolling new consumers into Texas Home Living and Home and Community Based Services.
3. Much time has been spent in increasing Service Coordination A & B contracts in conjunction with the changes in the Medicaid reimbursement system for the services.

Support Information

- A. **Training:** The Texas Council Risk Management Fund (TCRMF) will present training workshops on January 27th at the Administration building. A supervisor training will be held in the morning and an Intergenerational Diversity workshop for all staff will occur in the afternoon.
- B. **Information Services:** A series of phone company issues resulted in multiple outages between Christmas and New Years. All issues have been resolved.
- C. **Veteran Affairs:** Veteran services is preparing for an Operation Resilient Families (ORF) Retreat in Galveston that is scheduled to take place in February.
- D. **Intellectual and Developmental Disabilities Planning Network Advisory Committee (IDDPNAC):** The IDDPNAC met on January 18th and reviewed the information that was presented at the IDD Consortium in Austin, TX. There are also two individuals who will join the committee.
- E. **Regional Planning Network Advisory Committee (RPNAC):** The RPNAC met on January 10th via video conference and discussed ETBHN's organizational structure as it relates to our ability to contract with managed care organizations.

Community Activities

- A. The From the Heart campaign was held and 1200 clients were assisted during the holiday season. Many outside organizations volunteered to help with wrapping, sorting and shopping for presents.

Agenda Item: Personnel Reports for November & December 2011 Committee: Executive	Board Meeting Date January 26, 2012
Background Information: None	
Supporting Documentation: Personnel Reports for November & December 2011	
Recommended Action: For Information Only	

TRI-COUNTY SERVICES PERSONNEL BOARD REPORT NOVEMBER 2011

STAFF CLASSIFICATIONS	NEW HIRES		SEPARATED		VOLUNTARY SEPARATION		INVOLUNTARY SEPARATION		BUDGETED POSITIONS	FILLED POSITIONS	MONTHLY TURNOVER PERCENT	YEARLY TURNOVER PERCENT
	MO.	YTD.	MO.	YTD.	MO.	YTD.	MO.	YTD.				
Bachelor's												
Qualified Mental Health Professionals	2	6	2	7	1	6	1	1	78	69	3%	10%
Qualified Developmental Disability Professionals (State Title)	1	1	1	2	1	2			12	11	9%	18%
Licensed Staff		2		1		1			14	12	0%	8%
Medical												
Physicians		1							6	5	0%	0%
Advanced Practice Nurses									2	2	0%	0%
RN's		1		1				1	12	11	0%	9%
LVN's			1	1	1	1			10	7	14%	14%
Techs/Aides												
MH	1	2	1	3	1	2		1	14	8	13%	38%
IDD	1	4	2	5	1	4	1	1	41	36	6%	14%
Supervisor/Manager												
MH									13	13	0%	0%
IDD									4	4	0%	0%
Program Support		2		1				1	39	37	0%	3%
Central Administration		2		1		1			16	16	0%	6%
Business Services									15	15	0%	0%
Maintenance/Janitorial/Lawn				1		1		0	24	22	0%	5%
GRAND TOTALS	5	21	7	23	5	18	2	5	300	268	3%	9%
Previous YTD											1%	2%

TRI-COUNTY SERVICES **PERSONNEL BOARD REPORT** **DECEMBER 2011**

STAFF CLASSIFICATIONS	NEW HIRES		SEPARATED		VOLUNTARY SEPARATION		INVOLUNTARY SEPARATION		BUDGETED POSITIONS	FILLED POSITIONS	MONTHLY TURNOVER PERCENT	YEARLY TURNOVER PERCENT
	MO.	YTD.	MO.	YTD.	MO.	YTD.	MO.	YTD.				
Bachelor's												
Qualified Mental Health Professionals	1	7	1	8	1	7		1	73	65	2%	12%
Qualified Developmental Disability Professionals (State Title)	2	3	1	3	1	3			13	12	8%	25%
Licensed Staff		2		1		1			14	12	0%	8%
Medical												
Physicians		1	1	1	1	1			6	4	25%	25%
Advanced Practice Nurses									2	2	0%	0%
RN's		1		1				1	12	11	0%	9%
LVN's				1		1			10	7	0%	14%
Techs/Aides												
MH		2	1	4	1	3		1	14	8	13%	50%
IDD		4	1	6	1	5		1	40	34	3%	18%
Supervisor/Manager												
MH									13	13	0%	0%
IDD									4	4	0%	0%
Program Support		2		1				1	39	37	0%	3%
Central Administration		2		1		1			16	16	0%	6%
Business Services									15	15	0%	0%
Maintenance/Janitorial/Lawn				1		1			24	22	0%	5%
GRAND TOTALS	3	24	5	28	5	23	0	5	295	262	2%	11%
Previous YTD											3%	6%

Agenda Item: Texas Council Quarterly Board Meeting Update	Board Meeting Date
Committee: Executive	January 26, 2012
Background Information:	
<p>The Texas Council has requested that Center representatives give updates to Trustees regarding their quarterly Board meeting. A verbal update will be given by Morris Johnson.</p>	
Supporting Documentation:	
None	
Recommended Action:	
For Information Only	

Agenda Item: Appoint New Director for the Montgomery Supported Housing, Inc. (MSHI) Board	Board Meeting Date
Committee: Business	January 26, 2012
Background Information:	
<p>Mr. Len George resigned as a Board Director for Montgomery Supported Housing, Inc. effective January 5, 2012. Mr. George had agreed to serve on the MSHI Board during the initial development of the Independence Place project until it was operational. As a member of the Independence Communities, Inc. Board, Mr. George provided valuable input throughout the development of the Independence Place Apartments.</p>	
<p>Ms. Sharon Walker, Tri-County Board Trustee, has agreed to serve on the Montgomery Supported Housing, Inc. Board. She would fulfill Mr. George's unexpired term, which ends January 1, 2013.</p>	
Supporting Documentation:	
None	
Recommended Action:	
Appoint Ms. Sharon Walker To Serve On The Montgomery Supported Housing, Inc. Board For A Term Which Expires January 1, 2013	

Agenda Item: Approve FY 2011 Independent Financial Audit Committee: Business	Board Meeting Date January 26, 2012
Background Information: Carlos Taboada & Company, P.C. audited Tri-County's Financial Statements for the fiscal year ending August 31, 2011. There were no material findings related to the financial statements.	
Supporting Documentation: Copy of Preliminary Audited Financial Statements – Mailed Separately to Board Members	
Recommended Action: Approve FY 2011 Independent Financial Audit	

Agenda Item: Approve November 2011 Financial Statements

Board Meeting Date

January 26, 2012

Committee: Business

Background Information:

None

Supporting Documentation:

November 2011 Financial Statements

Recommended Action:

Approve November 2011 Financial Statements

November 2011 Financial Summary

Revenues for November 2011 were \$1,802,343 and operating expenses were \$1,745,983 resulting in a gain in operations of \$56,360. Capital Expenditures and Extraordinary Expenses for November were \$36,798 resulting in a gain of \$19,562. Total revenues were 97.13% of the monthly budgeted revenues and total expenses were 95.67% of the monthly budgeted expenses.

Year to date revenues are \$5,435,293 and operating expenses are \$5,274,946 leaving excess operating revenues of \$160,347. YTD Capital Expenditures and Extraordinary Expenses are \$112,961 resulting in a gain YTD of \$47,386. Total revenues are 96.64% of the YTD budgeted revenues and total expenses are 95.21% of the YTD budgeted expenses.

REVENUES

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

Revenue Source	YTD Revenue	YTD Budget	% of Budget	\$ Variance
Case Management IDD – Title XIX	208,157	247,058	84.26%	38,901
Rehab – Title XIX	277,402	404,594	68.57%	127,192
DSHS Crisis - PESC	396,075	431,616	91.77%	35,541
DSHS Gen Rev – NGM	157,323	187,694	83.82%	30,371

Case Management IDD – Title XIX – This line item is under budget mainly due to changes in the delivery of this service, requiring more services to be documented and billed. We continue to monitor this line and will provide the plan of improvement at the January board meeting.

Rehab – Title XIX – This line item is under budget due to staff turnover in this area as well as a change in documentation that has been implemented for treatment plans which takes considerably more time than the past documentation requirements. Staff have been trained in this process and the amount of time required to complete should decrease. A plan of improvement will also be provided for this line item at the January board meeting.

DSHS Crisis – PESC – This line is a cost reimbursement program. This program was under budget in various expenses lines with the largest amount being in the medication expenses line. We anticipate that the expenses will increase as the number of census increases in this program.

DSHS Gen Rev – NGM – This line item reflects the reimbursement of the cost of New Generation Medication. As we have seen over the past couple of years, our expenses for all medications have continued to decrease mainly due to the patient assistant programs that pay for medications for our consumers.

EXPENSES

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	\$ Variance
No items to report				

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of November 30, 2011

	TOTALS COMBINED FUNDS November 2011	TOTALS COMBINED FUNDS October 2011	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,924	4,725	199
Cash on Deposit-General Fund	6,295,374	7,140,108	(844,734)
Cash on Deposit-Debt Fund	114,193	114,193	-
Accounts Receivable	1,448,318	1,448,997	(679)
Inventory	35,112	35,066	46
TOTAL CURRENT ASSETS	7,897,922	8,743,090	(845,168)
FIXED ASSETS	6,485,059	6,908,225	(423,167)
OTHER ASSETS	29,587	54,173	(24,586)
TOTAL ASSETS	14,412,568	15,705,488	(1,292,921)
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,139,116	1,108,907	30,209
NOTES PAYABLE	417,673	417,673	-
DEFERRED REVENUE	908,298	1,820,737	(912,439)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,610,861	1,610,861	-
Bond Series 2004	820,000	820,000	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	808,061	801,751	6,310
Debt Service Fund	(40,026)	(40,026)	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(2,844,733)	(2,844,733)	-
Reserved for Debt Retirement	1,230,000	1,230,000	-
Reserved for Debt Service	40,026	40,026	-
COMMITTED			
Net Assets-Property and Equipment	6,485,059	6,908,225	(423,166)
Reserved for Board Policy Requirements	879,405	879,405	-
Reserved for Equipment Reserve	354,290	354,290	-
Reserved for Inventory Reserve	32,973	32,973	-
Reserved for Operations and Programs	2,000,000	2,000,000	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	18,498	12,332	6,166
Reserved for Insurance Deductibles	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	178,658	178,658	-
TOTAL LIABILITIES/FUND BALANCE	14,412,568	15,705,488	(1,292,920)

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of November 30, 2011

	General Operating Funds	TOTALS	
		Memorandum Only	
		November 2011	PRELIMINARY August 2011
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,924	4,924	3,925
Cash on Deposit-General Fund	6,295,374	6,295,374	5,551,241
Cash on Deposit-Debt Fund	114,193	114,193	437,478
Accounts Receivable	1,448,318	1,448,318	1,584,506
Inventory	35,112	35,112	33,893
TOTAL CURRENT ASSETS	7,897,922	7,897,922	7,611,043
FIXED ASSETS	6,485,059	6,485,059	5,050,968
OTHER ASSETS	29,587	29,587	45,776
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF LONG TERM DEBT		-	1,720,257
TOTAL ASSETS	14,412,568	14,412,568	14,428,043
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,139,116	1,139,116	1,052,221
NOTES PAYABLE	417,673	417,673	407,690
DEFERRED REVENUE	908,298	908,298	141,039
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,610,861	1,610,861	82,567
Bond Series 2004	820,000	820,000	1,230,000
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	808,061	808,061	902,346
Debt Service Fund	(40,026)	(40,026)	(40,026)
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(2,844,733)	(2,844,733)	-
Reserved for Debt Retirement	1,230,000	1,230,000	1,230,000
Reserved for Debt Service	40,026	40,026	477,505
COMMITTED			
Net Assets-Property and Equipment-Committed	6,485,059	6,485,059	5,050,968
Reserved for Board Policy Requirements-Committed	879,405	879,405	879,405
Reserved for Equipment Reserve-Committed	354,290	354,290	354,290
Reserved for Inventory Reserve-Committed	32,973	32,973	32,973
Reserved for Operations and Programs -Committed	2,000,000	2,000,000	2,000,000
ASSIGNED			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	18,498	18,498	74,000
Reserved for Insurance Deductibles-Assigned	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	178,658	178,658	278,658
TOTAL LIABILITIES/FUND BALANCE	14,412,568	14,412,568	14,428,043

TRI-COUNTY SERVICES
Revenue and Expense Summary
For the Month Ended November 2011
and YTD as of November 2011

INCOME:	MONTH OF November 2011	YTD November 2011
Local Revenue Sources	137,787	478,852
Earned Income	736,499	2,242,442
General Revenue-Contract	928,057	2,713,999
TOTAL INCOME	1,802,343	5,435,293
EXPENSES:		
Salaries	927,843	2,807,373
Employee Benefits	178,354	546,059
Medication Expense	25,067	72,336
Travel-Board/Staff	30,903	84,198
Building Rent/Maintenance	11,154	61,949
Consultants/Contracts	382,513	1,118,165
Other Operating Expenses	190,149	584,866
TOTAL EXPENSES	1,745,983	5,274,946
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	56,360	160,347
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	-	2,569
Capital Outlay-Debt Service Bonds	36,798	110,393
TOTAL CAPITAL EXPENDITURES	36,798	112,961
GRAND TOTAL EXPENDITURES	1,782,781	5,387,907
Excess (Deficiency) of Revenues and Expenses	19,562	47,386

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budgeted
Year to Date as of November 2011

	YTD November 2011	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	478,852	428,624	50,228
Earned Income	2,242,442	2,409,470	(167,028)
General Revenue-Contract	2,713,999	2,786,196	(72,197)
TOTAL INCOME	5,435,293	5,624,290	(188,997)
EXPENSES:			
Salaries	2,807,373	2,834,427	(27,054)
Employee Benefits	546,059	624,761	(78,702)
Medication Expense	72,336	108,300	(35,964)
Travel-Board/Staff	84,198	103,990	(19,792)
Building Rent/Maintenance	61,949	59,706	2,243
Consultants/Contracts	1,118,165	1,190,650	(72,485)
Other Operating Expenses	584,866	622,093	(37,227)
TOTAL EXPENSES	5,274,946	5,543,927	(268,981)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	160,347	80,363	79,984
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	2,569	4,752	(2,183)
Capital Outlay-Debt Service Bonds	110,393	110,346	47
TOTAL CAPITAL EXPENDITURES	112,961	115,098	(2,137)
GRAND TOTAL EXPENDITURES	5,387,907	5,659,025	(271,118)
Excess (Deficiency) of Revenues and Expenses	47,386	(34,735)	82,121

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	110,393	110,346	47
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expense:	110,393	110,346	47

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budget
For the Month Ended November 2011

INCOME:	MONTH OF November 2011	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	137,787	137,537	250
Earned Income	736,499	801,133	(64,634)
General Revenue-Contract	928,057	917,058	10,999
TOTAL INCOME	1,802,343	1,855,728	(53,385)
EXPENSES:			
Salaries	927,843	934,282	(6,439)
Employee Benefits	178,354	207,573	(29,219)
Medication Expense	25,067	36,100	(11,033)
Travel-Board/Staff	30,903	34,657	(3,754)
Building Rent/Maintenance	11,154	15,902	(4,748)
Consultants/Contracts	382,513	392,216	(9,703)
Other Operating Expenses	190,149	204,403	(14,254)
TOTAL EXPENSES	1,745,983	1,825,133	(79,150)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	56,360	30,595	25,765
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	1,584	(1,584)
Capital Outlay-Debt Service Bonds	36,798	36,786	12
TOTAL CAPITAL EXPENDITURES	36,798	38,370	(1,573)
GRAND TOTAL EXPENDITURES	1,782,781	1,863,503	(80,722)
Excess (Deficiency) of Revenues and Expenses	19,562	(7,775)	27,337

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	36,798	36,786	12
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	36,786	12

TRI-COUNTY SERVICES
Revenue and Expense Summary
With November 2010 Comparative Data
Year to Date as of November 2011

INCOME:	YTD November 2011	YTD November 2010	Increase (Decrease)
Local Revenue Sources	478,852	1,054,993	(576,141)
Earned Income	2,242,442	2,580,350	(337,908)
General Revenue-Contract	2,713,999	2,885,029	(171,030)
TOTAL INCOME	5,435,293	6,520,372	(1,085,079)
EXPENSES:			
Salaries	2,807,373	2,941,227	(133,854)
Employee Benefits	546,059	605,346	(59,287)
Medication Expense	72,336	116,136	(43,800)
Travel-Board/Staff	84,198	94,344	(10,146)
Building Rent/Maintenance	61,949	37,839	24,110
Consultants/Contracts	1,118,165	1,171,490	(53,325)
Other Operating Expenses	584,866	548,800	36,066
TOTAL EXPENSES	5,274,946	5,515,182	(240,236)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	160,347	1,005,190	(844,843)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	2,569	719,152	(716,583)
Capital Outlay-Debt Service Bonds	110,393	115,221	(4,829)
TOTAL CAPITAL EXPENDITURES	112,961	834,373	(721,412)
GRAND TOTAL EXPENDITURES	5,387,907	6,349,555	(961,648)
Excess (Deficiency) of Revenues and Expenses	47,386	170,817	(123,431)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	110,393	115,221	(4,829)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	110,393	115,221	(4,829)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With November 2010 Comparative Data
For the Month November 2011

INCOME:	MONTH OF November 2011	MONTH OF November 2010	Increase (Decrease)
Local Revenue Sources	137,787	570,928	(433,141)
Earned Income	736,499	847,933	(111,434)
General Revenue-Contract	928,057	972,647	(44,590)
TOTAL INCOME	1,802,343	2,391,508	(589,165)
EXPENSES:			
Salaries	927,843	965,668	(37,825)
Employee Benefits	178,354	198,539	(20,185)
Medication Expense	25,067	60,766	(35,699)
Travel-Board/Staff	30,903	32,710	(1,807)
Building Rent/Maintenance	11,154	13,922	(2,768)
Consultants/Contracts	382,513	414,703	(32,190)
Other Operating Expenses	190,149	189,401	748
TOTAL EXPENSES	1,745,983	1,875,709	(129,726)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	56,360	515,799	(459,439)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	479,229	(479,229)
Capital Outlay-Debt Service Bonds	36,798	38,113	(1,316)
TOTAL CAPITAL EXPENDITURES	36,798	517,342	(480,545)
GRAND TOTAL EXPENDITURES	1,782,781	2,393,051	(610,270)
Excess (Deficiency) of Revenues and Expenses	19,562	(1,543)	21,105

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	36,798	38,113	(1,316)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	36,798	38,113	(1,316)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With October 2011 Comparative Data
As of November 2011

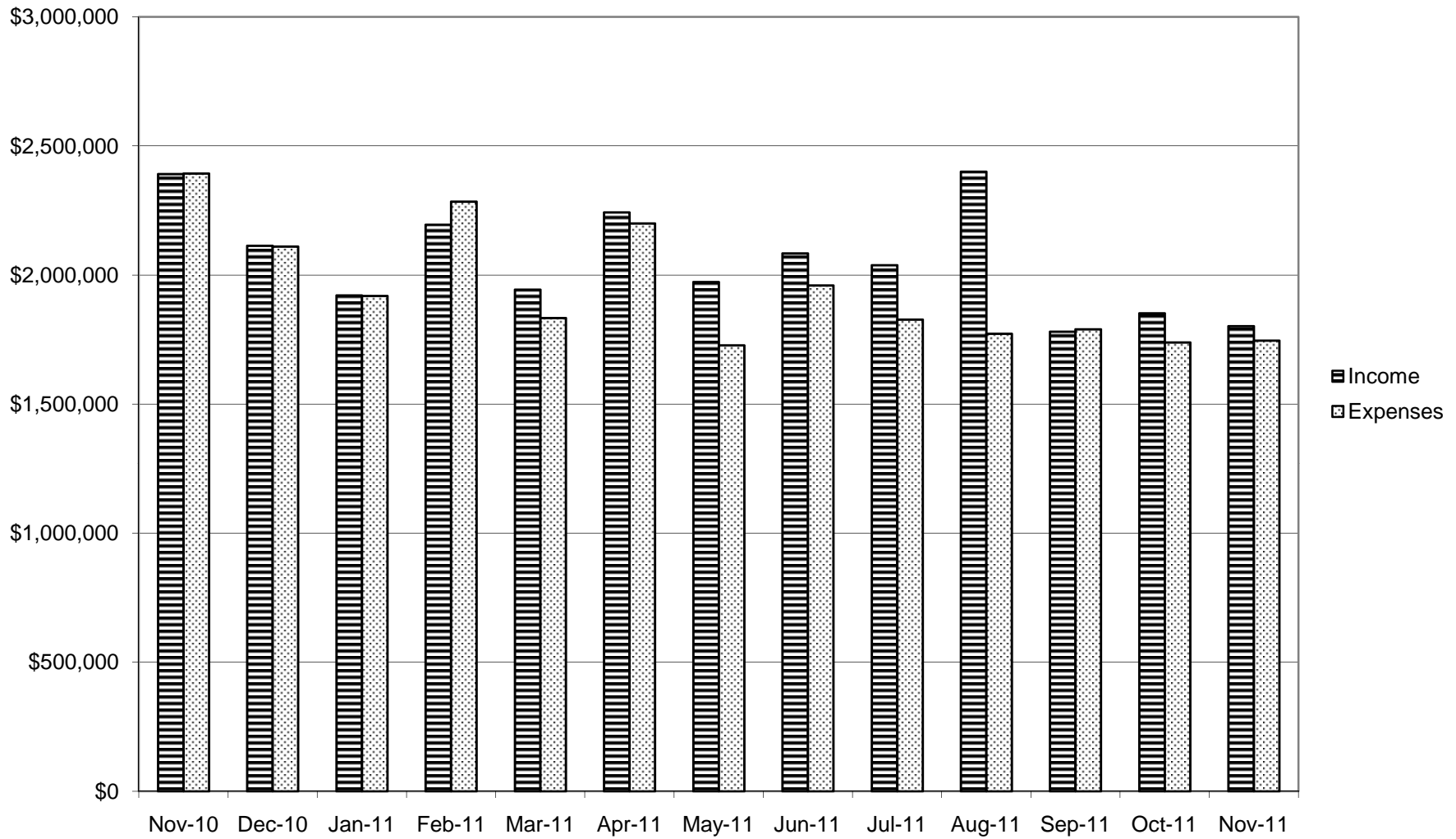
INCOME:	MONTH OF November 2011	MONTH OF October 2011	Increase (Decrease)
Local Revenue Sources	137,787	183,568	(45,782)
Earned Income	736,499	811,288	(74,789)
General Revenue-Contract	928,057	856,872	71,186
TOTAL INCOME	1,802,343	1,851,728	(49,385)
EXPENSES:			
Salaries	927,843	908,491	19,351
Employee Benefits	178,354	177,493	861
Medication Expense	25,067	21,392	3,675
Travel-Board/Staff	30,903	27,415	3,488
Building Rent/Maintenance	11,154	20,600	(9,445)
Consultants/Contracts	382,513	371,228	11,285
Other Operating Expenses	190,149	212,364	(22,215)
TOTAL EXPENSES	1,745,983	1,738,983	7,001
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	56,360	112,746	(56,386)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	-	-
Capital Outlay-Debt Service Bonds	36,798	36,798	-
TOTAL CAPITAL EXPENDITURES	36,798	36,798	-
GRAND TOTAL EXPENDITURES	1,782,781	1,775,780	7,001
Excess (Deficiency) of Revenues and Expenses	19,562	75,948	(56,386)

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	36,798	36,798	-
Bond Payments Disbursements			-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	36,798	-

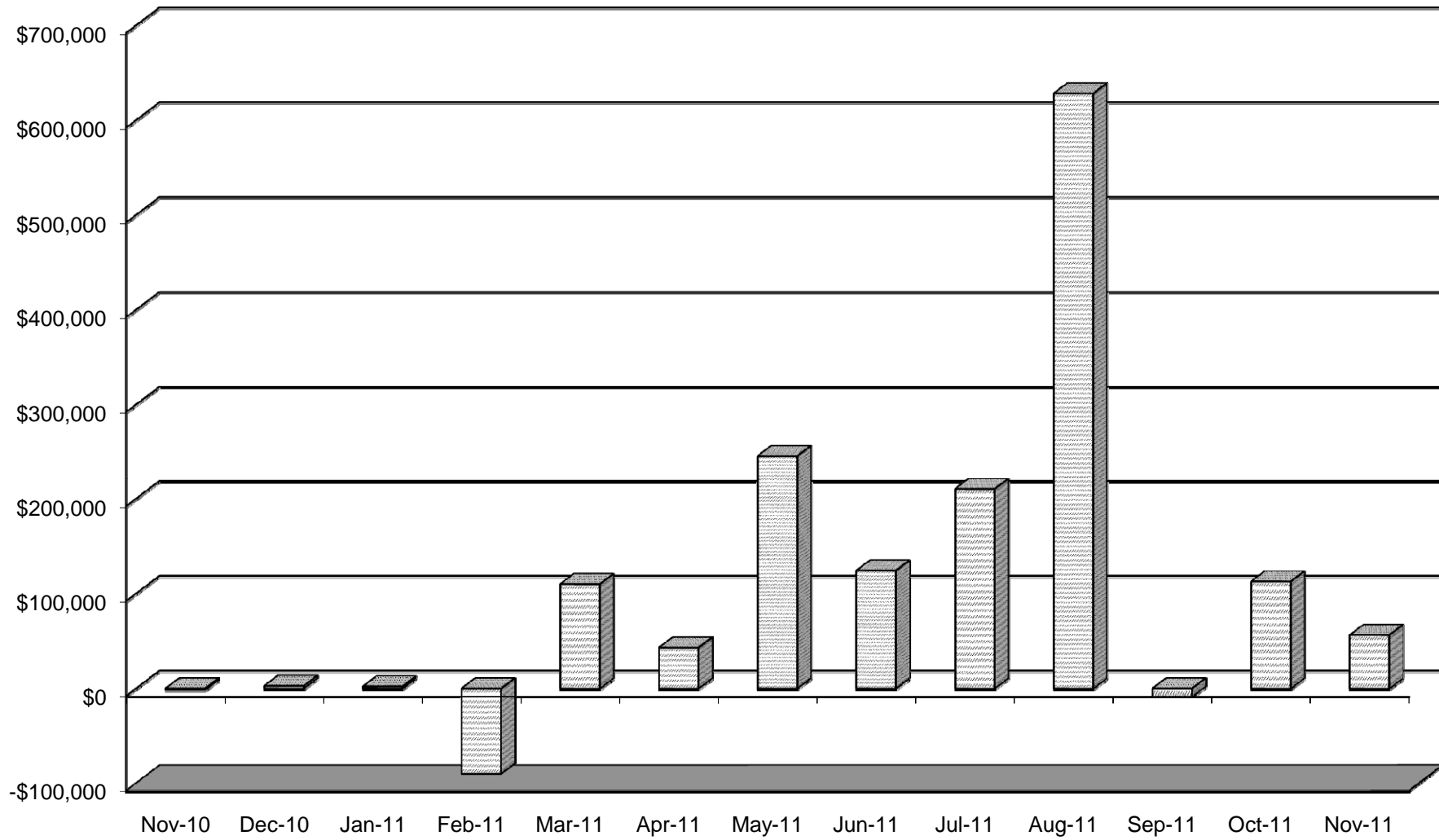
TRI-COUNTY SERVICES
Revenue and Expense Summary by Service Type
Compared to Budget
As of YTD Ended November 30, 2011

	YTD Mental Health November 2011	YTD IDD November 2011	YTD Other Services November 2011	YTD Agency Total November 2011	YTD Approved Budget November 2011	Increase (Decrease)
INCOME:						
Local Revenue Sources	468,348	(23,393)	33,898	478,852	428,624	50,228
Earned Income	488,213	1,469,087	285,142	2,242,442	2,414,470	(172,028)
General Revenue-Contract	2,401,351	312,648	-	2,713,999	2,786,196	(72,197)
TOTAL INCOME	3,357,912	1,758,342	319,040	5,435,293	5,629,290	(193,997)
EXPENSES:						
Salaries	2,099,920	522,843	184,611	2,807,373	2,834,427	(27,054)
Employee Benefits	399,937	111,586	34,536	546,059	624,761	(78,702)
Medication Expense	68,308	-	4,027	72,336	108,300	(35,964)
Travel-Board/Staff	52,949	22,997	8,251	84,198	103,990	(19,792)
Building Rent/Maintenance	46,872	15,078	-	61,949	59,706	2,243
Consultants/Contracts	164,233	925,086	28,847	1,118,165	1,190,650	(72,485)
Other Operating Expenses	416,837	106,266	61,764	584,866	622,093	(37,227)
TOTAL EXPENSES	3,249,056	1,703,856	322,036	5,274,946	5,543,927	(268,981)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	108,856	54,486	(2,996)	160,347	85,363	74,984
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	2,183	385	-	2,569	4,752	(2,183)
Capital Outlay-Debt Service Bonds	72,504	28,131	9,758	110,393	110,346	47
TOTAL CAPITAL EXPENDITURES	74,687	28,516	9,758	112,961	115,098	(2,136)
GRAND TOTAL EXPENDITURES	3,323,743	1,732,372	331,794	5,387,907	5,659,025	(271,117)
Excess (Deficiency) of Revenues and Expenses	34,169	25,970	(12,754)	47,386	(29,735)	77,120
Debt Service and Fixed Asset Fund:						
Bond Payments Receipts	72,504	28,131	9,758	110,393	110,346	(37,842)
Bond Payments Disbursements	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	72,504	28,131	9,758	110,393	110,346	(37,842)

TRI-COUNTY SERVICES Income and Expense



TRI-COUNTY SERVICES
Income after Expenses



Agenda Item: Approve December 2011 Financial Statements

Board Meeting Date

January 26, 2012

Committee: Business

Background Information:

None

Supporting Documentation:

December 2011 Financial Statements

Recommended Action:

Approve December 2011 Financial Statements

December 2011 Financial Summary

Revenues for December 2011 were \$1,772,564 and operating expenses were \$1,723,990 resulting in a gain in operations of \$48,575. Capital Expenditures and Extraordinary Expenses for December were \$36,798 resulting in a gain of \$11,777. Total revenues were 96.25% of the monthly budgeted revenues and total expenses were 93.75% of the monthly budgeted expenses.

Year to date revenues are \$7,207,857 and operating expenses are \$6,998,936 leaving excess operating revenues of \$208,922. YTD Capital Expenditures and Extraordinary Expenses are \$149,759 resulting in a gain YTD of \$59,163. Total revenues are 96.55% of the YTD budgeted revenues and total expenses are 94.85% of the YTD budgeted expenses.

REVENUES

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

Revenue Source	YTD Revenue	YTD Budget	% of Budget	\$ Variance
Case Management IDD – Title XIX	274,995	329,410	83.49%	54,415
Rehab – Title XIX	368,761	539,458	68.37%	170,697
DSHS Crisis - PESC	527,488	575,264	91.70%	48,224
DSHS Gen Rev - NGM	204,840	250,257	81.86%	45,417

Case Management IDD – Title XIX – This line item is under budget mainly due to changes in the delivery of this service, requiring more services to be documented and billed. We continue to monitor this line and will provide the plan of improvement during the January Board meeting.

Rehab – Title XIX – This line item is under budget due to staff turnover in this area as well as a change in documentation that has been implemented for treatment plans which takes considerably more time than the past documentation requirements. Staff have been trained in this process and the amount of time required to complete should decrease. A plan of improvement will also be provided for this line item during the January Board meeting.

DSHS Crisis – PESC – This line is a cost reimbursement program. This program was under budget in various expenses lines with the largest amount being in the medication expenses line. We anticipate that the expenses will increase as the census number increases in this program.

DSHS Gen Rev – NGM – This line item reflects the reimbursement of the cost of New Generation Medication. As we have seen over the past couple of years, our expenses for all medications have continued to decrease mainly due to the patient assistant programs that pay for medications for our consumers.

EXPENSES

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	\$ Variance
No items to report				

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of December 31, 2011

	TOTALS COMBINED FUNDS December 2011	TOTALS COMBINED FUNDS November 2011	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,924	4,924	-
Cash on Deposit-General Fund	8,636,620	6,295,374	2,341,246
Cash on Deposit-Debt Fund	150,991	114,193	36,798
Accounts Receivable	1,496,447	1,448,318	48,129
Inventory	34,969	35,112	(144)
TOTAL CURRENT ASSETS	10,323,950	7,897,922	2,426,028
FIXED ASSETS	6,386,044	6,485,059	(99,014)
OTHER ASSETS	46,624	29,587	17,037
TOTAL ASSETS	16,756,618	14,412,568	2,344,051
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,002,878	1,139,116	(136,238)
NOTES PAYABLE	417,673	417,673	-
DEFERRED REVENUE	3,332,860	908,298	2,424,562
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,568,427	1,610,861	(42,434)
Bond Series 2004	820,000	820,000	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	919,838	808,061	111,777
Debt Service Fund	(3,229)	(40,026)	36,798
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(2,802,299)	(2,844,733)	42,434
Reserved for Debt Retirement	1,230,000	1,230,000	-
Reserved for Debt Service	40,026	40,026	-
COMMITTED			
Net Assets-Property and Equipment	6,386,044	6,485,059	(99,015)
Reserved for Board Policy Requirements	879,405	879,405	-
Reserved for Equipment Reserve	354,290	354,290	-
Reserved for Inventory Reserve	32,973	32,973	-
Reserved for Operations and Programs	2,000,000	2,000,000	-
ASSIGNED			
Reserved for Worker Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	24,664	18,498	6,166
Reserved for Insurance Deductibles	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	178,658	178,658	-
TOTAL LIABILITIES/FUND BALANCE	16,756,618	14,412,568	2,344,050

**TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of December 31, 2011**

	General Operating Funds	TOTALS	
		Memorandum Only	
		December 2011	PRELIMINARY August 2011
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,924	4,924	3,925
Cash on Deposit-General Fund	8,636,620	8,636,620	5,551,241
Cash on Deposit-Debt Fund	150,991	150,991	437,478
Accounts Receivable	1,496,447	1,496,447	1,584,506
Inventory	34,969	34,969	33,893
TOTAL CURRENT ASSETS	10,323,950	10,323,950	7,611,043
FIXED ASSETS	6,386,044	6,386,044	5,050,968
OTHER ASSETS	46,624	46,624	45,776
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF LONG TERM DEBT		-	1,720,257
TOTAL ASSETS	16,756,618	16,756,618	14,428,043
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,002,878	1,002,878	1,052,221
NOTES PAYABLE	417,673	417,673	407,690
DEFERRED REVENUE	3,332,860	3,332,860	141,039
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,568,427	1,568,427	82,567
Bond Series 2004	820,000	820,000	1,230,000
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	919,838	919,838	902,346
Debt Service Fund	(3,229)	(3,229)	(40,026)
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(2,802,299)	(2,802,299)	-
Reserved for Debt Retirement	1,230,000	1,230,000	1,230,000
Reserved for Debt Service	40,026	40,026	477,505
COMMITTED			
Net Assets-Property and Equipment-Committed	6,386,044	6,386,044	5,050,968
Reserved for Board Policy Requirements-Committed	879,405	879,405	879,405
Reserved for Equipment Reserve-Committed	354,290	354,290	354,290
Reserved for Inventory Reserve-Committed	32,973	32,973	32,973
Reserved for Operations and Programs -Committed	2,000,000	2,000,000	2,000,000
ASSIGNED			
Reserved for Worker Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	24,664	24,664	74,000
Reserved for Insurance Deductibles-Assigned	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	178,658	178,658	278,658
TOTAL LIABILITIES/FUND BALANCE	16,756,618	16,756,618	14,428,043

TRI-COUNTY SERVICES
Revenue and Expense Summary
For the Month Ended December 2011
and YTD as of December 2011

INCOME:	MONTH OF December 2011	YTD December 2011
Local Revenue Sources	137,979	616,831
Earned Income	749,429	2,991,871
General Revenue-Contract	885,156	3,599,155
TOTAL INCOME	1,772,564	7,207,857
EXPENSES:		
Salaries	915,656	3,723,029
Employee Benefits	174,204	720,263
Medication Expense	19,363	91,699
Travel-Board/Staff	24,704	108,902
Building Rent/Maintenance	11,282	73,231
Consultants/Contracts	384,255	1,502,420
Other Operating Expenses	194,525	779,391
TOTAL EXPENSES	1,723,990	6,998,936
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	48,575	208,922
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	-	2,569
Capital Outlay-Debt Service Bonds	36,798	147,190
TOTAL CAPITAL EXPENDITURES	36,798	149,759
GRAND TOTAL EXPENDITURES	1,760,787	7,148,694
Excess (Deficiency) of Revenues and Expenses	11,777	59,163

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budgeted
Year to Date as of December 2011

	YTD December 2011	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	616,831	566,166	50,665
Earned Income	2,991,871	3,197,803	(205,932)
General Revenue-Contract	3,599,155	3,702,054	(102,899)
TOTAL INCOME	7,207,857	7,466,023	(258,166)
EXPENSES:			
Salaries	3,723,029	3,768,714	(45,685)
Employee Benefits	720,263	832,353	(112,090)
Medication Expense	91,699	144,400	(52,701)
Travel-Board/Staff	108,902	138,646	(29,744)
Building Rent/Maintenance	73,231	75,608	(2,377)
Consultants/Contracts	1,502,420	1,585,865	(83,445)
Other Operating Expenses	779,391	838,191	(58,800)
TOTAL EXPENSES	6,998,936	7,383,777	(384,841)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	208,922	82,246	126,676
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	2,569	6,336	(3,767)
Capital Outlay-Debt Service Bonds	147,190	147,125	65
TOTAL CAPITAL EXPENDITURES	149,759	153,461	(3,702)
GRAND TOTAL EXPENDITURES	7,148,694	7,537,238	(388,544)
Excess (Deficiency) of Revenues and Expenses	59,163	(71,215)	130,378

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	147,190	147,125	65
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expense:	147,190	147,125	65

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budget
For the Month Ended December 2011

INCOME:	MONTH OF December 2011	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	137,979	137,542	437
Earned Income	749,429	788,333	(38,904)
General Revenue-Contract	885,156	915,858	(30,702)
TOTAL INCOME	1,772,564	1,841,733	(69,169)
EXPENSES:			
Salaries	915,656	934,287	(18,631)
Employee Benefits	174,204	207,592	(33,388)
Medication Expense	19,363	36,100	(16,737)
Travel-Board/Staff	24,704	34,656	(9,952)
Building Rent/Maintenance	11,282	15,902	(4,620)
Consultants/Contracts	384,255	395,215	(10,960)
Other Operating Expenses	194,525	216,098	(21,573)
TOTAL EXPENSES	1,723,990	1,839,850	(115,860)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	48,575	1,883	46,692
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	1,584	(1,584)
Capital Outlay-Debt Service Bonds	36,798	36,779	19
TOTAL CAPITAL EXPENDITURES	36,798	38,363	(1,566)
GRAND TOTAL EXPENDITURES	1,760,787	1,878,213	(117,426)
Excess (Deficiency) of Revenues and Expenses	11,777	(36,480)	48,257

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	36,798	36,779	19
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	36,779	19

TRI-COUNTY SERVICES
Revenue and Expense Summary
With December 2010 Comparative Data
Year to Date as of December 2011

INCOME:	YTD December 2011	YTD December 2010	Increase (Decrease)
Local Revenue Sources	616,831	1,356,693	(739,862)
Earned Income	2,991,871	3,426,557	(434,686)
General Revenue-Contract	3,599,155	3,850,600	(251,445)
TOTAL INCOME	7,207,857	8,633,850	(1,425,993)
EXPENSES:			
Salaries	3,723,029	3,945,179	(222,150)
Employee Benefits	720,263	808,539	(88,276)
Medication Expense	91,699	139,522	(47,823)
Travel-Board/Staff	108,902	119,859	(10,957)
Building Rent/Maintenance	73,231	60,427	12,804
Consultants/Contracts	1,502,420	1,572,288	(69,868)
Other Operating Expenses	779,391	737,025	42,366
TOTAL EXPENSES	6,998,936	7,382,839	(383,903)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	208,922	1,251,011	(1,042,089)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	2,569	924,153	(921,584)
Capital Outlay-Debt Service Bonds	147,190	153,334	(6,144)
TOTAL CAPITAL EXPENDITURES	149,759	1,077,487	(927,728)
GRAND TOTAL EXPENDITURES	7,148,694	8,460,326	(1,311,632)
Excess (Deficiency) of Revenues and Expenses	59,163	173,524	(114,361)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	147,190	153,334	(6,144)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	147,190	153,334	(6,144)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With December 2010 Comparative Data
For the Month December 2011

INCOME:	MONTH OF December 2011	MONTH OF December 2010	Increase (Decrease)
Local Revenue Sources	137,979	301,700	(163,721)
Earned Income	749,429	846,207	(96,778)
General Revenue-Contract	885,156	965,571	(80,415)
TOTAL INCOME	1,772,564	2,113,478	(340,914)
EXPENSES:			
Salaries	915,656	1,003,952	(88,296)
Employee Benefits	174,204	203,194	(28,990)
Medication Expense	19,363	23,386	(4,023)
Travel-Board/Staff	24,704	25,516	(812)
Building Rent/Maintenance	11,282	22,588	(11,306)
Consultants/Contracts	384,255	400,798	(16,543)
Other Operating Expenses	194,525	188,225	6,300
TOTAL EXPENSES	1,723,990	1,867,659	(143,669)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	48,575	245,819	(197,244)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	205,001	(205,001)
Capital Outlay-Debt Service Bonds	36,798	38,113	(1,316)
TOTAL CAPITAL EXPENDITURES	36,798	243,114	(206,317)
GRAND TOTAL EXPENDITURES	1,760,787	2,110,773	(349,986)
Excess (Deficiency) of Revenues and Expenses	11,777	2,705	9,072

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	36,798	38,113	(1,316)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	36,798	38,113	(1,316)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With November 2011 Comparative Data
As of December 2011

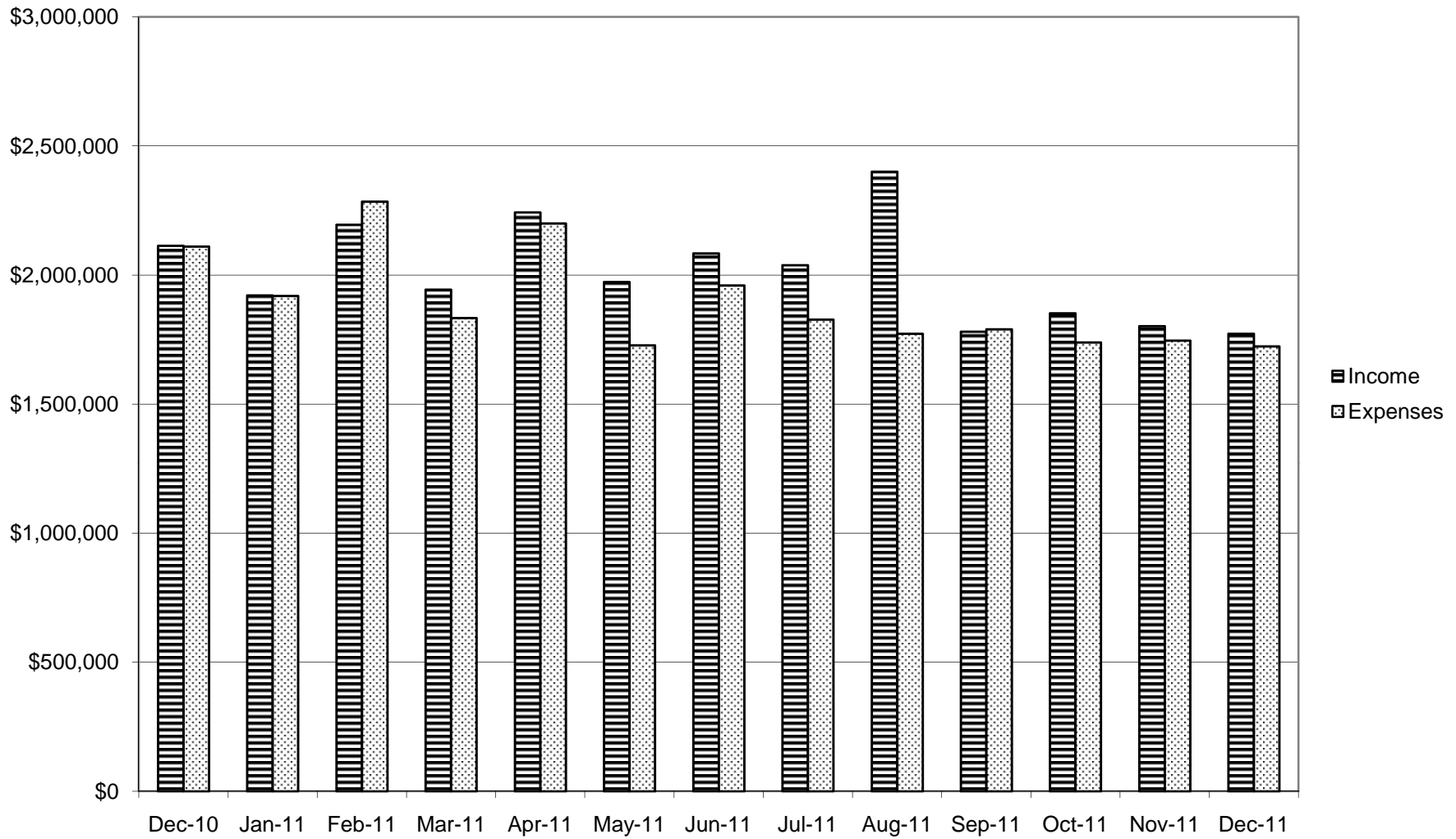
INCOME:	MONTH OF December 2011	MONTH OF November 2011	Increase (Decrease)
Local Revenue Sources	137,979	137,787	192
Earned Income	749,429	736,499	12,930
General Revenue-Contract	885,156	928,057	(42,901)
TOTAL INCOME	1,772,564	1,802,343	(29,779)
EXPENSES:			
Salaries	915,656	927,843	(12,187)
Employee Benefits	174,204	178,354	(4,150)
Medication Expense	19,363	25,067	(5,704)
Travel-Board/Staff	24,704	30,903	(6,198)
Building Rent/Maintenance	11,282	11,154	128
Consultants/Contracts	384,255	382,513	1,742
Other Operating Expenses	194,525	190,149	4,375
TOTAL EXPENSES	1,723,990	1,745,983	(21,994)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	48,575	56,360	(7,785)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	-	-
Capital Outlay-Debt Service Bonds	36,798	36,798	-
TOTAL CAPITAL EXPENDITURES	36,798	36,798	-
GRAND TOTAL EXPENDITURES	1,760,787	1,782,781	(21,994)
Excess (Deficiency) of Revenues and Expenses	11,777	19,562	(7,785)

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	36,798	36,798	-
Bond Payments Disbursements			-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	36,798	-

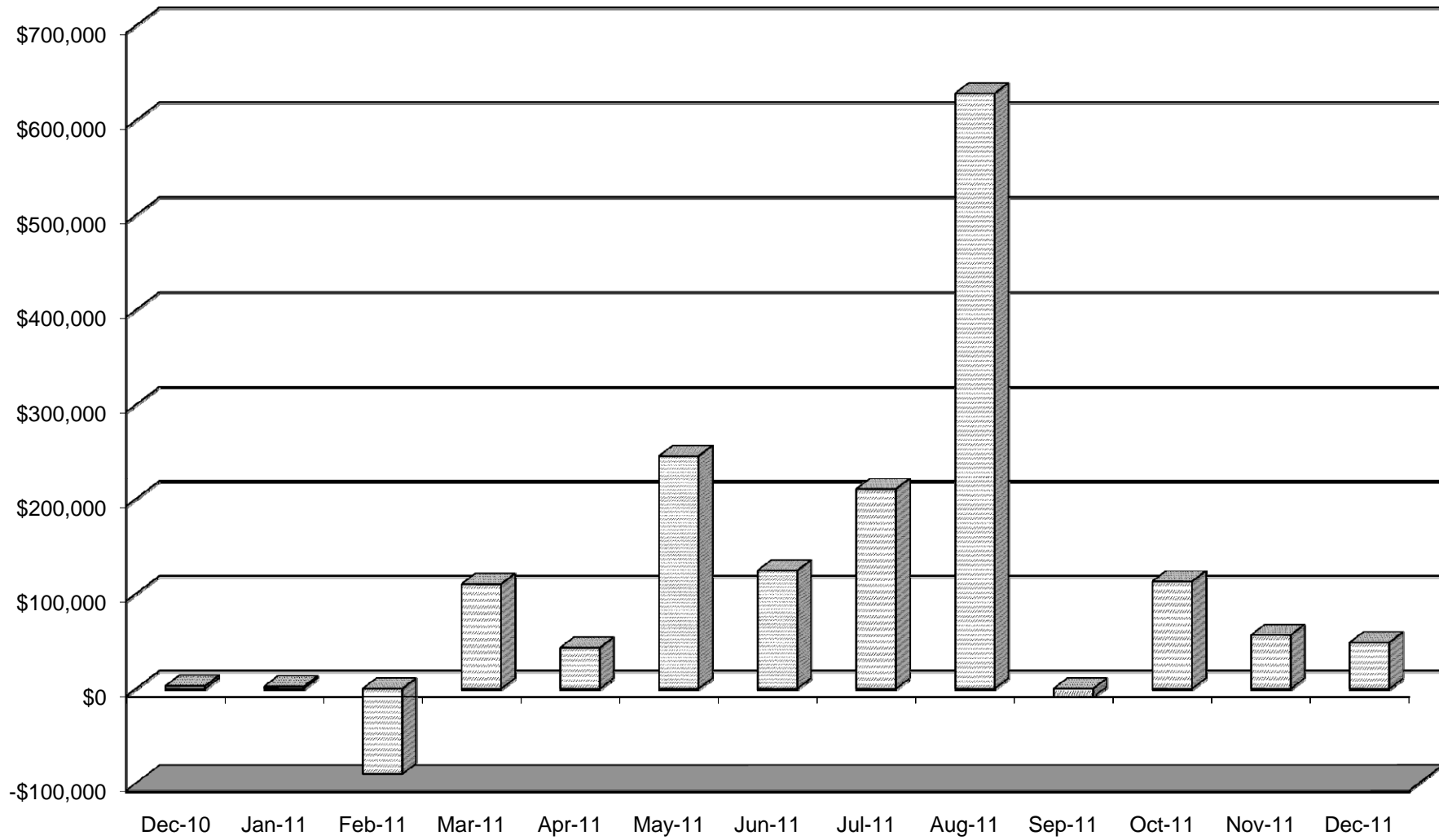
TRI-COUNTY SERVICES
Revenue and Expense Summary by Service Type
Compared to Budget
As of YTD Ended December 31, 2011

	YTD Mental Health December 2011	YTD IDD December 2011	YTD Other Services December 2011	YTD Agency Total December 2011	YTD Approved Budget December 2011	Increase (Decrease)
INCOME:						
Local Revenue Sources	611,953	(39,898)	44,777	616,831	566,166	50,665
Earned Income	650,755	1,959,331	381,784	2,991,871	3,197,803	(205,932)
General Revenue-Contract	3,191,804	407,351	-	3,599,155	3,702,054	(102,899)
TOTAL INCOME	4,454,512	2,326,784	426,561	7,207,857	7,466,023	(258,166)
EXPENSES:						
Salaries	2,793,407	681,881	247,743	3,723,029	3,768,714	(45,685)
Employee Benefits	529,750	144,111	46,402	720,263	832,353	(112,090)
Medication Expense	86,863	-	4,836	91,699	144,400	(52,701)
Travel-Board/Staff	70,111	28,482	10,309	108,902	138,646	(29,744)
Building Rent/Maintenance	56,342	16,889	-	73,231	75,608	(2,377)
Consultants/Contracts	242,500	1,219,197	40,722	1,502,420	1,585,865	(83,445)
Other Operating Expenses	556,481	145,756	77,154	779,391	838,191	(58,800)
TOTAL EXPENSES	4,335,454	2,236,316	427,166	6,998,935	7,383,777	(384,842)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	119,058	90,468	(605)	208,922	82,246	126,676
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	2,183	385	-	2,569	6,336	(3,767)
Capital Outlay-Debt Service Bonds	96,670	37,511	13,009	147,190	147,125	65
TOTAL CAPITAL EXPENDITURES	98,853	37,896	13,009	149,758	153,461	(3,702)
GRAND TOTAL EXPENDITURES	4,434,307	2,274,212	440,175	7,148,693	7,537,238	(388,544)
Excess (Deficiency) of Revenues and Expenses	20,205	52,572	(13,614)	59,163	(71,215)	130,378
Debt Service and Fixed Asset Fund:						
Bond Payments Receipts	96,670	37,511	13,009	147,190	147,125	(50,455)
Bond Payments Disbursements	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	96,670	37,511	13,009	147,190	147,125	(50,455)

TRI-COUNTY SERVICES Income and Expense



TRI-COUNTY SERVICES
Income after Expenses



<p>Agenda Item: Approve Revisions to the Board Policy on Nepotism</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>January 26, 2012</p>
<p>Background Information:</p> <p>The Nepotism policy has not been revised since 1993. Therefore, it has been revised to reflect Tri-County's name change and add other necessary information. Mary Lou Flynn-DuPart, Tri-County's Board attorney, has approved the proposed revisions.</p>	
<p>Supporting Documentation:</p> <p>Board Policy F.7 – Nepotism, effective December 1993</p> <p>Final Board Policy F.7 – Nepotism (includes the Consanguinity and Affinity Relationship Chart)</p>	
<p>Recommended Action:</p> <p>Approve Revisions to the Board Policy on Nepotism</p>	

~~TRI-COUNTY MENTAL HEALTH MENTAL RETARDATION SERVICES~~

STATEMENT OF POLICY

William E. Hall, Jr., Chairman

Date

Subject: Nepotism

Original Effective Date: 6/29/89

Revision Dates: 12/2/93

- A. ~~No person shall be granted employment with Tri County Mental Health Mental Retardation Services (Tri County) if the potential employee is related within the second degree by affinity (relationship by marriage) or within the third degree by consanguinity (relationship by blood) to any member of the Tri County Board of Trustees. Nor shall any present employee hold a job with Tri County while related within the degree stated above to a member of the Tri County Board of Trustees, unless the employee was employed by Tri County at least thirty one (31) days prior to the appointment of the relative to the Tri County Board of Trustees.~~
- B. ~~No individual shall hire, supervise the work of or have any control over the compensation, assignments, working conditions, or hours of work of any person related to that individual within the second degree (relationship by marriage) or the third degree of consanguinity (relationship by blood).~~

NOTE: ~~———— A copy of the Consanguinity and Affinity Relationship Chart is attached~~

Delete this version and add new wording as proposed.

TRI-COUNTY SERVICES

STATEMENT OF POLICY

Len George, Chairman

Date

ORIGINAL EFFECTIVE DATE: June 29, 1989

REVISION DATES: 12/2/93, 1/26/12

SUBJECT: Nepotism

Tri-County Services permits the employment of qualified relatives of employees or persons sharing a household with an employee as long as such employment does not, in the opinion of the Center's Executive Director, create actual or potential improprieties or conflicts of interest.

The Center will exercise sound business judgment in the placement of related employees. These procedures shall apply to all categories of employees at the Center.

- I. Employees who are related or share a household and work at the Center are subject to the following conditions:
 - A. No employee is permitted to be directly supervised by a relative or individual sharing a household.
 - B. No relatives or individuals sharing a household are permitted to work in positions in which the administration believes that an inherent conflict of interest might exist.
 - C. An employee in Financial Services may not be related within the third degree of consanguinity, second degree of affinity or share a household with an employee in Human Resources or vice versa. This practice enhances sound internal and financial control. Additionally, no employee, in any department, may hold a position, which would violate the principles of sound internal and/or financial control.
 - D. Employees who marry while employed are treated in accordance with these guidelines. If, in the opinion of the Executive Director, a conflict or apparent or potential conflict arises as a result of the marriage, one of the employees will be transferred or terminated at the earliest practical time.

- E. No applicant shall be employed who is related to a member of the Board of Trustees, Executive Director or Leadership Team member in any of the following ways:
1. Within the third degree of consanguinity (related by blood)
 2. Within the second degree of affinity (related by marriage)
 3. A household member
- F. Current employees in any of the above situations will be grandfathered.

II. Civil Law Degree of Relationship Chart

CIVIL LAW – DEGREE OF RELATIONSHIP*			
1ST	2ND	3RD	4TH
Child Parent Spouse	Grandchild Sister/Brother Niece/Nephew Grandparent	Great Grandchild Niece/Nephew Aunt/Uncle Great Grandparent	Great, Great Grandchild Grand Niece/Nephew 1 st Cousin Great Aunt/Uncle Great, Great Grandparent

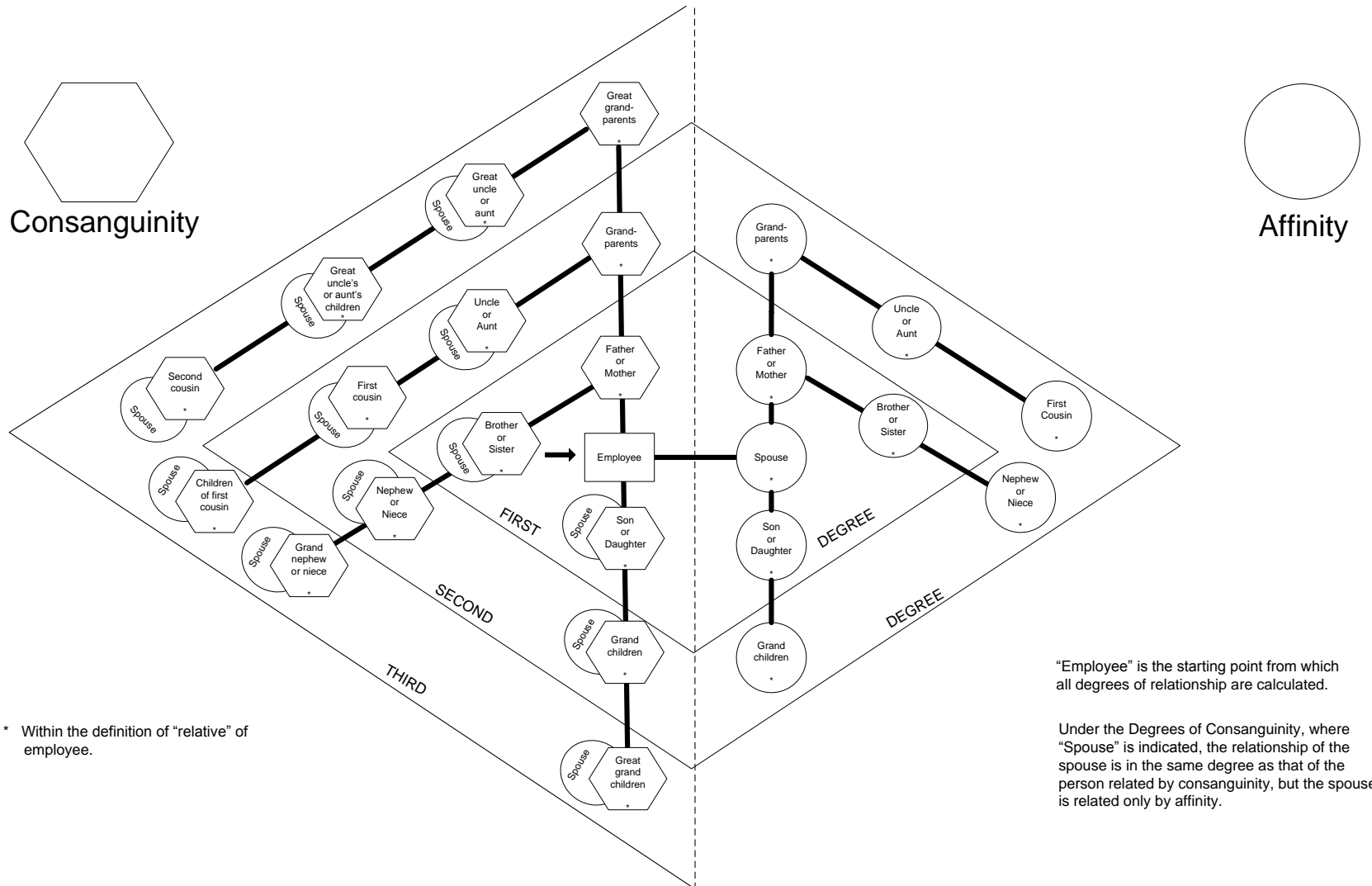
*Includes Step Relations

III. Definitions

- A. Applicant – Any person who is not a Center employee and who completes and submits the Center's standard employment application; a Center employee who completes and submits a Request for Transfer.
- B. Center – Tri-County Services
- C. Classified Position – A classified position is:
1. A budgeted full-time position within a specific salary range on the current salary schedule and which shall require 40 hours of work per week, or
 2. A budgeted part-time position within a specific salary range on the current salary schedule and which shall require less than 40 hours of work per week, or
 3. A budgeted or unbudgeted temporary position, which shall not exceed six months.
- D. Employee – An individual hired to perform the work of a classified position and paid a salary or wage for performing that work.
- E. May – As used in this policy, "may" statements identify what actions are allowed.
- F. Relative – A spouse, child, parent, someone in loco parentis, sibling, grandparent, grandchild, aunt, uncle, first cousin, or corresponding in-law or "step" relation.

IV. The Consanguinity and Affinity Relationship Chart is on the following page.

Consanguinity and Affinity Relationship Chart



<p>Agenda Item: Amendment to 401(a) Retirement Plan Adoption Agreement</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>January 26, 2012</p>
<p>Background Information:</p> <p>Section A2.03 of the Adoption Agreement currently reads: "The Entry Dates of the Plan shall be the first day of each month during the Plan Year." ISC Group has always applied payments to the staff retirement account when the employee was eligible, which is the date of hire.</p> <p>However, ISC Group has hired Benefit Consultants to complete the administrative aspects of the retirement plan and they want to follow the Adoption Plan document as it is written. Therefore, ISC Group is recommending an amendment to Section A2.03 to read "The Entry Date of the Plan shall be immediate following the date eligibility requirements are met."</p>	
<p>Supporting Documentation:</p> <p>Amendment to the Tri-County MHMR Services 401(a) Retirement Plan</p>	
<p>Recommended Action:</p> <p>Approve Amendment to Tri-County MHMR Services 401(a) Retirement Plan Adoption Agreement</p>	

**AMENDMENT TO THE
TRI-COUNTY MHMR SERVICES
401(a) RETIREMENT PLAN**

The following Amendment in the form of deletions, substitutions and additions hereby is made to the Tri-County MHMR Services 401(a) Retirement Plan:

1. Section A2.03 of the Adoption Agreement, "Plan Entry Date," shall be deleted and replaced in its entirety with the following:

A2.03 ENTRY DATE. The Entry Date of the Plan shall be immediate following the date eligibility requirements are met.

The effective date of the Amendment shall be and hereby is the 1st day of September, 2011.

ADOPTED this 26th day of January, 2012.

Employer: Tri-County MHMR Services

Authorized Signature

Len George, Chairman
Printed Name and Title

Agenda Item: Disposition of 507 Bryant Road and 103 North Thompson, Conroe, Texas Committee: Business	Board Meeting Date January 26, 2012
Background Information: Over the past few months we have vacated the buildings located at 507 Bryant Road and 103 North Thompson in Conroe. In our current plans we do not foresee a need for this space and would like to get these facilities on the market as soon as possible. We want to actively market the properties with their prospective buyers. If this marketing does not result in contracts, then we would propose listing the properties with a commercial realtor.	
Supporting Documentation: None	
Recommended Action: Authorize Executive Director To Actively Market 507 Bryant Road and 103 North Thompson in Conroe, Texas And List With Commercial Realtor, If Needed	

Agenda Item: CSU Construction Closeout Committee: Business – Executive Session	Board Meeting Date January 26, 2012
Background Information: Our attorney will discuss the status of the final close-out payments to Diamond Commercial Construction for their construction of the crisis stabilization unit. The discussion will occur in executive session.	
Supporting Documentation: None	
Recommended Action: Consider Final Close-out Payments to Diamond Commercial Construction for CSU Construction and Take Appropriate Action	

Agenda Item: Revenue Improvement Plan Committee: Business	Board Meeting Date January 26, 2012
Background Information: <p>As a result of changes in the reimbursement methodologies and/or rate reductions for both Intellectual and Developmental Disability and Mental Health services reimbursable under Medicaid, our revenue has been below budget since the beginning of the fiscal year. In addition to these State imposed changes, we installed an upgrade to our clinical software, Anasazi, that caused dramatic delays in clinical data input and system response. We have corrected and improved everything within our control related to Anasazi and the software response time has improved; however, we continue to struggle to meet Medicaid revenue budget projections.</p> <p>At the December 8th Board meeting, the Business Committee requested that staff develop an improvement plan to address these continuing revenue shortfalls. Don Teeler and his staff developed the plan and the Leadership Team spent considerable time discussing the plan. At the January 3rd Leadership Team meeting, we adopted the attached improvement plan and we have begun implementing these changes. The plan includes redirecting some existing lapse funds to finance the addition of staff; these positions have been posted and we are currently recruiting. We will obviously monitor the effectiveness of the plan and the results should be evident in the coming months' financial statements.</p>	
Supporting Documentation: Revenue Improvement Plan	
Recommended Action: For Information Only	

Revenue Improvement Plan

- A. Review and Update Performance Incentive Plans – The performance incentive award plan, described in an existing Tri-County procedure, will be reviewed and updated in an effort to make it more incentivizing for rehabilitation positions that provide medically necessary and Medicaid reimbursable services.
- B. An internal committee will be developed to review options for reducing time our employees spend on work activities that do not generate revenue, in an effort to create additional time available for direct service.
- C. An internal committee will review options to fill vacant positions more rapidly, including the completion of new employee orientation and required training, in an effort to get positions filled in a manner that would expedite the ability to minimize revenue loss during position turnover and ensure that medically needed services are provided.
- D. Reduce the amount of time spent on performance improvement plans with underachieving employees. If an existing employee cannot improve performance more rapidly, termination actions will occur as a necessary step to select a more productive replacement employee.
- E. Restructure and replace some existing positions, with direct service, alternative revenue generating positions, that will be designed to produce a higher level of revenue and more direct service to clients.
- F. Reallocate unspent New Generation Revenue, to create employee positions, which will result in more direct service to clients and increased revenue generation. If there is a sufficient level of unspent New Generation Revenue available for the fourth quarter, develop a Summer Training Program for youth Medicaid recipients, by employing temporary summer training positions – this will produce additional revenue by taking advantage of public schools being closed and provide much needed summer therapeutic activities.
- G. Reduce services to non-Medicaid clients and shift staff resources to serve clients with Medicaid. The objective of this change is to continue to meet the necessary clinical needs of clients without Medicaid in a manner that frees up existing staff resources to serve Medicaid clients. This does not include any program elimination, but it would include a reduction of services to non-Medicaid clients in the Rehabilitation service area.
- H. Explore options to increase MH rehabilitation services in the rural counties, especially in Liberty County where it appears we may have Medicaid clients in need of more intensive services.
- I. Reduce frequency of case coordination services for individuals with IDD who are not Medicaid recipients to quarterly and shift resources to serve individuals with Medicaid. The objective is to continue to address the needs of individuals without Medicaid benefits, while ensuring that medically necessary services are provided to individuals with Medicaid benefits. This change does not result in any program elimination.

Agenda Item: 1 st Quarter FY 2012 Quarterly Investment Report Committee: Business	Board Meeting Date January 26, 2012
Background Information: This report is provided to the Board of Trustees of Tri-County Services in accordance with Board Policy on Fiscal Management and in compliance with Chapter 2256: Subchapter A of the Public Funds Investment Act.	
Supporting Documentation: Quarterly TexPool Investment Report Quarterly Interest Report	
Recommended Action: For Information Only	

QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS

For the Period Ending November 30, 2011

GENERAL INFORMATION

This report is provided to the Board of Trustees of Tri-County Services in accordance with Board Policy on fiscal management and in compliance with Chapter 2256; Subchapter A of the Public Funds Investment Act.

Center funds for the period have been partially invested in the Texas Local Government Investment Pool (TexPool), organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Chase Bank of Texas National Association; its parent company, The Chase Manhattan Bank; and the First Southwest Asset Management, Inc. The Comptroller maintains oversight of the services provided. In addition, the TexPool Advisory Board, composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool, advises on investment policy and approves fee increases.

TexPool investment policy restricts investment of the portfolio to the following types of investments:

Obligations of the United States Government or its agencies and instrumentalities with a maximum maturity of 13 months;

Fully collateralized repurchase agreements and reverse repurchase agreements with a defined termination date not to exceed 90 days, secured by any obligation of the United States, its agencies or its instrumentalities. These agreements may be placed only with primary government securities dealers, state, or national banks doing business in the State of Texas.

No-load money market mutual funds are regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized rating service. The money market mutual fund must maintain a dollar-weighted average stated maturity of 60 days or less and include in its investment objectives the maintenance of a stable net asset value of \$1.00.

TexPool is governed by the following specific portfolio diversification limitations;

100% of the portfolio may be invested in obligations of the United States.

100% of the portfolio may be invested in direct repurchase agreements for liquidity purposes.

Reverse repurchase agreements will be used primarily to enhance portfolio return within a limitation of up to one-third (1/3) of total portfolio assets.

No more than 15% of the portfolio may be invested in approved money market mutual funds.

The weighted average maturity of TexPool cannot exceed 60 days and the maximum maturity for any individual security in the portfolio is limited to thirteen (13) months.

TexPool seeks to maintain a net asset value of \$1.00 and is designed to be used for investment of funds which may be needed at any time.

STATISTICAL INFORMATION

Market Value for the Period

Portfolio Summary	September	October	November
Uninvested Balance	(13,179.95)	12,397.34	1,781,628.96
Accrual of Interest Income	8,069,507.84	7,055,146.40	6,140,977.76
Interest and Management Fees Payable	(1,062,475.56)	(1,000,950.26)	(1,312,114.99)
Payable for Investments Purchased	(224,935,048.00)	0.00	(55,000,000.00)
Repurchase Agreements	7,809,605,000.00	8,351,625,850.00	9,204,518,000.00
Mutual Fund Investments	0.00	0.00	0.00
Government Securities	6,127,529,775.85	5,648,583,598.11	5,316,408,143.35
U.S. Treasury Bills	0.00	0.00	0.00
U.S. Treasury Notes	331,477,439.00	330,730,056.00	230,041,387.00
TOTAL	\$14,050,671,019.18	\$14,337,006,097.59	\$14,702,578,022.08

Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(386.10)	1,781,628.96
Accrual of Interest Income	6,917,197.43	6,140,977.76
Interest and Management Fees Payable	(1,055,324.42)	(1,312,114.99)
Payable for Investments Purchased	(234,000,000.00)	(55,000,000.00)
Repurchase Agreements	7,415,281,000.00	9,204,524,000.00
Mutual Fund Investments	0.00	0.00
Government Securities	6,443,530,839.14	5,315,239,678.58
U.S. Treasury Bills	0.00	0.00
U.S. Treasury Notes	582,111,607.27	229,989,843.28
TOTAL	\$14,212,784,933.32	\$14,701,364,013.59

Portfolio By Maturity as of November 30, 2011

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
69.8%	16.8%	4.7%	8.7%

Portfolio By Type of Investments as of November 30, 2011

Repurchase	T-Bills	Mutual Funds	Agency Notes	Agency Discounts	T-Notes	Treasury Bills
62.4%	None	None	36.0%	None	None	1.6%

SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 0.09% for September, 0.08% for October and 0.11% for November.

As of the end of the reporting period, market value of collateral supporting the Repurchase Agreements was at least 102% of the Book Value.

The weighted average maturity of the fund as of November 30, 2011 was 39 days.

The net asset value as of November 30, 2011 was 1.00008.

The total amount of interest distributed to participants during the period was \$3,375,613.13.

This quarter TexPool interest rates exceeded the 90 Day T-Bill rates during the entire reporting period.


TexPool has a current money market fund rating of AAAm by Standard and Poors.

During the reporting period, the total number of participants has increased to 2,258.

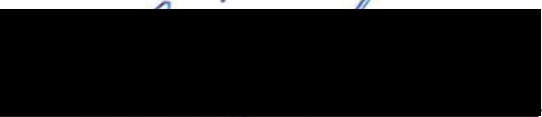
Funds assets are safe kept at the State Street Bank in the name of TexPool in a custodial account.

During the reporting period, the investment portfolio was in full compliance with Tri-County Services' Investment Policy and with the Public Funds Investment Act.

Submitted by:


Millie McDuffey
Chief Financial Officer / Investment Officer


Date


Cindy Sill
Executive Director / Investment Officer


Date

**TRI-COUNTY SERVICES
QUARTERLY INTEREST EARNED REPORT
FISCAL YEAR 2012
AS OF NOVEMBER 2011**

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
First Liberty National Bank	\$ 24.23				\$ 24.23
JP Morgan Chase (HBS)	\$ 527.60				\$ 527.60
Prosperity Bank	\$ 11.85				\$ 11.85
TexPool Participants	\$ 155.72				\$ 155.72
Redeemed 10/21/11 Hillcrest Bank	\$ 392.70				\$ 392.70
Tradition Bank	\$ 9,843.98				\$ 9,843.98
Total Earned	\$ 10,956.08	\$ -	\$ -	\$ -	\$ 10,956.08

Agenda Item: Board of Trustees' Unit Financial Statements for November & December 2011 Committee: Business	Board Meeting Date January 26, 2012
Background Information: None	
Supporting Documentation: Board of Trustees' Unit Financial Statements for November & December 2011	
Recommended Action: For Information Only	

Unit Financial Statement

FY 2012

	November 11 Actuals	November 11 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
80103998 Allocated Revenue	\$ 2,803.00	\$ 2,803.00	\$ -	\$ 8,409.00	\$ 8,409.00	\$ -	0.00%	\$ 33,645.00
Total Revenue	\$ 2,803.00	\$ 2,803.00	\$ -	\$ 8,409.00	\$ 8,409.00	\$ -	0.00%	\$ 33,645.00
Expenses								
80105030 Application Fees	\$ -	\$ -	\$ -	\$ 4.50	\$ -	\$ 4.50	0.00%	\$ -
80105275 Food Items	\$ 119.68	\$ 184.00	\$ (64.32)	\$ 510.22	\$ 552.00	\$ (41.78)	92.43%	\$ 2,200.00
80105320 Insurance-Worker Compensation	\$ -	\$ 19.00	\$ (19.00)	\$ 30.42	\$ 57.00	\$ (26.58)	53.37%	\$ 220.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	100.00%	\$ 18,000.00
80105415 Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105605 Postage-Express Mail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105715 Supplies - Office	\$ -	\$ 15.00	\$ (15.00)	\$ 53.00	\$ 45.00	\$ 8.00	117.78%	\$ 180.00
80105750 Training	\$ -	\$ 368.00	\$ (368.00)	\$ -	\$ 1,104.00	\$ (1,104.00)	0.00%	\$ 4,425.00
80105755 Travel - Local	\$ 127.21	\$ 100.00	\$ 27.21	\$ 204.98	\$ 300.00	\$ (95.02)	0.00%	\$ 1,200.00
80105757 Travel - Non-local Mileage/Air	\$ 239.13	\$ 166.00	\$ 73.13	\$ 633.11	\$ 498.00	\$ 135.11	127.13%	\$ 2,001.00
80105758 Travel - Non-local Hotel	\$ 124.20	\$ 376.00	\$ (251.80)	\$ 693.07	\$ 1,128.00	\$ (434.93)	61.44%	\$ 4,519.00
80105759 Travel - Meals	\$ 30.98	\$ 75.00	\$ (44.02)	\$ 191.56	\$ 225.00	\$ (33.44)	85.14%	\$ 900.00
Total Expenses	\$ 2,141.20	\$ 2,803.00	\$ (661.80)	\$ 6,820.86	\$ 8,409.00	\$ (1,588.14)	81.11%	\$ 33,645.00
Total Revenue minus Expenses	\$ 661.80	\$ -	\$ 661.80	\$ 1,588.14	\$ -	\$ 1,588.14	-81.11%	\$ -

Unit Financial Statement

FY 2012

	December 11 Actuals	December 11 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
80103998 Allocated Revenue	\$ 2,804.00	\$ 2,804.00	\$ -	\$ 11,213.00	\$ 11,213.00	\$ -	0.00%	\$ 33,645.00
Total Revenue	\$ 2,804.00	\$ 2,804.00	\$ -	\$ 11,213.00	\$ 11,213.00	\$ -	0.00%	\$ 33,645.00
Expenses								
80105030 Application Fees	\$ -	\$ -	\$ -	\$ 4.50	\$ -	\$ 4.50	0.00%	\$ -
80105275 Food Items	\$ -	\$ 184.00	\$ (184.00)	\$ 510.22	\$ 736.00	\$ (225.78)	69.32%	\$ 2,200.00
80105320 Insurance-Worker Compensation	\$ 12.39	\$ 19.00	\$ (6.61)	\$ 42.81	\$ 76.00	\$ (33.19)	56.33%	\$ 220.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	100.00%	\$ 18,000.00
80105415 Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105605 Postage-Express Mail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105715 Supplies - Office	\$ -	\$ 15.00	\$ (15.00)	\$ 53.00	\$ 60.00	\$ (7.00)	88.33%	\$ 180.00
80105750 Training	\$ -	\$ 369.00	\$ (369.00)	\$ -	\$ 1,473.00	\$ (1,473.00)	0.00%	\$ 4,425.00
80105755 Travel - Local	\$ 77.77	\$ 100.00	\$ (22.23)	\$ 282.75	\$ 400.00	\$ (117.25)	0.00%	\$ 1,200.00
80105757 Travel - Non-local Mileage/Air	\$ -	\$ 167.00	\$ (167.00)	\$ 633.11	\$ 665.00	\$ (31.89)	95.20%	\$ 2,001.00
80105758 Travel - Non-local Hotel	\$ -	\$ 376.00	\$ (376.00)	\$ 693.07	\$ 1,504.00	\$ (810.93)	46.08%	\$ 4,519.00
80105759 Travel - Meals	\$ -	\$ 75.00	\$ (75.00)	\$ 191.56	\$ 300.00	\$ (108.44)	63.85%	\$ 900.00
Total Expenses	\$ 1,590.16	\$ 2,805.00	\$ (1,214.84)	\$ 8,411.02	\$ 11,214.00	\$ (2,802.98)	75.00%	\$ 33,645.00
Total Revenue minus Expenses	\$ 1,213.84	\$ (1.00)	\$ 1,214.84	\$ 2,801.98	\$ (1.00)	\$ 2,802.98	-75.00%	\$ -

UPCOMING MEETINGS

February 23, 2012 - Board Meeting

- Approve Minutes from January 26, 2012 Board Meeting
- Community Resources Report for January 2012
- Consumer Services Report for January 2012
- Program Updates for January 2012
- Program Presentation - Typical Service Activity Day at the PETC
- Personnel Report for January 2012
- Approve January 2012 Financial Statements
- 401(a) Retirement Plan Account Review
- Board of Trustees Unit Financial Statements for January 2012
- Montgomery Supported Housing, Inc. Quarterly Update
- Other Business Committee Issues

March 22, 2012 - Board Meeting

- Approve Minutes from February 23, 2012 Board Meeting
- Longevity Recognition Presentations
- 2nd Quarter FY 2012 Corporate Compliance & Quality Management Report
- 3rd Quarter FY 2012 Corporate Compliance Training
- Year to Date FY 2012 Goals & Objectives Progress Report
- Community Resources Report for February 2012
- Consumer Services Report for February 2012
- Program Updates for February 2012
- Program Presentation - Rider 65 Crisis Transitional Services
- Personnel Report for February 2012
- Approve February 2012 Financial Statements
- Board of Trustees Unit Financial Statements for February 2012
- Other Business Committee Issues